TOWN OF SWINK, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

TOWN OF SWINK, COLORADO

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Trustees
Town of Swink, Colorado

Opinions
We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Swink, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Town of Swink, Colorado 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 and each major fund of the Town of Swink, Colorado, as of December 31, 2025, and the respective changes in financial position and, where applicable, cashflows 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 Swink, 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 Swink, 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:

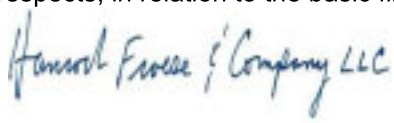
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Swink, 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 Swink, 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 Swink, Colorado's basic financial statements. The individual fund financial statements, budget schedules 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, individual fund financial statements, budget schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

May 21, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Town of Swink's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal years ended December 31, 2025 and 2024. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the Town exceed its liabilities by $3,629,154 of which $2,701,336 is from the Town's Business-type Activities. Unrestricted net position totaled $1,887,421 and may be used to meet the Town's on-going obligations.

2. Net investment in capital assets is the second largest portion of the Town's net position. $970,256 is in the Town's Business-type Activities and $687,473 is in the Town's Governmental Activities.

3. Restricted net assets include $11,300 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, $31,704 for parks and recreation using conservation trust funding and $41,000 for debt services on the loan in the Water Utility Fund.

4. The Town's debt is for improvements to the water infrastructure and water tower projects for a total of $262,910 and the estimated closure and post-closure care costs to operate the landfill within the County for a total of $34,100.

5. The Town's Governmental Funds reported a combined ending fund balance of $240,345 including the General Fund with $208,641 and the Conservation Trust Fund with $31,704.

6. The Governmental Funds reported total unassigned fund balance of $104,802. The unassigned fund balance is only in the General Fund.

7. The Town's Proprietary Funds reported combined Total Net Position of $2,701,336 of which $1,690,080 is unrestricted, $970,256 is net investment in capital assets and $41,000 is restricted for debt services.

8. The Town's Proprietary Funds reported $689,556 in cash and $902,025 in investments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents budget statements (other supplementary information). This discussion and analysis serves as an introduction to Swink's basic financial statements. The Town's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other additional 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 private-sector business. They consist of two statements:

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

2. The ***Statement of Activities*** presents information reporting 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 are reported in the statements for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both 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 Governmental, Public Works and Culture and Recreation. The business-type activities of the Town include Water Utility, Sewer Utility and Trash Utility Funds.

Fund Financial Statements

A Fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All Town funds can be divided into two categories:

- Governmental funds
- Proprietary funds

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the Town-wide financial statements. Unlike the Town-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the Town's general government operations and may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Town-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Town-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund Balance sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balance for each fund. Data from other governmental funds are combined into a single aggregated presentation.

Proprietary funds: The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions as business-type activities in the Town-wide financial statements. The Town uses Enterprise Funds to account for the Water Utility, Sewer Utility and Trash Utility activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the Town-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for all major funds to demonstrate compliance with the budget requirement.

Supplementary Information

The Individual financial statements are presented immediately following the required supplementary information.

Financial Analysis of the Town as a Whole

Net Position

Net position may serve as useful indicator of a government's financial position. In the case of the Town of Swink, assets exceeded liabilities by $3,629,154 at the close of the most recent fiscal year.

The largest portion of the Town of Swink's net position 46% reflects the investment in capital assets (e.g., land, buildings, machinery and equipment) less any accumulated depreciation and related debt to acquire those assets that is still outstanding. The Town of Swink uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the Town's control; restricted net position is 2% of total net position.

Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors; unrestricted net position makes up the remaining 52% of total net position. The Town is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate business-type activities.

The following table reflects the condensed Statement of Net Position.

Town of Swink Combined Net Position as of December 31, 2025 and 2024

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	$ 386,036	$ 345,678	$ 1,799,811	$1,439,830	$ 2,185,847	$ 1,785,508
Capital assets	687,473	616,931	1,233,166	1,271,198	1,920,639	1,888,129
Total Assets	1,073,509	962,609	3,032,977	2,711,028	4,106,486	3,673,637
Liabilities						
Current liabilities	9,191	9,575	34,631	39,637	43,822	49,212
Non-current liabilities	-	-	297,010	168,627	297,010	168,627
Total liabilities	9,191	9,575	331,641	208,264	340,832	217,839
Deferred Inflows of resources						
Deferred rev.–property taxes	136,500	101,400	-	-	136,500	101,400
Net position						
Net investment in capital assets	687,473	616,931	970,256	1,119,354	1,657,729	1,736,285
Restricted	43,004	40,133	41,000	36,000	84,004	76,133
Unrestricted (deficit)	197,341	194,570	1,690,080	1,347,410	1,887,421	1,541,980
Total net position	$ 927,818	$ 851,634	$ 2,701,336	$2,502,764	$ 3,629,154	$ 3,354,398

Restrictions in the governmental activities include $11,300 for statutory reserves for emergencies required by TABOR and $31,704 for restrictions on conservation trust funding and restrictions in the business-type activities include $41,000 for debt services in the Water Utility Fund.

Changes in Net Position

The following table reflects a condensed summary of activities and changes in net position.

Town of Swink Condensed Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 37,457	$ 22,524	$495,017	$501,146	$532,474	$523,670
Operating Grants and Contributions	42,942	43,531	-	-	42,942	43,531
Capital Grants and Contributions	-	-	45,415	-	45,415	-
General Revenue:						
Property Taxes	106,593	141,670	-	-	106,593	141,670
Specific Ownership Taxes	21,627	22,678	-	-	21,627	22,678
Franchise Taxes	26,965	25,968	-	-	26,965	25,968
Interest	15,156	14,012	38,471	40,294	53,627	54,306
Other	139,509	19,223	-	-	139,509	19,223
Total Revenues	390,249	289,606	578,903	541,440	969,152	831,046

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2025	2024	2025	2024	2025	2024
Expenses						
General Government	179,833	137,425	-	-	179,833	137,425
Public Works	76,781	74,158	-	-	76,781	74,158
Culture and Recreation	57,451	57,620	-	-	57,451	57,620
Water	-	-	230,814	214,516	230,814	214,516
Sewer	-	-	52,369	53,473	52,369	53,473
Trash	-	-	97,148	106,782	97,148	106,782
Total Expenses	314,065	269,203	380,331	374,771	694,396	643,974
Revenues over (under) expenditures	76,184	20,403	198,572	166,669	274,756	187,072
Transfers in (out)	-	-	-	-	-	-
Capital Contributions	-	-	-	6,695	-	6,695
Change in Net Position	76,184	20,403	198,572	173,364	274,756	193,767
Net Position, Beginning	851,634	831,231	2,502,764	2,329,400	3,354,398	3,160,631
Net Position, Ending	$ 927,818	$ 851,634	$2,701,336	$ 2,502,764	$ 3,629,154	$3,354,398

Charges for services for the business-type activities for 2025 and 2024 are as follows:

	2025	2024
Water	$ 282,778	$ 283,406
Sewer	88,482	93,928
Trash	123,757	123,812
Total Charges for Services	$ 495,017	$ 501,146

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town of Swink uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Town of Swink's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. As of the end of the year, the town's governmental funds reported a combined fund balance of $240,345. Of that fund balance, $104,802 constitutes unassigned fund balance, which is available for spending at the government's discretion and $92,539 is assigned for a specific purpose. The remainder of fund balance reflects a state constitution mandated emergency reserve of $11,300 and a restriction on conservation trust funds of $31,704.

PROPRIETARY FUNDS

The Town's proprietary funds provide the same type of information found in the government-wide financial statements. All of the Town's proprietary funds are major funds. The funds include Water Utility, Sewer Utility and Trash Utility Funds.

The net position balances and the change in net position of the Town's proprietary funds are reflected in the following table.

	Total Net Position		Change in Net Position for Year Ended	
	2025	2024	2025	2024
Water	$ 1,650,754	$ 1,543,629	$ 107,125	$ 84,300
Sewer	753,253	695,128	58,125	65,020
Trash	297,329	264,007	33,322	24,044
Total Enterprise Funds	$ 2,701,336	$ 2,502,764	$ 198,572	$ 173,364

The proprietary fund net position consists of Unrestricted Net Position and Restricted Net Position for Debt Services and Net Investment in Capital Assets, as shown below:

	Restricted for Debt Services and Net Investment in Capital Assets		Unrestricted		Total Net Position	
	2025	2024	2025	2024	2025	2024
Water	$ 1,006,740	$ 1,137,291	$ 644,014	$ 406,338	$ 1,650,754	$ 1,543,629
Sewer	-	-	753,253	695,128	753,253	695,128
Trash	4,516	18,063	292,813	245,944	297,329	264,007
Total	$ 1,011,256	$ 1,155,354	$1,690,080	$1,347,410	$ 2,701,336	$ 2,502,764

BUDGETARY HIGHLIGHTS

The General Fund's final budget was $217,625 in Revenues and $207,791 in Expenditures. The Actual amounts were $381,534 in Revenues and $373,863 in Expenditures.

The Water Utility Fund's final budget was $258,000 in Revenues and $284,850 in Expenditures. The Actual amounts were $337,939 (including capital contributions) in Revenues and $284,971 in Expenditures (including debt service and capital outlay).

The Sewer Utility Fund's final budget was $109,750 in Revenues and $49,250 in Expenditures. The Actual amounts were $110,494 (including capital contributions) in Revenues and $52,369 in Expenditures.

The Trash Utility Fund's final budget was $121,700 in Revenues and $86,075 in Expenditures. The Actual amounts were $130,470 in Revenues and $97,148 in Expenditures.

Expenditures exceeded appropriations in the General Fund, Water Utility Fund, Sewer Utility Fund and Trash Utility Fund.

LONG-TERM LIABILITIES

Long Term Liabilities include two loans with Colorado Water Resources and Power Development Authority for upgrades to the water system and water tank and for estimated landfills closure and post closure costs.

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

The Town's elected officials considered many factors when setting the fiscal year 2026 budget, tax rates, and fees that will be charged for business-type activities.

Factors that have a potential to significantly impact the Town's 2026 budget include the ongoing rising cost of health insurance, the fluctuation in fuel and energy costs, increase in Colorado's minimum wage and pay increases for employees, and the decision to raise rates in utility funds.

The Town will consider spending additional funds for street repairs next year if funds are available. Chip sealing will be completed only if necessary to help cut costs.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions about this report and requests for additional information can be obtained by contacting the Town Clerk at PO Box 267, Swink, Colorado, 81077.

BASIC FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 124,002	$ 689,556	$ 813,558
Investments	96,035	902,025	998,060
Cash with trustee	-	119,807	119,807
Receivables - net			
Accounts	29,499	35,451	64,950
Taxes	136,500	-	136,500
Grant	-	35,415	35,415
Inventory	-	17,557	17,557
Capital assets - net of accumulated depreciation	687,473	1,233,166	1,920,639
TOTAL ASSETS	$ 1,073,509	$ 3,032,977	$ 4,106,486
LIABILITIES			
Accounts payable and accruals	$ 9,191	$ 12,677	$ 21,868
Customer deposits	-	19,150	19,150
Unearned revenue	-	2,804	2,804
NON CURRENT LIABILITIES			
Due within one year	-	16,544	16,544
Due in more than one year	-	280,466	280,466
TOTAL LIABILITIES	9,191	331,641	340,832
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	136,500	-	136,500
NET POSITION			
Net investment in capital assets	687,473	970,256	1,657,729
Restricted for:			
TABOR	11,300	-	11,300
Parks and recreation	31,704	-	31,704
Operations and maintenance	-	41,000	41,000
Unrestricted	197,341	1,690,080	1,887,421
TOTAL NET POSITION	927,818	2,701,336	3,629,154
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 1,073,509	$ 3,032,977	$ 4,106,486

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL
GOVERNMENTAL ACTIVITIES:							
General government	$ 179,833	$ -	$ -	$ -	$ (179,833)	$ -	$ (179,833)
Public works	76,781	7,136	31,203	-	(38,442)	-	(38,442)
Culture and recreation	57,451	30,321	11,739	-	(15,391)	-	(15,391)
TOTAL GOVERNMENTAL ACTIVITIES	314,065	37,457	42,942	-	(233,666)	-	(233,666)
BUSINESS-TYPE ACTIVITIES							
Water	230,814	282,778	-	45,415	-	97,379	97,379
Sewer	52,369	88,482	-	-	-	36,113	36,113
Trash	97,148	123,757	-	-	-	26,609	26,609
TOTAL BUSINESS-TYPE ACTIVITIES	380,331	495,017	-	45,415	-	160,101	160,101
TOTAL PRIMARY GOVERNMENT	$ 694,396	$ 532,474	$ 42,942	$ 45,415	(233,666)	160,101	(73,565)
GENERAL REVENUES							
Property taxes					106,593	-	106,593
Specific ownership taxes					21,627	-	21,627
Franchise taxes					26,965	-	26,965
Interest					15,156	38,471	53,627
Insurance proceeds					136,465	-	136,465
Other					3,044	-	3,044
TOTAL GENERAL REVENUES					309,850	38,471	348,321
CHANGE IN NET POSITION					76,184	198,572	274,756
NET POSITION - BEGINNING					851,634	2,502,764	3,354,398
NET POSITION - ENDING					$ 927,818	$ 2,701,336	$ 3,629,154

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash	$ 124,002	$ -	$ 124,002
Investments	64,331	31,704	96,035
Receivables			
Accounts	29,499	-	29,499
Taxes	136,500	-	136,500
TOTAL ASSETS	$ 354,332	$ 31,704	$ 386,036
LIABILITIES			
Accounts payable	$ 1,953	$ -	$ 1,953
Accrued payroll and taxes payable	7,238	-	7,238
TOTAL LIABILITIES	9,191	-	9,191
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	136,500	-	136,500
FUND BALANCE			
Restricted for:			
TABOR	11,300	-	11,300
Parks and recreation	-	31,704	31,704
Assigned for:			
Recreational programs	92,539	-	92,539
Unassigned	104,802	-	104,802
TOTAL FUND BALANCE	208,641	31,704	240,345
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 354,332	$ 31,704	$ 386,036

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

RECONCILIATION OF THE GOVERNMENT FUND 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		$ 240,345
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		
The cost of capital assets is	$ 1,431,890	
Accumulated depreciation is	(744,417)	
		687,473
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 927,818

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR YEAR ENDED DECEMBER 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	$ 155,185	$ -	$ 155,185
Licenses and permits	590	-	590
Intergovernmental	34,227	8,715	42,942
Charges for services	37,457	-	37,457
Insurance proceeds	136,465	-	136,465
Other	17,610	-	17,610
TOTAL REVENUES	381,534	8,715	390,249
EXPENDITURES			
General government	283,405	-	283,405
Public works	68,164	-	68,164
Culture and recreation	22,294	10,744	33,038
TOTAL EXPENDITURES	373,863	10,744	384,607
NET CHANGE IN FUND BALANCE	7,671	(2,029)	5,642
FUND BALANCE JANUARY 1	200,970	33,733	234,703
FUND BALANCE DECEMBER 31	$ 208,641	$ 31,704	$ 240,345

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
NET CHANGE IN FUND BALANCE		$ 5,642
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 outlays differ from depreciation in the current period.		
Capital outlay	$ 114,022	
Depreciation expense	(43,480)	
		70,542
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 76,184

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER	SEWER	TRASH	TOTAL
CURRENT ASSETS				
Cash	$ 301,822	$ 226,460	$ 161,274	$ 689,556
Investments	222,519	520,685	158,821	902,025
Cash with trustee	119,807	-	-	119,807
Accounts receivable	19,360	6,640	9,451	35,451
Grant receivable	35,415	-	-	35,415
Inventory	11,972	-	-	11,972
Inventory-water	5,585	-	-	5,585
TOTAL CURRENT ASSETS	716,480	753,785	329,546	1,799,811
PROPERTY AND EQUIPMENT - NET	1,228,650	-	4,516	1,233,166
TOTAL ASSETS	$ 1,945,130	$ 753,785	$ 334,062	$ 3,032,977
CURRENT LIABILITIES				
Accounts payable	$ 9,116	$ 532	$ 2,633	$ 12,281
Customer deposits	19,150	-	-	19,150
Accrued interest	396	-	-	396
Unearned revenue	2,804	-	-	2,804
Landfill costs - current portion	-	-	3,410	3,410
Loan payable - current maturities	13,134	-	-	13,134
TOTAL CURRENT LIABILITIES	44,600	532	6,043	51,175
NONCURRENT LIABILITIES				
Accrued closure and post closure costs - net of current maturities	-	-	30,690	30,690
Loan payable - net of current maturities	249,776	-	-	249,776
TOTAL NONCURRENT LIABILITIES	249,776	-	30,690	280,466
TOTAL LIABILITIES	294,376	532	36,733	331,641
NET POSITION				
Net investment in capital assets	965,740	-	4,516	970,256
Restricted - operations & maintenance	41,000	-	-	41,000
Unrestricted	644,014	753,253	292,813	1,690,080
TOTAL NET POSITION	1,650,754	753,253	297,329	2,701,336
TOTAL LIABILITIES AND NET POSITION	$ 1,945,130	$ 753,785	$ 334,062	$ 3,032,977

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER	SEWER	TRASH	TOTAL
OPERATING REVENUES				
Charges for services	$ 282,778	$ 88,482	$ 123,757	$ 495,017
OPERATING EXPENSES				
Salaries	44,312	13,271	24,080	81,663
Payroll taxes	2,627	1,042	1,890	5,559
Employee benefits	10,232	3,391	7,577	21,200
Insurance	13,341	1,509	2,726	17,576
Repairs and maintenance	15,365	27,297	16,665	59,327
Supplies	14,579	2,503	767	17,849
Utilities	49,112	543	3,740	53,395
Depreciation	69,900	-	13,547	83,447
Professional services	3,583	2,813	2,812	9,208
Miscellaneous	5,941	-	-	5,941
Landfill charges	-	-	17,044	17,044
TOTAL OPERATING EXPENSES	228,992	52,369	90,848	372,209
OPERATING INCOME (LOSS)	53,786	36,113	32,909	122,808
NONOPERATING REVENUES (EXPENSE)				
Interest income	9,746	22,012	6,713	38,471
Interest expense	(1,822)	-	-	(1,822)
Grant revenue	45,415	-	-	45,415
Other income (expense)	-	-	(6,300)	(6,300)
TOTAL NONOPERATING REVENUES (EXPENSES)	53,339	22,012	413	75,764
CHANGE IN NET POSITION	107,125	58,125	33,322	198,572
NET POSITION JANUARY 1	1,543,629	695,128	264,007	2,502,764
NET POSITION DECEMBER 31	$ 1,650,754	$ 753,253	$ 297,329	$ 2,701,336

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF SWINK, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	WATER	SEWER	TRASH	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 284,652	$ 90,029	$ 126,174	$ 500,855
Cash payments to employees	(57,171)	(17,704)	(33,547)	(108,422)
Cash payments for supplies, goods, services	(92,492)	(34,665)	(43,498)	(170,655)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	134,989	37,660	49,129	221,778
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Customer deposits	600	-	-	600
NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	600	-	-	600
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(45,415)	-	-	(45,415)
Grant proceeds	10,000	-	-	10,000
Principal paid on notes payable	(8,742)	-	-	(8,742)
Interest paid on debt	(1,822)	-	-	(1,822)
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(45,979)	-	-	(45,979)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on savings	9,746	22,012	6,714	38,472
Purchase of investments	(9,407)	(22,012)	(6,714)	(38,133)
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	339	-	-	339
NET CHANGE IN CASH	89,949	37,660	49,129	176,738
CASH BEGINNING OF YEAR	211,873	188,800	112,145	512,818
CASH END OF YEAR	$ 301,822	$ 226,460	$ 161,274	$ 689,556
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ 53,786	$ 36,113	$ 32,909	$ 122,808
Adjustment to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation	69,900	-	13,547	83,447
Change in assets and liabilities				
(Increase) decrease in accounts receivable	1,432	1,547	2,417	5,396
(Increase) decrease in inventory	4,716	-	-	4,716
Increase (decrease) in accounts payable/accruals	4,713	-	256	4,969
Increase (decrease) in unearned revenue	442	-	-	442
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	$ 134,989	$ 37,660	$ 49,129	$ 221,778

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES

The accounting policies of the Town of Swink (the “Town”) conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Town’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

THE FINANCIAL REPORTING ENTITY

The Town of Swink is a statutory town governed by an elected mayor and six member board of trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Swink (the primary government) and its component units, if applicable. Currently no component units have been included in the Town's reporting entity because of a lack of significant operational or financial relationship with the Town.

JOINT VENTURE

Otero County Landfill, Inc.

The Town of Swink is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the Town is responsible for a portion of the closure and post closure costs of the landfill. As of December 31, 2025, the Town’s share of the closure and post closure costs is estimated at $34,100, or 1.60% of the total. A complete financial report may be obtained from the administrative offices of Otero County.

GOVERNMENT-WIDE AND FUND 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments are recorded only when payment is due.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

Property taxes, franchise taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grant and entitlement awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

Conservation Trust Fund - is used to account for lottery funds, which are used for building and maintaining parks and recreational facilities.

The Town reports the following major proprietary funds:

Water Utility Fund - Accounts for the activities and operations of the Town's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sewer Utility Fund - Accounts for the operations of the Town's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the sewer system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Trash Utility Fund - Accounts for the operations of the Town's trash utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the sanitation system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary

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

CASH EQUIVALENTS

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks. For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets and cash with trustee) with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the Town to deposit in accounts of federally insured banks, credit unions, and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

Per a resolution passed in 2017, the Town set aside $10,475 for unclaimed meter deposits that can only be used with express Resolution of the Board of Trustees convening in open session. Usage of the funds may include any legitimate governmental purpose. As of December 31, 2025, the balance is $11,166.

RECEIVABLES / PAYABLES

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles if required.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RECEIVABLES / PAYABLES (Continued)

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2025, since the amounts are measurable but not available until 2026. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

INVENTORIES

All inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

WATER INVENTORY

The water inventory is carried at the lower of cost or market, with cost determined using the expenses involved in acquiring water held in storage.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis from 2005. The government defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town has not included its infrastructure at this time except for those constructed currently.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Building, improvements, utility systems, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Building and improvements	10-40
Utility systems	20-50
Equipment	3-10

COMPENSATED ABSENCES

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if expected to be paid from current resources.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and in the proprietary fund types 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.

FUND BALANCES / NET POSITION

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND BALANCES / NET POSITION (Continued)

The Town implemented GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" which 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 the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or 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.

The Trustees establish (and modify or rescind) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

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

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS

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

Prior to October 15, the Town Finance Officer submits to the Town Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

Prior to December 15, the budget is legally enacted through passage of an ordinance.

The budgetary presentation of the proprietary funds varies from GAAP in that expenditures for capital outlay and debt retirement are recognized for budgetary reporting.

Revisions that alter the total expenditures of any fund generally must be approved by Town Trustees. Budget amounts in the accompanying financial statements include revisions to the original appropriation ordinance.

Appropriations lapse at year end and any open purchase items must be reappropriated in the following year. Expenditures may not legally exceed appropriations at the fund level.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2025, the General Fund, Water Utility Fund, Sewer Utility Fund and Trash Utility Fund reported expenditures in excess of appropriations.

NOTE -2 DEPOSITS AND INVESTMENTS

Deposits

The Town's investment policies are approved by the Town Trustees and governed by Colorado statute. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determined eligibility. 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 102% of the 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 does not have a deposit policy for custodial credit risk. As of December 31, 2025, $559,928 of the Town's bank balance of $809,928 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2025, the Town's bank balance and corresponding carrying balance were as follows:

	Carrying Balance	Bank Balance
Insured (FDIC)	$ 250,000	$ 250,000
Uninsured, Collateralized under the Public Deposit Protection Act	561,026	559,928
Cash with County Treasurer	2,330	-
Cash on Hand	202	-
	$ 813,558	$ 809,928

The carrying amount is reflected in the accompanying financial statements as follows:

Governmental Activities - Cash	$ 124,002
Business-Type Activities – Cash	689,556
	$ 813,558

Investments

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

	Investments	Maturities	Fair Value
COLO Trust	External Investment Pool	Under 60 Day Avg.	$ 998,060

The carrying amount is reflected in the accompanying financial statements as follows:

Governmental Activities - Investments	$ 96,035
Business-Type Activities – Investments	902,025
	$ 998,060

COLO Trust - During the year, the Town invested in ColoTrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The state Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depositary in connection with direct investments and withdrawals. As of December 31, 2025, the Town had invested $998,060 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

NOTE -2 DEPOSITS AND INVESTMENTS (Continued)

The Town's investments in ColoTrust and money market funds are measured at net asset value. These investments are not subject to the fair value hierarchy. ColoTrust issues a publicly available annual financial report that includes the assets of the Town of Swink. That report may be obtained at the ColoTrust website www.colotrust.com.

Credit Risk – State law limits investments for local governments to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of $1 billion or the highest credit rating from one or more of a nationally recognized rating agency. The investments in Colotrust were rated AAA by Standards and Poors and recorded at fair value.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

Concentration of Credit Risk – The Town does not have a formal policy restricting the amount that can be invested in any issuer.

NOTE -3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, $136,500 of property taxes was deemed unavailable.

NOTE -4 CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Transfers Increases	Transfers Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	$ 20,955	$ -	$ -	$ 20,955
Capital assets being depreciated				
Buildings	428,812	114,022	-	542,834
Equipment	868,101	-	-	868,101
	1,296,913	114,022	-	1,410,935
Less accumulated depreciation for				
Buildings	(207,349)	(11,210)	-	(218,559)
Equipment	(493,588)	(32,270)	-	(525,858)
	(700,937)	(43,480)	-	(744,417)
Governmental Activities				
Net Capital Assets	$ 616,931	$ 70,542	$ -	$ 687,473

NOTE -4 CAPITAL ASSETS (Continued)

	Beginning Balance	Transfers Increases	Transfers Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated				
Construction in Process	$ -	$ 45,415	$ -	$ 45,415
Capital assets being depreciated				
Buildings	2,433	-	-	2,433
Systems	3,98,387	-	-	3,698,387
Equipment	406,241	-	-	406,241
	4,107,061	-	-	4,107,061
Less accumulated depreciation for				
Buildings	(2,433)	-	-	(2,433)
Systems	(2,445,372)	(69,900)	-	(2,515,272)
Equipment	(388,058)	(13,547)	-	(401,605)
	(2,835,863)	(83,447)	-	(2,919,310)
Business-type Activities Net Capital Assets	$ 1,271,198	$ (38,032)	$ -	$ 1,233,166

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	$ 10,450
Cultural & recreation	24,413
Public works	8,617
Total depreciation expense – governmental activities	$ 43,480
Business-Type Activities:	
Water Utility	$ 69,900
Sewer Utility	-
Trash Utility	13,547
Total depreciation expense – business-type activities	$ 83,447

NOTE -5 LONG-TERM DEBT

NOTES PAYABLE

The Water Utility Fund entered into a loan agreement and a Governmental Agency Loan Agreement with Colorado Water Resources and Power Development Authority (the “Authority”) in the amount of $345,697, with a 1% interest rate. The loan proceeds will be used to upgrade and improve the water system. In 2015, the note payable and cash with trustee were reduced by $85,862 due to the Town not needing the entire amount allotted by the Authority to complete the project. Beginning November 1, 2015, principal and interest are due in semi-annual installments of $4,867 maturing November 1, 2041. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues. The loan is payable from the revenues generated from the system. The balance due as of December 31, 2025 was $143,607.

The Water Utility Fund entered into a loan agreement with Colorado Water Resources and Power Development Authority in the amount of $119,807. The loan proceeds were used to finance the upgrades and repirs to the Town’s 75,000-gallon cone water tower. The loan carries an interest rate of 2.50%. The loan is payable in semi-annual installments of $3,884 beginning November 1, 2025 and maturing May 1, 2045. The loan is payable from the Water Utility Fund revenues generated from the system. The balance due as of December 31, 2025 was $119,303.

NOTE -5 LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity are as follow for Business-Type Activities:

	PRINCIPAL	INTEREST	TOTAL
2026	$ 13,134	$ 4,368	$ 17,502
2027	13,339	4,163	17,502
2028	13,547	3,955	17,502
2029	13,760	3,742	17,502
2030	13,976	3,526	17,502
2031-2035	73,276	14,236	87,512
2036-2040	79,349	8,163	87,512
2041-2045	42,529	2,160	44,689
	$ 262,910	$ 44,313	$ 307,223

In connection with the above notes payable, the Town is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2025, the Town was in compliance with all covenants and maintained the required reserve of $41,000.

ESTIMATED CLOSURE AND POST CLOSURE CARE COSTS

In 1995 the Town entered into an intergovernmental agreement with Otero County and other municipalities within the County to form the Otero County Landfill, Inc., (OCLI) to operate the landfill within the County. The agreement transfers the liability for closure and post closure costs to the new organization. The Town and all participating entitles are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities. Based on the current allocation the Town's share is approximately 1.60% of the estimated $2,137,000 in closure and post closure costs amounting to approximately $34,100. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Town and other municipalities are required by state and federal laws and regulations to make certain financial assurances. These have been based on the same percentage as stated above. The Town expects that future inflation costs may need to be covered by charges to future landfill users or other future revenues.

			OTERO #2		
	MANZANOLA	OTERO #1	MODULE #1	MODULE #2	MODULE #3
Percent of capacity	100%	100%	85%	84%	50%
Estimated closure date	2026	Closed	2028	2028	2035
Estimated final Monitoring date	-	2049	-	-	-

SUMMARY OF LONG-TERM DEBT

The following is a summary of bond and other financing transactions of the Town for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Loans payable	$ 151,844	$ 119,807	$ (8,741)	$ 262,910	$ 13,134
Estimated closure and post-closure care costs	27,800	6,300	-	34,100	3,410
Business-type activity long-term liabilities	$ 179,644	$ 126,107	$ (8,741)	$ 297,010	$ 16,544

For the year ended December 31, 2025, interest incurred and expensed was $1,822 of which $396 was reported as accrued interest payable, all in the Water Utility Fund.

NOTE -6 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town utilizes commercial insurance to meet its insurance needs including workers' compensation. The Town's claims have not exceeded its coverage in any of the last three years.

NOTE -7 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes a significant portion of its operations qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Emergency reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. Per TABOR, $11,300 of the fund balance has been reserved in compliance with this requirement.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the Town's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

In November 1996, the voters of the Town approved an amendment to allow the collection, retention, and expenditure of all excess funds.

NOTE - 8 RELATED PARTY TRANSACTION

As indicated in Note -1, the Town entered into an intergovernmental agreement with the Otero County Landfill, Inc., (OCLI) regarding a landfill operation. For the year ended December 31, 2025, the Town had paid OCLI $17,044 for its share of the costs of which $1,281 is recorded in accounts payable in the Trash Utility Fund. The Town has recognized $34,100 for its share of estimated closure and post closure care costs.

NOTE -9 PENSION PLAN

Plan Description - The Town provides pension benefits for all of its full-time employees through a defined contribution plan administered by Fiduciary Trust Company of New Hampshire. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate when annual compensation is in excess of $5,000. The plan entrance dates are January 1 and July 1. The plan requires that the employees contribute a minimum of 1 percent and the Town match employee contributions up to 3% of the employees' annual compensation.

The Town is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan. The Town Trustees have the authority to amend the plan terms.

NOTE -9 PENSION PLAN (Continued)

Funding Policy - The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years' continuous service. Town contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Town's current-period contribution requirement.

The Town's total payroll in fiscal year 2025 was $130,075. The Town's contributions were calculated using the base salaries amount of $79,367. Both the Town and the covered employees made the required contributions amounting to $2,381 and $2,381, respectively, for a total of $4,762. As of December 31, 2025, the market value of assets held was $10,873.

NOTE -10 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2024 is as follows:

	Governmental Activities	Business-Type Activities	Total
Emergencies - TABOR	$ 11,300	$ -	$ 11,300
Parks and Recreation	31,704	-	31,704
Operations and Maintenance	-	41,000	41,000
	$ 43,004	$ 41,000	$ 84,004

Restricted for Emergencies – TABOR – This represents approximately 3% of the Town's 2025 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town's net position can be used for declared emergencies only and the Town must maintain 3% or more of its spending in this restricted account. The Town does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

Restricted for Parks and Recreation – This represents money received from the Colorado state for parks and open space related projects.

Restricted for Operations and Maintenance – The Town is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation as set forth by the creditor.

NOTE -11 FUND BALANCES

At December 31, 2025, fund balances for governmental funds consist of the following:

	Restricted Fund Balance		
	Emergencies TABOR	Conservation Trust	Total
General Fund	$ 11,300	$ -	$ 11,300
Conservation Trust Fund	-	31,704	31,704
Total	$ 11,300	$ 31,704	$ 43,004

	Assigned Fund Balance	
	Recreational Programs	Total
General Fund	$ 92,539	$ 92,539
Conservation Trust Fund	-	-
Total	$ 92,539	$ 92,539

NOTE -12 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SWINK, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	$ 153,275	$ 153,275	$ 155,185	$ 1,910
Licenses and permits	300	300	590	290
Intergovernmental	36,000	36,000	34,227	(1,773)
Charges for services	19,950	19,950	37,457	17,507
Insurance proceeds	-	-	136,465	136,465
Other	8,100	8,100	17,610	9,510
TOTAL REVENUES	217,625	217,625	381,534	163,909
EXPENDITURES				
General government	124,751	124,751	283,405	(158,654)
Public works	64,440	64,440	68,164	(3,724)
Culture and recreation	18,600	18,600	22,294	(3,694)
TOTAL EXPENDITURES	207,791	207,791	373,863	(166,072)
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	9,834	9,834	7,671	(2,163)
FUND BALANCE JANUARY 1	200,970	200,970	200,970	-
FUND BALANCE DECEMBER 31	$ 210,804	$ 210,804	$ 208,641	$ (2,163)

TOWN OF SWINK, COLORADO

CONSERVATION TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental	$ 8,200	$ 8,200	$ 8,715	$ 515
EXPENDITURES				
Recreation	11,360	11,360	10,744	616
REVENUES OVER (UNDER) EXPENDITURES	(3,160)	(3,160)	(2,029)	1,131
FUND BALANCE JANUARY 1	33,733	33,733	33,733	-
FUND BALANCE DECEMBER 31	$ 30,573	$ 30,573	$ 31,704	$ 1,131

SUPPLEMENTARY INFORMATION

TOWN OF SWINK, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 124,002	$ 119,463
Investments	64,331	61,612
Receivables		
Accounts	29,499	29,470
Taxes	136,500	101,400
TOTAL ASSETS	$ 354,332	$ 311,945
LIABILITIES		
Accounts payable	$ 1,953	$ 3,911
Accrued payroll and taxes payable	7,238	5,644
TOTAL LIABILITIES	9,191	9,555
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	136,500	101,400
FUND BALANCE		
Restricted for emergencies - TABOR	11,300	6,400
Assigned - recreational programs	92,539	71,935
Unassigned	104,802	122,635
TOTAL FUND BALANCE	208,641	200,970
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	$ 354,332	$ 311,925

TOWN OF SWINK, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Taxes	$ 155,185	$ 190,316
Licenses and permits	590	860
Intergovernmental	34,227	34,314
Charges for services	37,457	22,525
Insurance proceeds	136,465	-
Other	17,610	32,373
TOTAL REVENUES	381,534	280,388
EXPENDITURES		
General government	283,405	126,975
Public works	68,164	66,254
Culture and recreation	22,294	20,936
TOTAL EXPENDITURES	373,863	214,165
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	7,671	66,223
FUND BALANCE JANUARY 1	200,970	134,747
FUND BALANCE DECEMBER 31	$ 208,641	$ 200,970

TOWN OF SWINK, COLORADO

BALANCE SHEET

CONSERVATION TRUST FUND

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ -	$ -
Investments	31,704	33,733
TOTAL ASSETS	$ 31,704	$ 33,733
LIABILITIES	$ -	$ -
FUND BALANCE		
Restricted for parks and recreation	31,704	33,733
TOTAL FUND BALANCE	31,704	33,733
TOTAL LIABILITIES AND FUND BALANCE	$ 31,704	$ 33,733

TOWN OF SWINK, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Intergovernmental	$ 8,715	$ 9,217
EXPENDITURES		
Recreation	10,744	12,271
REVENUES OVER (UNDER) EXPENDITURES	(2,029)	(3,054)
FUND BALANCE JANUARY 1	33,733	36,787
FUND BALANCE DECEMBER 31	$ 31,704	$ 33,733

TOWN OF SWINK, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
Cash	$ 301,822	$ 211,873
Investments	222,519	213,112
Cash with trustee	119,807	-
Accounts receivable	19,360	20,792
Grant receivable	35,415	-
Inventory	11,972	18,659
Inventory - water	5,585	3,614
TOTAL CURRENT ASSETS	716,480	468,050
NET PROPERTY AND EQUIPMENT	1,228,650	1,253,135
TOTAL ASSETS	$ 1,945,130	$ 1,721,185
CURRENT LIABILITIES		
Accounts payable	$ 9,116	$ 4,404
Customer deposits	19,150	18,550
Accrued interest	396	396
Unearned revenue	2,804	2,362
Loan payable - current maturities	13,134	8,237
TOTAL CURRENT LIABILITIES	44,600	33,949
NONCURRENT LIABILITIES		
Loan payable - net of current maturities	249,776	143,607
TOTAL LIABILITIES	294,376	177,556
NET POSITION		
Net investment in capital assets	965,740	1,101,291
Restricted - operations & maintenance	41,000	36,000
Unrestricted	644,014	406,338
TOTAL NET POSITION	1,650,754	1,543,629
TOTAL LIABILITIES AND NET POSITION	$ 1,945,130	$ 1,721,185

TOWN OF SWINK, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Charges for services	$ 282,778	$ 283,406
OPERATING EXPENSES		
Salaries	44,312	41,937
Payroll taxes	2,627	3,292
Employee benefits	10,232	12,669
Insurance	13,341	13,754
Repairs and maintenance	15,365	15,129
Supplies	14,579	5,426
Utilities	49,112	39,519
Depreciation	69,900	69,926
Professional services	3,583	3,586
Miscellaneous	5,941	7,292
TOTAL OPERATING EXPENSES	228,992	212,530
OPERATING INCOME	53,786	70,876
NONOPERATING REVENUES (EXPENSES)		
Interest income	9,746	9,672
Interest expense	(1,822)	(1,986)
Grant revenue	45,415	-
TOTAL NONOPERATING REVENUES (EXPENSES)	53,339	7,686
INCOME BEFORE CAPITAL CONTRIBUTIONS	107,125	78,562
CAPITAL CONTRIBUTION	-	5,738
CHANGE IN NET POSITION	107,125	84,300
NET POSITION JANUARY 1	1,543,629	1,459,329
NET POSITION DECEMBER 31	$ 1,650,754	$ 1,543,629

TOWN OF SWINK, COLORADO

WATER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 284,652	$ 281,270
Cash payments to employees	(57,171)	(57,898)
Cash payments for supplies, goods, services	(92,492)	(87,593)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	134,989	135,779
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Customer deposits	600	900
NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	600	900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributed	-	5,738
Grant proceeds	10,000	-
Acquistion of capital assets	(45,415)	-
Principal paid on loan	(8,742)	(31,354)
Interest on debt	(1,822)	(1,986)
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(45,979)	(27,602)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings	9,746	9,672
Purchase of investments	(9,407)	(127,657)
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	339	(117,985)
NET CHANGE IN CASH	89,949	(8,908)
CASH - BEGINNING OF YEAR	211,873	220,781
CASH - END OF YEAR	$ 301,822	$ 211,873
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 53,786	$ 70,876
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation and amortization	69,900	69,926
Change in assets and liabilities		
(Increase) decrease in accounts receivable	1,432	(3,718)
(Increase) decrease in inventory	4,716	(2,942)
Increase (decrease) in accounts payable and accruals	4,713	55
Increase (decrease) in unearned revenue	442	1,582
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	$ 134,989	$ 135,779

TOWN OF SWINK, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
Cash	$ 226,460	$ 188,800
Investments	520,685	498,673
Accounts receivable	6,640	8,187
TOTAL CURRENT ASSETS	753,785	695,660
NET PROPERTY AND EQUIPMENT	-	-
TOTAL ASSETS	$ 753,785	$ 695,660
CURRENT LIABILITIES		
Accrued expenses	$ 532	$ 532
TOTAL CURRENT LIABILITIES	532	532
NET POSITION		
Net investment in capital assets	-	-
Unrestricted	753,253	695,128
TOTAL NET POSITION	753,253	695,128
TOTAL LIABILITIES AND NET POSITION	$ 753,785	$ 695,660

TOWN OF SWINK, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Charges for services	$ 88,482	$ 93,928
OPERATING EXPENSES		
Salaries	13,271	15,178
Payroll taxes	1,042	1,192
Employee benefits	3,391	3,954
Insurance	1,509	1,546
Repairs and maintenance	27,297	22,458
Supplies	2,503	5,850
Utilities	543	480
Depreciation	-	-
Professional services	2,813	2,815
TOTAL OPERATING EXPENSES	52,369	53,473
OPERATING INCOME	36,113	40,455
NONOPERATING REVENUES (EXPENSES)		
Interest income	22,012	23,608
TOTAL NONOPERATING REVENUES (EXPENSES)	22,012	23,608
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	58,125	64,063
CAPITAL CONTRIBUTION	-	957
CHANGE IN NET POSITION	58,125	65,020
NET POSITION JANUARY 1	695,128	630,108
NET POSITION DECEMBER 31	$ 753,253	$ 695,128

TOWN OF SWINK, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 90,029	$ 93,411
Cash payments to employees	(17,704)	(20,324)
Cash payments for supplies, goods, services	(34,665)	(33,149)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	37,660	39,938
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributed	-	957
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	957
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings	22,012	23,608
Purchase of investments	(22,012)	(187,580)
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	-	(163,972)
NET CHANGE IN CASH	37,660	(123,077)
CASH - BEGINNING OF YEAR	188,800	311,877
CASH - END OF YEAR	$ 226,460	$ 188,800
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 36,113	$ 40,455
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	-	-
Change in assets and liabilities		
(Increase) decrease in account receivable	1,547	(517)
(Increase) decrease in account payable and accruals	-	-
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	$ 37,660	$ 39,938

TOWN OF SWINK, COLORADO

TRASH UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
Cash	$ 161,274	$ 112,145
Investments	158,821	152,107
Accounts receivable	9,451	11,868
TOTAL CURRENT ASSETS	329,546	276,120
NET PROPERTY AND EQUIPMENT	4,516	18,063
TOTAL ASSETS	$ 334,062	$ 294,183
CURRENT LIABILITIES		
Accounts payable	$ 2,633	$ 2,376
Landfill costs - current portion	3,410	2,780
TOTAL CURRENT LIABILITIES	6,043	5,156
NONCURRENT LIABILITIES		
Accrued landfill closure and post closure costs - net of current maturities	30,690	25,020
TOTAL LIABILITIES	36,733	30,176
NET POSITION		
Net investment in capital assets	4,516	18,063
Unrestricted	292,813	245,944
TOTAL NET POSITION	297,329	264,007
TOTAL LIABILITIES AND NET POSITION	$ 334,062	$ 294,183

TOWN OF SWINK, COLORADO

TRASH UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Charges for services	$ 123,757	$ 123,812
OPERATING EXPENSES		
Salaries	24,080	31,488
Payroll taxes	1,890	2,472
Employee benefits	7,577	9,627
Insurance	2,726	3,253
Repairs and maintenance	16,665	7,307
Supplies	767	15,687
Utilities	3,740	2,727
Depreciation	13,547	13,548
Professional services	2,812	2,813
Landfill charges	17,044	16,160
TOTAL OPERATING EXPENSES	90,848	105,082
OPERATING INCOME	32,909	18,730
NONOPERATING REVENUES (EXPENSES)		
Interest income	6,713	7,014
Other income (expenses)	(6,300)	(1,700)
TOTAL NONOPERATING REVENUES (EXPENSES)	413	5,314
CHANGE IN NET POSITION	33,322	24,044
NET POSITION JANUARY 1	264,007	239,963
NET POSITION DECEMBER 31	$ 297,329	$ 264,007

TOWN OF SWINK, COLORADO

TRASH UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 126,174	$ 121,962
Cash payments to employees	(33,547)	(43,587)
Cash payments for supplies, goods, services	(43,498)	(48,682)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	49,129	29,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings	6,714	7,014
Purchase of investments	(6,714)	(65,190)
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	-	(58,176)
NET CHANGE IN CASH	49,129	(28,483)
CASH - BEGINNING OF YEAR	112,145	140,628
CASH - END OF YEAR	$ 161,274	$ 112,145
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 32,909	$ 18,730
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	13,547	13,548
Change in assets and liabilities		
(Increase) decrease in accounts receivable	2,417	(1,850)
Increase (decrease) in accounts payable and accruals	256	(735)
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	$ 49,129	$ 29,693

TOWN OF SWINK, COLORADO

WATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for services	$ 252,600	$ 252,600	$ 282,778	$ 30,178
Interest	5,000	5,000	9,746	4,746
Grant revenue	-	-	45,415	45,415
Other income	400	400	-	(400)
TOTAL REVENUES	258,000	258,000	337,939	79,939
EXPENDITURES				
Salaries	32,200	32,200	44,312	(12,112)
Payroll taxes	2,500	2,500	2,627	(127)
Employee benefits	10,650	10,650	10,232	418
Insurance	14,000	14,000	13,341	659
Repairs and maintenance	30,000	30,000	15,365	14,635
Supplies	19,000	19,000	14,579	4,421
Utilities	46,000	46,000	49,112	(3,112)
Depreciation	72,000	72,000	69,900	2,100
Professional services	4,000	4,000	3,583	417
Miscellaneous	500	500	5,941	(5,441)
Capital outlay	-	-	45,415	(45,415)
Interest expense	4,000	4,000	1,822	2,178
Debt service	50,000	50,000	8,742	41,258
TOTAL EXPENDITURES	284,850	284,850	284,971	(121)
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	$ (26,850)	$ (26,850)	52,968	$ (79,818)
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Capitalization of fixed assets			45,415	
Principal paid on notes			8,742	
CHANGE IN NET POSITION			107,125	
NET POSITION JANUARY 1			1,543,629	
NET POSITION DECEMBER 31			$ 1,650,754	

TOWN OF SWINK, COLORADO

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for services	$ 89,250	$ 89,250	$ 88,482	$ (768)
Interest income	14,500	14,500	22,012	7,512
Other income	6,000	6,000	-	(6,000)
TOTAL REVENUES	109,750	109,750	110,494	744
EXPENDITURES				
Salaries	13,100	13,100	13,271	(171)
Payroll taxes	1,000	1,000	1,042	(42)
Employee benefits	3,750	3,750	3,391	359
Insurance	1,300	1,300	1,509	(209)
Repairs and maintenance	20,000	20,000	27,297	(7,297)
Supplies	5,000	5,000	2,503	2,497
Utilities	500	500	543	(43)
Depreciation	1,500	1,500	-	1,500
Professional services	3,100	3,100	2,813	287
TOTAL EXPENDITURES	49,250	49,250	52,369	(3,119)
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	$ 60,500	$ 60,500	58,125	$ (2,375)
NET POSITION JANUARY 1			695,128	
NET POSITION DECEMBER 31			$ 753,253	

TOWN OF SWINK, COLORADO

TRASH UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for services	$ 116,700	$ 116,700	$ 123,757	$ 7,057
Interest income	3,500	3,500	6,713	3,213
Other income	1,500	1,500	-	(1,500)
TOTAL REVENUES	121,700	121,700	130,470	8,770
EXPENDITURES				
Salaries	24,100	24,100	24,080	20
Payroll taxes	1,900	1,900	1,890	10
Employee benefits	9,575	9,575	7,577	1,998
Insurance	3,500	3,500	2,726	774
Repairs and maintenance	7,000	7,000	16,665	(9,665)
Supplies	1,000	1,000	767	233
Utilities	2,700	2,700	3,740	(1,040)
Depreciation	15,000	15,000	13,547	1,453
Professional services	2,800	2,800	2,812	(12)
Other	-	-	6,300	(6,300)
Landfill charges	18,500	18,500	17,044	1,456
TOTAL EXPENDITURES	86,075	86,075	97,148	(11,073)
REVENUE OVER (UNDER) EXPENDITURES	$ 35,625	$ 35,625	33,322	$ (2,303)
NET POSITION JANUARY 1			264,007	
NET POSITION DECEMBER 31			$ 297,329	

LOCAL HIGHWAY FINANCE REPORT

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)	$ 26,981.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
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)	$ 26,981.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 28,695.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 55,676.00

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:	54,210.00
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	9,560.00
c. Total (a + b)	$ 9,560.00
4. General Administration & Miscellaneous	4,394.00
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 68,164.00
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)	$ 68,164.00

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)		$ -	$ -	$ -

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:	REPORT YEAR ENDING DATE(mm/yyyy):
Town of Swink, Colorado	Connie Salzbrenner swinktownclerk@swinkco.email	12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	26,981.00	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 26,981.00	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	25,671.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	3,024.00		
c. Total (a + b)	$ 3,024.00		
4. Total (1 + 2 + 3c)	$ 28,695.00	**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)	$ -