Town of Saguache
Financial Statements and
Independent Auditor's Report
as of
December 31, 2025

Town of Saguache
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Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Saguache, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Saguache, 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 Saguache, 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 Saguache, Colorado, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Saguache, 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.

Certified Public Accountants
105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

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 Saguache, 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 Saguache, 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Saguache, Colorado's basic financial statements. The combining, individual nonmajor fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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, individual nonmajor fund financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
August 6, 2026

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

As management of the Town of Saguache (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 ended 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 assets exceeded its liabilities by $4,533,834 (i.e. net position) as of December 31, 2025, an increase of $135,277 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $1,552,426, an increase of $115,219 in comparison with the prior year.
- The Town's fund balance for the General Fund was $1,062,869, an increase of $65,391 in comparison to the prior year.
- General property, sales and franchise taxes totaled $407,669, or 70% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*).

The Governmental Activities of the Town include general government administration, public works, and culture and recreation. The Business-type Activities of the Town include the following utilities: water and sewer.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: governmental funds and proprietary funds.

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

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

The Town maintains two major government funds, the General and General Improvement Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those above funds.

Water and Sewer Fund – The Town maintains one type of proprietary fund. *Enterprise Fund* which is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a single enterprise fund to account for its Water and Sewer Fund activities.

Notes to Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets exceeded liabilities and deferred inflow of resources by $4,533,834. Of this amount, $2,080,855 is unrestricted and available to meet the Town's ongoing financial obligations.

By far one of the largest portions of net position is the investment in capital assets (net of related debt) of $2,428,649 (53% 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 and 2024:

	Governmental Activities		Business-Type Activities		Totals	
Assets	2025	2024	2025	2024	2025	2024
Current and other assets	$ 1,679,642	$ 1,516,442	$ 578,465	$ 527,777	$ 2,258,107	$ 2,044,219
Capital assets	1,444,066	1,438,353	2,453,064	2,528,778	3,897,130	3,967,131
Total assets	$ 3,123,708	$ 2,954,795	$ 3,031,529	$ 3,056,555	$ 6,155,237	$ 6,011,350
Current liabilities	$ 31,768	$ 5,235	$ 72,249	$ 65,077	$ 104,017	$ 70,312
Loans payable	-	-	1,404,634	1,468,481	1,404,634	1,468,481
Total liabilities	31,768	5,235	1,476,883	1,533,558	1,508,651	1,538,793
Deferred inflows of resources	112,752	74,000	-	-	112,752	74,000
Net position						
Investment in capital assets net of related debt	1,444,066	1,438,353	984,583	996,450	2,428,649	2,434,803
Restricted	24,330	31,600	-	-	24,330	31,600
Unrestricted	1,510,792	1,405,607	570,063	526,547	2,080,855	1,932,154
Total net position	$ 2,979,188	$ 2,875,560	$ 1,554,646	$ 1,522,997	$ 4,533,834	$ 4,398,557

An additional portion of net position, $24,330 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $2,080,855 (46% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $135,277 in 2025.

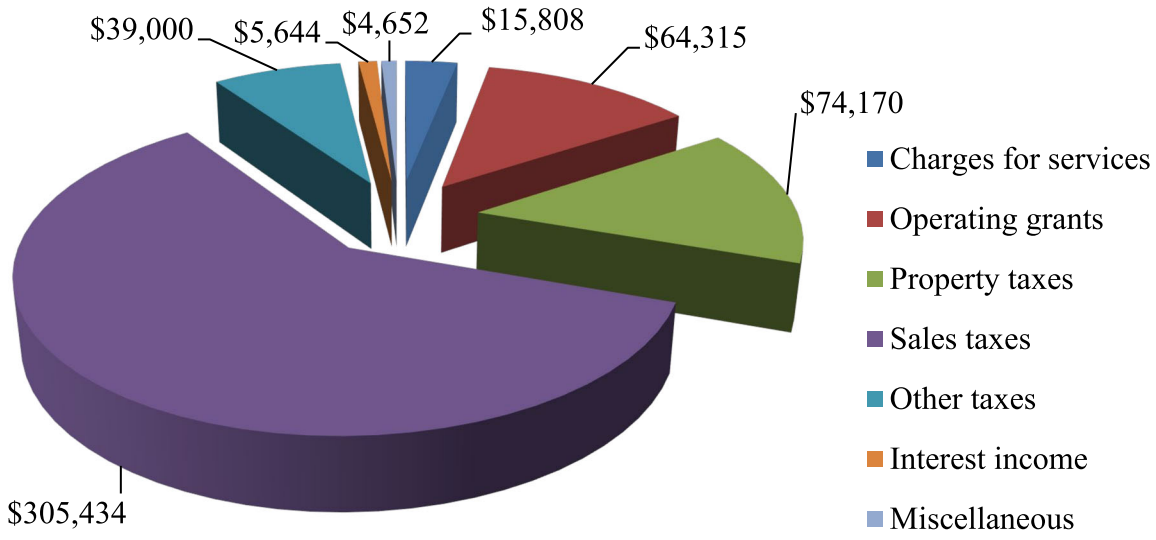
The following are changes in net position for 2025 and 2024.

	Governmental Activities		Business-Type Activities		Totals	
Revenues	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	$ 15,808	$ 16,728	$ 343,617	$ 326,917	$ 359,425	$ 343,645
Operating grants	64,315	178,046	-	-	64,315	178,046
Capital grants	-	7,500	55,500	30,000	55,500	37,500
General revenues						
Property taxes	74,170	101,786	-	-	74,170	101,786
Sales taxes	305,434	286,800	-	-	305,434	286,800
Other taxes	39,000	45,251	-	-	39,000	45,251
Interest income	5,644	6,550	309	285	5,953	6,835
Other	4,652	40,306	3,844	13,132	8,496	53,438
Transfers in (out)	154,191	142,873	(154,191)	(142,873)	-	-
Totals	663,214	825,840	249,079	227,461	912,293	1,053,301
Expenses						
General government	285,493	400,818	-	-	285,493	400,818
Public safety	50,173	49,710	-	-	50,173	49,710
Highway and streets	153,106	153,898	-	-	153,106	153,898
Sanitation	66	200	-	-	66	200
Culture and recreation	70,748	44,228	-	-	70,748	44,228
Total expenses	559,586	648,854	-	-	559,586	648,854
Business-type activities						
Water	-	-	99,729	94,415	99,729	94,415
Sewer	-	-	117,701	106,641	117,701	106,641
Total expenses	-	-	217,430	201,056	217,430	201,056
Increase in net position	103,628	176,986	31,649	26,405	135,277	203,391
Beginning Balance	2,875,560	2,698,574	1,522,997	1,496,592	4,398,557	4,195,166
Ending Balance	$ 2,979,188	$ 2,875,560	$ 1,554,646	$ 1,522,997	$ 4,533,834	$ 4,398,557

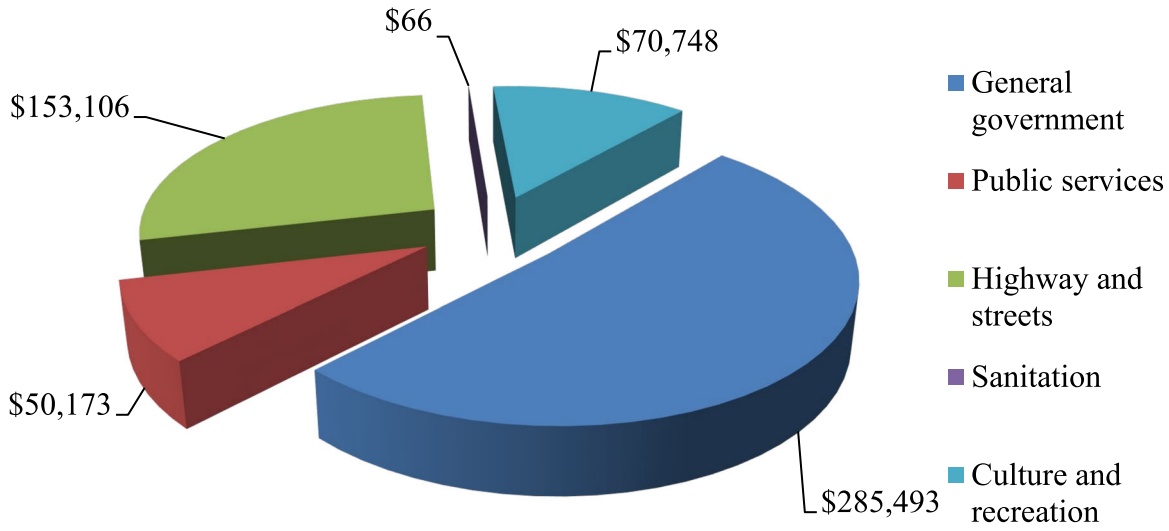
Governmental Activities

Governmental activities increased the Town's net position by $120,932.

Governmental Activities Revenue by Source



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase in net position of $31,649. Charges for services accounted for 85% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of the end of 2025, the Town's governmental funds reported combined ending fund balances of $1,552,426, an increase of $ 115,219 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 67% of this total amount, $ 1,038,539, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a state constitution mandated emergency reserve of $24,330 or assigned and committed of $489,557.

The Town has two major governmental funds the General Fund, which is the primary operating fund for the Town and the General Improvements Fund used for capital acquisitions. At the end of 2025, fund balances of the General and General Improvement Funds were $1,062,869 and $425,100 respectfully. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $65,391 during 2025.

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

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

Fund:	Water and Sewer
Unrestricted net position	$ 570,063
Total net position	$ 1,554,646
Increase in net position	$ 31,649

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $3,897,130. The investment in capital assets includes land, buildings, building improvements, and equipment.

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

Governmental Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Water rights	$ 303,737	$ -	$ -	$ 303,737
	303,737	-	-	303,737
Capital assets being depreciated				
Land improvements	88,707	-	-	88,707
Buildings and improvements	419,630	-	-	419,630
Vehicles and equipment	241,046	62,356	-	303,402
Infrastructure	1,166,975	-	-	1,166,975
	1,916,358	62,356	-	1,978,714
Less accumulated depreciation				
Land improvements	(66,147)	(1,417)	-	(67,564)
Buildings and improvements	(169,830)	(7,063)	-	(176,893)
Vehicles and equipment	(203,899)	(10,817)	-	(214,716)
Infrastructure	(341,866)	(37,346)	-	(379,212)
	(781,742)	(56,643)	-	(838,385)
Capital assets being depreciated, net	1,134,616	5,713	-	1,140,329
Total Governmental Activities capital assets	$ 1,438,353	$ 5,713	$ -	$ 1,444,066

Business-Type Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 1,599	$ -	$ -	$ 1,599
Total	1,599	-	-	1,599
Capital assets being depreciated				
Buildings	108,521	-	-	108,521
Utility plant systems	3,834,106	-	-	3,834,106
Equipment	205,071	6,474	-	211,545
Less accumulated depreciation	(1,620,519)	(82,188)	-	(1,702,707)
Capital assets being depreciated, net	2,527,179	(75,714)	-	2,451,465
Total Business-Type Activities Capital Assets	$ 2,528,778	$ (75,714)	$ -	$ 2,453,064

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Town is in good financial condition. The General Fund's unrestricted fund balance is equal to at least one years of the General Fund average expenditures.

- The Town would like to maintain its General Fund unreserved fund balance to at least one year of approved expenditures.

- The local grocery store has continued success will show a consistency in revenue for sales tax for 2026.

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 government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Clerk
Town of Saguache
P.O. Box 417
Saguache, CO 81149-0417

Basic Financial Statements

Town of Saguache
Statement of Net Position
December 31, 2025

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,519,377	$ 571,759	$ 2,091,136
Property taxes receivable	112,752	-	112,752
Accounts receivables	2,620	6,706	9,326
Due from County Treasurer	854	-	854
Due from other governments	44,039	-	44,039
Capital assets, net	1,444,066	2,453,064	3,897,130
Total assets	3,123,708	3,031,529	6,155,237
LIABILITIES			
Accounts payable	3,315	8,402	11,717
Accrued payroll taxes	11,149	-	11,149
Compensated absences	17,304	-	17,304
Non current liabilities			
Due within one year	-	63,847	63,847
Due in more than one year	-	1,404,634	1,404,634
Total liabilities	31,768	1,476,883	1,508,651
Deferred Inflows of resources			
Deferred property taxes	112,752	-	112,752
NET POSITION			
Invested in capital assets, net of related debt	1,444,066	984,583	2,428,649
Restricted for:			
Emergencies	24,330	-	24,330
Unrestricted	1,510,792	570,063	2,080,855
Total net position	$ 2,979,188	$ 1,554,646	$ 4,533,834

The accompanying notes are an integral part of this statement.

Town of Saguache
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services and Fees	Program Revenues: Operating Grants and	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 285,493	$ 7,678	$ 23,433	$ -	$ (254,382)	$ -	$ (254,382)
Public Safety	50,173	-	-	-	(50,173)	-	(50,173)
Highways and Streets	153,106	3,130	34,543	-	(115,433)	-	(115,433)
Sanitation	66	-	-	-	(66)	-	(66)
Culture and Recreation	70,748	5,000	6,339	-	(59,409)	-	(59,409)
Total governmental activities	559,586	15,808	64,315	-	(479,463)	-	(479,463)
Business-type activities:							
Water	99,729	184,101	-	27,750	-	112,122	112,122
Sewer	117,701	159,516	-	27,750	-	69,565	69,565
Total business- type activities	217,430	343,617	-	55,500	-	181,687	181,687
Total primary government	$ 777,016	$ 359,425	$ 64,315	$ 55,500	(479,463)	181,687	(297,776)
		General Revenues					
		Taxes:					
		Property taxes			74,170	-	74,170
		Specific ownership			10,935	-	10,935
		Sales taxes and miscellaneous			305,434	-	305,434
		Franchise taxes			28,065	-	28,065
		Miscellaneous			4,652	3,844	8,496
		Transfer in (out)			154,191	(154,191)	-
		Investment earnings			5,644	309	5,953
		Total General Revenues			583,091	(150,038)	433,053
		Changes in Net Position			103,628	31,649	135,277
		Net Position-January 1			2,875,560	1,522,997	4,398,557
		Net Position-December 31			$ 2,979,188	$ 1,554,646	$ 4,533,834

The accompanying notes are an integral part of this statement.

Town of Saguache
Governmental Funds
Balance Sheet
December 31, 2025

	General Fund	General Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,043,802	$ 409,735	$ 65,840	$ 1,519,377
Taxes receivable	112,752	-	-	112,752
Due from County Treasurer	854	-	-	854
Due from other governments	12,438	31,601	-	44,039
Due from other funds	15,799	-	-	15,799
Accounts receivable	2,612	8	-	2,620
Total assets	$ 1,188,257	$ 441,344	$ 65,840	$ 1,695,441
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	$ 1,487	$ 445	$ 1,383	$ 3,315
Accrued payroll taxes	11,149	-	-	11,149
Due to other funds	-	15,799	-	15,799
Total liabilities	12,636	16,244	1,383	30,263
Deferred Inflows of resources				
Deferred property taxes	112,752	-	-	112,752
Fund balances:				
Restricted:				
Emergency Reserves	24,330	-	-	24,330
Parks and recreation	-	-	57,026	57,026
Assigned				
Highway and streets	-	425,100	-	425,100
Parks and recreation	-	-	7,431	7,431
Unassigned	1,038,539	-	-	1,038,539
Total fund balance	1,062,869	425,100	64,457	1,552,426
Total liabilities and fund balance	$ 1,188,257	$ 441,344	$ 65,840	$ 1,695,441

The accompanying notes are an integral part of this statement.

Town of Saguache
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2025

Total fund balance, governmental funds		$ 1,552,426
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Cost of capital assets	$ 2,282,451	
Less accumulated depreciation	(838,385)	
		1,444,066
Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.		
Compensated absences		(17,304)
Net Position - Governmental Activities		$ 2,979,188

The accompanying notes are an integral part of this statement.

Town of Saguache
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	General Fund	General Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 266,688	$ 151,916	$ -	$ 418,604
Fines and forfeits	3,130	-	-	3,130
Licenses and permits	7,678	-	-	7,678
Intergovernmental	34,543	-	6,339	40,882
Grant	23,433	-	-	23,433
Miscellaneous	8,884	1,382	5,030	15,296
Total revenues	344,356	153,298	11,369	509,023
Expenditures				
Current:				
General government	274,420	-	-	274,420
Public safety	50,173	-	-	50,173
Highways and Streets	140,940	18,473	-	159,413
Sanitation	66	-	-	66
Culture and recreation	40,725	10,000	13,198	63,923
Capital Outlay	-	-	-	-
Total expenditures	506,324	28,473	13,198	547,995
Excess of revenues over expenditures	(161,968)	124,825	(1,829)	(38,972)
OTHER FINANCING (USES)				
Transfers in (out)	227,359	(73,168)	-	154,191
Total other financing (uses)	227,359	(73,168)	-	154,191
Net change to fund balance	65,391	51,657	(1,829)	115,219
Fund balance, January 1	997,478	373,443	66,286	1,437,207
Fund balance, December 31	$ 1,062,869	$ 425,100	$ 64,457	$ 1,552,426

The accompanying notes are an integral part of this statement.

Town of Saguache
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances -Total governmental funds		$ 115,219
Amounts reported for governmental activities in the statement of activities are different because:		
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 deprecation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Fixed assets current additions	$ 62,356	
Depreciation expense	(56,643)	
Excess of capital outlay over depreciation		5,713
Changes in compensated absences for governmental activities are recorded on the Statement of Activities		(17,304)
Change in net position of governmental funds		$ 103,628

The accompanying notes are an integral part of this statement.

Town of Saguache
Statement of Revenues, Expenses and Changes in Fund Net Position
Water and Sewer Fund
Year Ended December 31, 2025

Operating revenues	
Water sales	$ 184,101
Sewer sales	159,516
Total operating revenues	343,617
Operating expenses	
Water department	93,446
Sewer department	41,796
Depreciation	82,188
Total operating expenses	217,430
Operating income (loss)	126,187
Nonoperating revenues (expenses):	
Interest Income	309
Miscellaneous	3,844
Transfer in (out)	(154,191)
Total nonoperating revenues (expenses)	(150,038)
Income (loss) before transfers and capital contributions	(23,851)
Capital contributions-Tap fees	55,500
Change in net position	31,649
Total net position, January 1	1,522,997
Total net position, December 31	$ 1,554,646

The accompanying notes are an integral part of this statement.

Town of Saguache
Statement of Cash Flows
Water and Sewer Fund
Year Ended December 31, 2025

Cash Flows From Operating Activities	
Cash received from customers	$ 340,879
Cash payments for goods and services	(128,070)
Net cash provided (used) by operating activities	212,809
Cash Flows from Noncapital Financing Activities	
Miscellaneous	3,844
Transfer out	(154,191)
Net cash provided (used) by noncapital financing activities	(150,347)
Cash Flows from Capital and Related Financing Activities	
Tap fees	55,500
Acquisition of capital assets	(6,474)
Principal payment on loan	(63,847)
Net cash provided (used) by capital and related financing activities	(14,821)
Cash Flows from Investing Activities	
Interest on investments	309
Net increase (decrease) in cash and equivalents	47,950
Cash balances, January 1	523,809
Cash balances, December 31	$ 571,759
Reconciling of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 126,187
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	82,188
Assets (increase) decrease:	
Accounts receivables	(2,738)
Liabilities increase (decrease):	
Accounts payable	7,172
Total adjustments	86,622
Net cash provided (used) by operating activities	$ 212,809

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Saguache, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The Town was incorporated in 1878 and is a statutory municipality with a mayor – council form of government. The town provides the following services authorized by its charter: Public safety, highway and streets, sanitation, culture and recreation, planning and zoning, water and sewer systems, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Saguache (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing body.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

C. Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies - (continued)

C. Fund Financial Statements - (continued)

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The Town reports on the following two major governmental funds:

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

The ***General Improvement Fund*** accounts for financial resources to be used for the acquisition, improvement, or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

Other Governmental Funds

The ***Conservation Trust Fund*** accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The ***Recreation Fund*** accounts for funds to be used for recreational services.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interest in the activities and sources of funding supporting these operations.

The Town reports the following major enterprise fund business-type activities:

The ***Water and Sewer Fund*** accounts for all operations of the Town's water and sewer services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

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

Note 1 - Summary of Significant Accounting Policies - (continued)

D. Measurement Focus and Basis of Accounting - (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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 recognize 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 taxes revenue that are 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.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies - (continued)

G. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue in the governmental and enterprise funds.

H. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years.

All purchased assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Depreciation	Life
Land Improvements	10-50 years
Buildings	10-50 years
Equipment	5-25 years
Vehicles	5-10 years
Infrastructure	25-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Prior to GASB 34 governments were not required to report general infrastructure assets.

I. Long-Term Liabilities

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

Note 1 - Summary of Significant Accounting Policies - (continued)

J. Compensated Absences

Employees are granted personal leave time depending upon how long they have been employed by the Town. Years of services are based on the anniversary date of the employee's initial date of hire. Full-time employees within their first five years of service will accrue eight hours (one day) of personal time per month with a maximum carrying balance of 18 days. Employees between five and ten years of service will accrue ten hours (1.25 days) of personal time per month with a maximum carrying balance of 21 days. Employees over ten years of service will accrue 12 hours (1.5 days) of personal time per month with a maximum carrying balance of 24 days. Part-time employees accrue personal days at an hourly rate that pro rata from the full-time employees.

Full-time employees are granted sick leave at a rate of eight hours per month with a maximum carrying balance of 30 days. Part-time employees accrue sick leave at an hourly rate proportionate with the length of their normal workday. The liability for compensated absences as of December 31, 2025, is $17,304.

K. Net Position

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

L. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

M. Encumbrances

The Town does not use an encumbrance system for budgetary control.

Note 1 - Summary of Significant Accounting Policies - (continued)

N. 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.

O. Accounts Receivable

The Town considers accounts receivable for the water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements - (continued)

These reconciliations detail items that require adjustment to convert from the current resources' measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises."

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the Governmental Fund's fund balance is classified as restricted for emergencies as required by the Amendment.

Note 4 - Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

A. Each year, the Town Clerk gives public notice of the budget calendar for the next fiscal year. The Town Clerk prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

C. A public hearing on the proposed budget is held by the Council in early November.

D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

E. If during the fiscal year the Town Clerk determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the Town Clerk that the revenues available will be insufficient to meet the amount appropriated, the Town Clerk reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken.

Note 4 – Budgets - (continued)

F. Budget appropriations lapse at the end of each year.

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget.

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 – 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 the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2025, the bank balance of the Town's deposits was $ 1,972,674 of which $ 250,000 was covered by federal depository insurance and $ 1,722,674 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include 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 investment contracts. The Town’s investment policy follows Colorado statutes. At December 31, 2025, the Town’s investments included certificates of deposit and funds held in Colotrust.

The Town had invested $132,689 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund, and each share is equal in value to $1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST’s funds are rated AAA by Standard and Poor’s, Fitch’s, and Moody’s rating services.

Note 5 – Deposits and Investments - (continued)

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statue of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Note 6 - Capital Assets

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

Governmental Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Water rights	$ 303,737	$ -	$ -	$ 303,737
	303,737	-	-	303,737
Capital assets being depreciated				
Land improvements	88,707	-	-	88,707
Buildings and improvements	419,630		-	419,630
Vehicles and equipment	241,046	62,356		303,402
Infrastructure	1,166,975	-	-	1,166,975
	1,916,358	62,356	-	1,978,714
Less accumulated depreciation				
Land improvements	(66,147)	(1,417)	-	(67,564)
Buildings and improvements	(169,830)	(7,063)	-	(176,893)
Vehicles and equipment	(203,899)	(10,817)	-	(214,716)
Infrastructure	(341,866)	(37,346)	-	(379,212)
	(781,742)	(56,643)	-	(838,385)
Capital assets being depreciated, net	1,134,616	5,713	-	1,140,329
Total Governmental Activities capital assets	$ 1,438,353	$ 5,713	$ -	$ 1,444,066

Note 6 - Capital Assets - (continued)

Business-Type Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 1,599	$ -	$ -	$ 1,599
Total	1,599	-	-	1,599
Capital assets being depreciated				
Buildings	108,521	-	-	108,521
Utility plant systems	3,834,106	-	-	3,834,106
Equipment	205,071	6,474	-	211,545
Less accumulated depreciation	(1,620,519)	(82,188)	-	(1,702,707)
Capital assets being depreciated, net	2,527,179	(75,714)	-	2,451,465
Total Business-Type Activities Capital Assets	$ 2,528,778	$ (75,714)	$ -	$ 2,453,064

Depreciation expense charged to governmental functions:

		Enterprise Functions:	
General government	$ 5,965	Water	$ 6,283
Highway and streets	43,853	Sewer	75,905
Culture and recreation	6,825		$ 82,188
Total	$ 56,643		

Note 7 - Reconciliation of Budget Basis to GAAP Basis for Enterprise Funds

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures		$ 371,621	
GAAP-based expenses			
Add (deduct):			
Depreciation		(82,188)	
Capital outlay		6,474	
Debt payments		63,847	
Total budgetary based expenditures	$ 528,438	$ 359,754	$ 168,684

Note 8 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage, settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Note 9 – Long term debt on new upgrades to wastewater system

The Town on June 5, 2018, borrowed $1,938,262 from the Colorado Water Resources and Development Authority to help finance the new upgrades to the wastewater system. The loan with Colorado Water Resources and Development Authority is an interest free loan, with payments of $31,924, payable on May 1, and November 1. The following are the principal payments on the loan following the current audit period:

	Principal
2026	$ 63,847
2027	63,847
2028	63,847
2029	63,847
2030-2034	319,235
2035-2039	319,235
2040-2044	319,235
2045-2048	255,388
Total	$ 1,468,481

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due within one year
Enterprise Activities					
Loans payable	$ 1,532,328	$ -	$ (63,847)	$ 1,468,481	$ 63,847
Total	$ 1,532,328	$ -	$ (63,847)	$ 1,468,481	$ 63,847

Note 10 - Interfund Transactions

Interfund receivable and payable balances as of December 31, 2026 are as follows:

Receivable Fund	Payable Fund	Amount
General	General Improvement	$ 15,800

The outstanding balance between funds result mainly from the time lag between the date of payments between funds are made and borrowing from the pooled cash account.

The following are the interfund transfers that occurred in 2025:

	Transfers	
Funds	In	Out
Water and Sewer Fund	$ -	$ 154,191
General Fund	227,359	-
Recreation Fund	-	-
General Improvement Fund	-	73,168
Totals	$ 227,359	$ 227,359

Transfers are used to reimburse the general fund for personnel costs and administrative fees.

Town of Saguache
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2025

Revenues	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Taxes	$ 229,128	$ 229,128	$ 266,688	$ 37,560
Licenses and permits	6,529	6,529	7,678	1,149
Intergovernmental revenues	26,525	26,525	34,543	8,018
Fines and forfeitures	3,900	3,900	3,130	(770)
Grant	199,948	199,948	23,433	(176,515)
Miscellaneous revenue	14,500	14,500	8,884	(5,616)
Total revenues	480,530	480,530	344,356	(136,174)
Expenditures				
General government	283,938	283,938	274,420	9,518
Public safety	61,625	61,625	50,173	11,452
Highways and Streets	151,893	151,893	140,940	10,953
Sanitation	1,200	1,200	66	1,134
Culture and recreation	302,056	302,056	40,725	261,331
Total Expenditures	800,712	800,712	506,324	294,388
Excess of revenues over (under) expenditures	(320,182)	(320,182)	(161,968)	158,214
Other financing sources				
Transfers in (out)	229,786	229,786	227,359	2,427
Excess of revenues and sources over (under) expenditures and other (uses)	(90,396)	(90,396)	65,391	160,641
Fund balance, January 1	796,285	796,385	997,478	201,093
Fund balance, December 31	$ 705,889	$ 705,989	$ 1,062,869	$ 356,880

The accompanying notes are an integral part of this statement.

Town of Saguache
General Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Sales tax	$ 240,000	$ 240,000	$ 151,916	$ (88,084)
Miscellaneous	7,500	7,500	1,154	(6,346)
Interest income	275	275	228	(47)
Total revenues	247,775	247,775	153,298	(94,477)
Expenditures				
Highways and Streets	35,071	35,071	18,473	16,598
Culture and Recreation	17,500	17,500	10,000	7,500
Total expenditures	52,571	52,571	28,473	24,098
Excess of revenues over (under) expenditures	195,204	195,204	124,825	(70,379)
Other financing sources				
Transfers (out)	(197,095)	(197,095)	(73,168)	123,927
Excess of revenues and sources over (under) expenditures and other (uses)	(1,891)	(1,891)	51,657	53,548
Fund balance, January 1	341,926	341,926	373,443	31,517
Fund balance, December 31	$ 340,035	$ 340,035	$ 425,100	$ 85,065

The accompanying notes are an integral part of this statement.

Town of Saguache
Combining Balance Sheet
Other Governmental Funds
December 31, 2025

	Conservation Trust Fund	Recreation Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	$ 57,744	$ 8,096	$ 65,840
Total assets	$ 57,744	$ 8,096	$ 65,840
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 718	$ 665	$ 1,383
Total liabilities	718	665	1,383
Fund balances:			
Designated			
Undesignated	57,026	7,431	64,457
Total fund balance	57,026	7,431	64,457
Total liabilities and fund balance	$ 57,744	$ 8,096	$ 65,840

Town of Saguache
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2025

	Conservation Trust Fund	Recreation Fund	Total Other Governmental Funds
Revenues			
Intergovernmental	$ 6,339	$ -	$ 6,339
Miscellaneous	30	5,000	5,030
Total revenues	6,369	5,000	11,369
Expenditures			
Current:			
Culture and recreation	9,193	4,005	13,198
Total expenditures	9,193	4,005	13,198
Excess of revenues over expenditures	(2,824)	995	(1,829)
Net change to fund balance	(2,824)	995	(1,829)
Fund balance, January 1	59,850	6,436	66,286
Fund balance, December 31	$ 57,026	$ 7,431	$ 64,457

Town of Saguache
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 5,000	$ 5,000	$ 6,339	$ 1,339
Contribution from county	15,000	15,000	-	(15,000)
Miscellaneous	70	70	30	(40)
Total revenues	20,070	20,070	6,369	(13,701)
Expenditures				
Parks	2,500	2,500	5,841	(3,341)
Capital outlay	15,000	15,000	3,350	11,650
Miscellaneous	130	130	2	128
Total expenditures	17,630	17,630	9,193	8,437
Excess of revenues over (under) expenditures	2,440	2,440	(2,824)	(5,264)
Fund balance, January 1	43,678	43,678	59,850	16,172
Fund balance, December 31	$ 46,118	$ 46,118	$ 57,026	$ 10,908

Town of Saguache
Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Fall Festival- Fundraising	$ 7,500	$ 7,500	$ 5,000	$ (2,500)
Total revenues	7,500	7,500	5,000	(2,500)
Expenditures				
Culture and Recreation	-	-	2,840	(2,840)
Christmas tree lighting	7,500	7,500	1,165	6,335
Miscellaneous	500	500	-	500
Total expenditures	8,000	8,000	4,005	3,995
Excess of revenues over (under) expenditures	(500)	(500)	995	1,495
Other financing sources				
Transfers in	1,500	1,500	-	(1,500)
Excess of revenues and sources over (under) expenditures and other (uses)	1,000	1,000	995	(5)
Fund balance, January 1	6,498	6,498	6,436	(62)
Fund balance, December 31	$ 7,498	$ 7,498	$ 7,431	$ (67)

Town of Saguache
Water and Sewer Fund
Schedule of Revenues, Expenditures and Changes in Available Resources
Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water sales	$ 209,506	$ 209,506	$ 184,101	$ (25,405)
Sewer sales	168,192	168,192	159,516	(8,676)
Water tap fees	-	-	27,750	27,750
Sewer tap fees	1,500	1,500	27,750	26,250
Grants	160,000	160,000	-	(160,000)
Miscellaneous	7,540	7,540	3,844	(3,696)
Interest Income	200	200	309	109
Total revenues	546,938	546,938	403,270	(143,668)
Expenditures				
Water department	270,950	270,950	93,446	177,504
Sewer department	36,450	36,450	41,796	(5,346)
Capital outlay	3,000	3,000	6,474	(3,474)
Debt Service payments	63,847	63,847	63,847	-
Total expenditures	374,247	374,247	205,563	168,684
Other financing sources				
Transfers in (out)	(154,191)	(154,191)	(154,191)	-
Excess of revenues over (under) expenditures	18,500	18,500	43,516	25,016
Available Resources-January 1	474,351	474,351	526,547	52,196
Available Resources-December 31	$ 492,851	$ 492,851	$ 570,063	$ 77,212

LOCAL HIGHWAY FINANCE REPORT

STATE:	
COLORADO	

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:		REPORT YEAR ENDING DATE(mm/yyyy):
Town of Saguache	Iris Garcia	townclerk@townofsaguache.org	12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	73,856.03	a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	86,845.31	b. Other Misc. Local Receipts	1,870.00
c. Total (a + b)	$ 160,701.34	**c. Total (a + b)**	$ 1,870.00
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	34,124.32	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds			
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 34,124.32	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 160,701.34
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 1,870.00
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 162,571.34
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 34,124.32
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 196,695.66

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	131,925.79
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	
c. Total (a + b)	$ -
4. General Administration & Miscellaneous	9,013.82
5. Highway Law Enforcement and Safety	50,268.35
6. Total (1 through 5)	$ 191,207.96
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 191,207.96

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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