Town of Poncha Springs, Colorado
Financial Statements and Report of
Independent Certified Public Accountants
December 31, 2016

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Blair and Associates P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Poncha Springs, Colorado

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 Poncha Springs, Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Poncha Springs, Colorado, as of December 31, 2016, 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.

Collice P. Blair, Jr., CPA, CFE

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American Institute of CPA's
Association of Certified Fraud Examiners
Governmental Audit Quality Center

Other Matters

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 on pages 3 through 10 and 34 through 35, respectively, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Poncha Springs, Colorado basic financial statements. The Conservation Trust Fund, Water Fund and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Conservation Trust Fund, Water Fund and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Conservation Trust Fund, Water Fund 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
June 15, 2017

TOWN OF PONCHA SPRINGS
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2016

As management of the Town of Poncha Springs (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, 2016. 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 $ 5,775,665 (i.e. net position) as of December 31, 2016, an increase of $ 972,972 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $ 1,414,501, an increase of $ 190,062 in comparison with the prior year.
- The Town's fund balance for the General Fund was $ 1,315,602, an increase of $ 157,291 in comparison to the prior year.
- Total long-term liabilities decreased by $ 136,000 during the 2016 fiscal year with no new debt issued.
- General property, sales and franchise taxes totaled $ 589,199, or 75% 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, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

Fund Financial Statements

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

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

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

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

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

Notes to Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2016, the Town's combined assets exceeded liabilities by $ 5,775,665. Of this amount, $ 1,865,302 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is invested in capital assets (net of related debt) of $ 3,888,513 (67% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the net investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2015 and 2016:

	Governmental Activities		Business-Type Activities	
Assets	2015	2016	2015	2016
Current and other assets	$ 1,262,540	$ 1,540,405	$ 364,494	$ 478,553
Capital assets	1,812,818	2,383,703	1,558,165	1,516,261
Total assets	$ 3,075,358	$ 3,924,108	$ 1,922,659	$ 1,994,814
Current liabilities	$ 2,305	$ 88,704	$ 6,949	$ 5,902
Non-current liabilities				
Loans and compensated absences	14,270	11,451	136,000	-
Total liabilities	16,575	100,155	142,949	5,902
Deferred Inflow of Resources				
Deferred property tax revenue	35,800	37,200	-	-
Net postion				
Net investment in capital assets	1,798,548	2,372,252	1,422,165	1,516,261
Restricted	33,550	21,850	-	-
Unrestricted	1,190,885	1,392,651	357,545	472,651
Total net position	$ 3,022,983	$ 3,786,753	$ 1,779,710	$ 1,988,912

An additional portion of net position, $21,850, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 1,865,302 (32% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

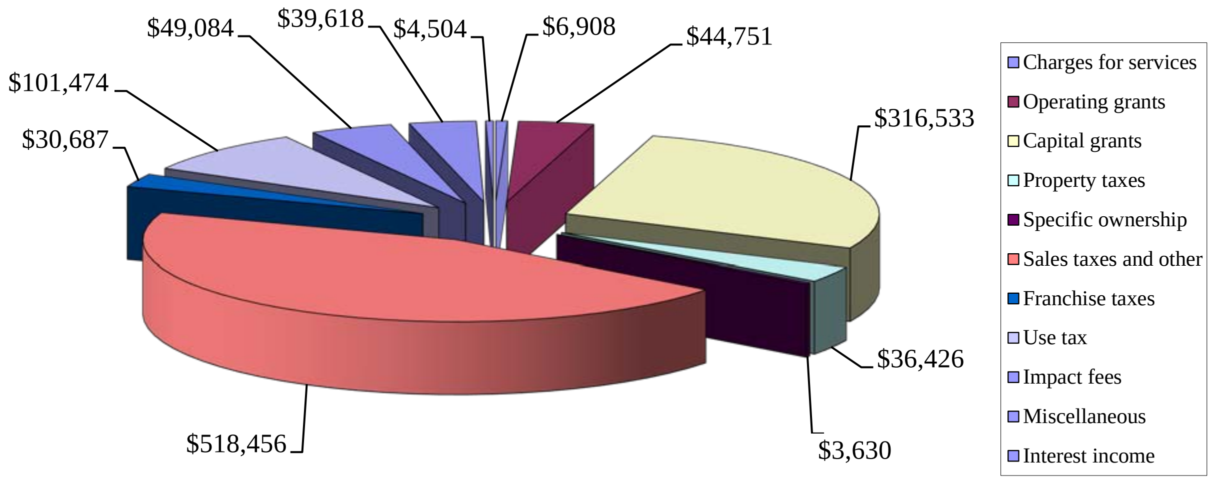
Governmental and business-type activities increased the Town's net position by $ 972,972 in 2016.

	Governmental Activities		Business-Type Activities	
Revenues	2015	2016	2015	2016
Program revenues				
Charges for services	$ 6,785	$ 6,908	$ 222,714	$ 178,342
Operating grants	60,739	44,751	-	-
Capital grants	412,036	316,533	83,600	216,900
General Revenues				
Property taxes	33,235	36,426	-	-
Specific ownership	2,967	3,630	-	-
Sales taxes and other	449,376	518,456	-	-
Franchise taxes	31,837	30,687	-	-
Use tax	57,089	101,474	-	-
Miscellaneous	238,197	39,618	103,940	31,211
Interest income	2,112	4,504	-	-
Impact fees	31,610	49,084	-	-
Totals	1,325,983	1,152,071	410,254	426,453
Expenses				
General government	180,249	181,332	-	-
Public works	188,751	183,386	244,542	217,251
Culture and recreation	7,399	23,583	-	-
Total expenses	376,399	388,301	244,542	217,251
Increase in net position	949,584	763,770	165,712	209,202
Beginning	2,073,399	3,022,983	1,613,998	1,779,710
Ending	$ 3,022,983	$ 3,786,753	$ 1,779,710	$ 1,988,912

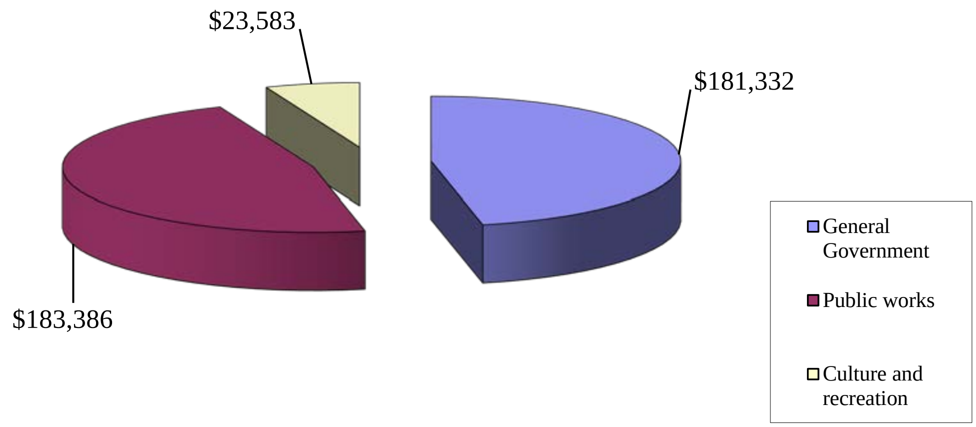
Governmental Activities

Governmental activities increased the Town's net position by $ 763,770.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase in net position of $ 209,202. 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 2016, the Town's governmental funds reported combined ending fund balances of $ 1,414,501, an increase of $ 190,062 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 91% of this total amount, $ 1,293,752, 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 $ 21,850.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2016, committed fund balance of the Capital Projects Fund was $ 39,441. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $ 157,291 during 2016.

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

The Town has one enterprise fund, the Water Fund. At the end of 2016, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$ 472,651
Total net position	$ 1,988,912
Increase (Decrease) in net position	$ 209,202

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $ 1,117,058 for 2016 expenditures. Actual expenditures were $ 912,584. There was one amendment to the original budget for the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2016, was $ 3,889,964, an increase of $ 529,038 from the prior year. As required by GASB 34, the net investment in capital assets includes land, buildings, building improvements, and equipment.

Capital assets activity for the year ended December 31, 2016 was as follows:

	Balance			Balance
Governmental Activities	January 1, 2016	Additions	Dispositions	December 31, 2016
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
CIP	450,827	486,442	(450,827)	486,442
	1,029,016	486,442	(450,827)	1,064,631
Capital assets being depreciated				
Buildings	256,076	-	-	256,076
Improvements other than buildings	21,000	-	-	21,000
Infrastructure	594,348	574,860	-	1,169,208
Equipment	213,434	-	-	213,434
	1,084,858	574,860	-	1,659,718
Less accumulated depreciation				
Buildings	(68,230)	(6,252)	-	(74,482)
Infrastructure	(99,009)	(21,749)	-	(120,758)
Equipment	(133,875)	(11,531)	-	(145,406)
	(301,114)	(39,532)	-	(340,646)
Capital assets being depreciated, net	783,744	535,328	-	1,319,072
Total governmental activities capital assets	$ 1,812,760	$ 1,021,770	$ (450,827)	$ 2,383,703
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	1,240,487	-	-	1,240,487
Storage tanks	209,045	-	-	209,045
Wells	324,652	-	-	324,652
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,044,050)	(41,905)	-	(1,085,955)
Capital assets being depreciated, net	1,040,178	(41,905)	-	998,273
Total business-type activities capital assets	$ 1,558,166	$ (41,905)	$ -	$ 1,516,261

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Poncha Springs receives most of its revenue as “pass through” funds from other entities and taxes. For example, the Town receives a share of the Chaffee County Sales Tax and funds from Highway User Tax Fund and Mineral Leasing and Severance payments. Most of these revenue sources are vulnerable to changes in the general economy as well as legislative changes that can redistribute funds.

The Town’s sales tax and portion of county sales tax saw a continued increase for the year, it is expected to see this trend continue into the next fiscal year. There was substantial activity in lot sales the Town owned in the Crossroads Retail Park, accounting for $197,473.85 of revenue in the General Fund and $84,631.65 in the Water Fund. These funds will contribute to Capital Projects in 2017.

Capital projects for the next budgetary cycle include a Chip Seal Project to apply a new layer of material on all municipal roads. The Town will also make efforts to secure a grant from the Colorado Department of Local Affairs to contribute along with matching funds to construct a New Town Hall. Within the Water Fund money will be allocated to start the initial design and engineering phase for a Water Infrastructure Improvement Project and outstanding debt will be paid off in full.

The Town also saw increased building in the residential and commercial sectors contributing to increased revenues through Use Taxes and Impact Fees; as well as, Water Tap Fees. The surrounding areas have seen the same trend and development looks to stay strong into next year.

REQUEST FOR INFROMATION

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

Administrative Officer/Treasurer/Clerk
Brian P. Berger
PO Box 190
Poncha Springs, CO 81242
719-539-6882

BASIC FINANCIAL STATEMENTS

Town of Poncha Springs
Statement of Net Position
December 31, 2016

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,288,315	$ 465,862	$ 1,754,177
Property taxes receivable	37,200	-	37,200
Accounts receivables	-	12,691	12,691
Due from other governments	214,890	-	214,890
Capital assets, net	2,383,703	1,516,261	3,899,964
Total assets	3,924,108	1,994,814	5,918,922
LIABILITIES			
Accounts payable	88,704	5,902	94,606
Due in more than one year	11,451	-	11,451
Total liabilities	100,155	5,902	106,057
Deferred Inflows of Resources			
Deferred property tax revenue	37,200	-	37,200
NET POSITION			
Invested in capital assets, net of related debt	2,372,252	1,516,261	3,888,513
Reserve for emergencies	21,850	-	21,850
Unrestricted	1,392,651	472,651	1,865,302
Total net position	$ 3,786,753	$ 1,988,912	$ 5,775,665

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Activities
For the Year Ended December 31, 2016

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 181,332	$ 6,908	$ -	$ 242,977
Public Works	183,386	-	36,233	-
Culture and Recreation	23,583	-	8,518	73,556
Total governmental activities	388,301	6,908	44,751	316,533
Business-type activities:				
Water	217,251	178,342	-	216,900
Total business- type activities	217,251	178,342	-	216,900
Total primary government	$ 605,552	$ 185,250	$ 44,751	$ 533,433

General Revenues
Taxes:
Property taxes
Specific ownership
Sales taxes and miscellaneous
Franchise taxes
Impact fees
Use tax
Miscellaneous
Investment earnings
Total General Revenues

Changes in Net Position
Net Position-January 1
Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ 68,553	$ -	$ 68,553
(147,153)	-	(147,153)
58,491	-	58,491
(20,109)	-	(20,109)
-	177,991	177,991
-	177,991	177,991
(20,109)	177,991	157,882
36,426	-	36,426
3,630	-	3,630
518,456	-	518,456
30,687	-	30,687
49,084	-	49,084
101,474	-	101,474
39,618	31,211	70,829
4,504	-	4,504
783,879	31,211	815,090
763,770	209,202	972,972
3,022,983	1,779,710	4,802,693
$ 3,786,753	$ 1,988,912	$ 5,775,665

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,226,228	$ 62,087	$ 1,288,315
Taxes receivable	37,200	-	37,200
Due from other governments	178,078	36,812	214,890
Total assets	$ 1,441,506	$ 98,899	$ 1,540,405
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 88,704	$ -	$ 88,704
Total liabilities	88,704	-	88,704
Deferred Inflows of Resources			
Deferred property tax revenue	37,200	-	37,200
Fund balances:			
Restricted			
Reserve for emergencies	21,850	-	21,850
Parks and recreation	-	59,458	59,458
Committed	-	39,441	39,441
Unassigned	1,293,752	-	1,293,752
Total fund balance	1,315,602	98,899	1,414,501
Total liabilities and fund balance	$ 1,441,506	$ 98,899	$ 1,540,405

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2016

Total fund balance, governmental funds		$ 1,414,501
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	$ 2,724,349	
Less accumulated depreciation	(340,646)	2,383,703
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Compensated absences		(11,451)
Net Position of Governmental Activities in the Statement of Net Position		$ 3,786,753

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 690,673	$ -	$ 690,673
Intergovernmental	37,523	82,074	119,597
Licenses and permits	6,908	-	6,908
Grants	242,977	-	242,977
Charges for services	6,079	-	6,079
Miscellaneous	85,715	122	85,837
Total revenues	1,069,875	82,196	1,152,071
Expenditures			
Current:			
General government	179,971	-	179,971
Public works	148,340	-	148,340
Culture and recreation	3,820	-	3,820
Capital outlay	580,453	49,425	629,878
Total expenditures	912,584	49,425	962,009
Excess of revenues over (under) expenditures	157,291	32,771	190,062
Fund balance, January 1	1,158,311	66,128	1,224,439
Fund balance, December 31	$ 1,315,602	$ 98,899	$ 1,414,501

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended December 31, 2016

Net change in fund balances - total governmental funds		$ 190,062
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	$ 610,421	
Depreciation expense	(39,532)	
Excess of capital outlay over depreciation		570,889
Reduction of compensated absences is not reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		2,819
Change in net position of governmental funds		$ 763,770

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Net Position
Enterprise Fund
Year Ended December 31, 2016

	Enterprise Fund Water Fund
Assets	
Current Assets	
Cash and cash equivalents	$ 465,862
Accounts receivable, net	12,691
Total Current Assets	478,553
Noncurrent Assets	
Capital assets	
Land and improvements	517,988
Buildings	5,837
Wells	324,652
Utility system	1,449,532
Equipment	304,207
Less accumulated depreciation	(1,085,955)
Total Noncurrent Assets	1,516,261
Total Assets	$ 1,994,814
Liabilities	
Current Liabilities	
Accounts payable	$ 5,902
Total Current Liabilities	5,902
Net Position	
Invested in capital assets, net of related debt	1,516,261
Unrestricted	472,651
Total Net Position	$ 1,988,912

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Fund
Year Ended December 31, 2016

	Enterprise Fund
	Water Fund
Operating revenues:	
Charges for services	$ 178,342
Total operating revenues	178,342
Operating expenses:	
Personnel services	51,482
Contractual services	38,666
Utilities	9,871
Other supplies and expenses	75,140
Depreciation	41,905
Total operating expenses	217,064
Operating income (loss)	(38,722)
Non-operating revenues (expenses):	
Miscellaneous	31,211
Interest expense	(187)
Total non-operating revenues (expenses)	31,024
Income (loss) before transfers and capital contributions	(7,698)
Capital contributions-Tap fees	216,900
Change in net position	209,202
Total net position, January 1	1,779,710
Total net position, December 31	$ 1,988,912

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Cash Flows
Enterprise Fund
Year Ended December 31, 2016

	Enterprise Fund
	Water Fund
Cash flows from operating activities	
Cash received from charges for services	$ 178,127
Cash payments for goods and services	(124,725)
Cash payments to employees for services	(51,482)
Net cash provided (used) by operating activities	1,920
Cash flows from non-capital financing activities	
Miscellaneous	31,211
Net cash provided (used) by non-capital financing activities	31,211
Cash flows from capital and related financing activities	
Tap fees	216,900
Principal paid on loans and leases	(136,000)
Interest expense	(187)
Net cash provided (used) by capital and related financing activities	80,713
Net increase (decrease) in cash and equivalents	113,844
Cash balances, January 1	352,018
Cash balances, December 31	$ 465,862
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (38,722)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	41,905
Assets (increase) decrease:	
Accounts receivables	(215)
Liabilities increase (decrease):	
Accounts payable	5,155
Accrued interest expense	(6,203)
Total adjustments	40,642
Net cash provided (used) by operating activities	$ 1,920

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Poncha Springs, 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.

A. Financial Reporting Entity

The Town is a statutory municipality with a mayor – trustee form of government with seven elected Trustee members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Poncha Springs (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 activities) 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.

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.

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

C. Fund Financial Statements- (continued)

The Town reports the following major governmental funds:

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

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The Capital Projects Fund, which accounts for grants and other revenues to be used for capital projects.
- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

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 interests in the activities and sources of funding supporting these operations.

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

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

- Water Fund, which accounts for all operations of the Town's water services. It is 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 a 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. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal 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 be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have 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 a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources 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, and for which the initial, individual value equals or exceeds $ 5,000.

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
Transmission lines	50-70 years
Buildings	40 years
Storage tanks	25-40 years
Wells	10-30 years
Meters and pits	30 years
Equipment	5 years
Infrastructure	15-40 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.

Under GASB 34 the town is not required to retroactively report on infrastructure assets before June 30, 2004. Therefore, infrastructure assets before that date are not shown on the financial statements.

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

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 position.

The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

J. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused general leave benefits. Employees accumulate benefits with no predetermined maximums, however any benefits accumulated in excess of 160 hours at year end must be used within the first quarter of the following year or they will be lost. Employees are compensated for these accumulated benefits either through paid time off or at termination or retirement.

K. Net Position

Net position represents the difference between assets and liabilities. Net position 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 position is 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 nonroutine 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.

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.

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

N. Fund Equity - (continued)

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

Note 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.

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 General 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 Administrator gives public notice of the budget calendar for the next fiscal year. The Town Administrator, prepares a proposed budget for the ensuing fiscal year and submits it to the Trustees 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 Trustees in early November.

D. The Trustees adopt 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 Trustees 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 Administrator determines that there are expenses in excess of those estimated in the budget, the Trustees 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 Trustees may make emergency appropriations. If at any time during the fiscal year it appears probable to the Town Administrator that the revenues available will be insufficient to meet the amount appropriated, the Town Administrator reports to the Trustees, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the Town Administrator may transfer part or all of any unencumbered appropriation balance within a department.

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

Note 4 – Budgets - (continued)

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. Revisions made to the original budgeted expenditures for each fund are as follows:

	Original Budget	Total Revisions	Final Budget
General	$ 1,117,058	$ -	$ 1,117,058
Water	338,935	-	338,935
Capital Projects	-	49,425	49,425
Conservation Trust	1,000	-	1,000
	$ 1,456,993	$ 49,425	$ 1,506,418

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, 2016, the bank balance of the Town's deposits was $ 1,182,397 of which $ 500,000 was covered by federal depository insurance and $ 682,397 was collateralized under PDPA.

Colorado statues 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 statues. On December 31, 2016 the Town's investments included certificates of deposit and funds held in Colotrust.

The Town had invested $ 588,049 in 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.

Note 5 - Deposits and Investments - (continued)

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 identified 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.

The Town maintains a cash pool that is available to the General Fund, Special Revenue Funds and Enterprise Funds.

Cash and cash equivalents are summarized as follows:

Cash on hand	$ 50
Demand deposits	946,904
Certificates of deposits	219,174
Money market funds held by ColoTrust	588,049
	$ 1,754,177

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. There are no investments not in the name of the Town.

Note 6 - Long-term Liabilities

Governmental Activities	January 1, 2016	Additions	Reductions	December 31, 2016	Due within one year
Compensated absences	$ 14,270	$ -	$ (2,819)	$ 11,451	$ -
Total	$ 14,270	$ -	$ (2,819)	$ 11,451	$ -
Enterprise Activities					
Bonds payable	$ 136,000	$ -	$ (136,000)	$ -	$ -
Total	$ 136,000	$ -	$ (136,000)	$ -	$ -

Note 7 - Retirement Plans

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by Nexus Financial Programs, Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. All permanent employees are eligible to participate in the plan from the date of employment. The Town makes a basic contribution of 5% of the employee's salary and will match an additional 3% if the employee chooses to contribute. Employees may make additional voluntary contributions. Participants vest in employer contributions and in earnings, losses and changes in fair market value of Plan assets at a rate of 20% per year. Any nonvested Town contributions forfeited by an employee who leaves the Town's employment are remitted to the Town.

The Town's total payroll in 2016 was $ 202,198. The total payroll covered by the plan was $ 176,975. A contribution of $ 18,143 was made to the plan in 2016. This contribution consisted of the Town's contribution of $ 14,158 and the employee's contributions of $ 3,985.

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.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for property/casualty and workers' compensation coverage.

CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency.

Note 9 - Reconciliation of Budget Basis to GAAP Basis for Enterprise Fund

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
GAAP-based expenses	$	$ 217,252	$
Add (deduct):			
Depreciation		(41,905)	
Acquisition and construction of capital assets		-	
Bond principal retirement		136,000	
Total budgetary-based Expenditures	$ 338,935	$ 311,347	$ 27,588

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

Governmental Activities	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Construction in progress	450,827	486,442	(450,827)	486,442
	$ 1,029,016	$ 486,442	$ (450,827)	$ 1,064,631
Capital assets being depreciated				
Buildings	256,076	-	-	256,076
Improvements other than buildings	21,000	-	-	21,000
Infrastructure	594,348	574,860	-	1,169,208
Equipment	213,434	-	-	213,434
	1,084,858	574,860	-	1,659,718
Less accumulated depreciation				
Buildings	(68,230)	(6,252)	-	(74,482)
Infrastructure	(99,009)	(21,749)	-	(120,758)
Equipment	(133,875)	(11,531)	-	(145,406)
	(301,114)	(39,532)	-	(340,646)
Capital assets being depreciated, net	783,744	535,328	-	1,319,072
Total governmental activities capital assets	$ 1,812,760	$ 1,021,770	$ (450,827)	$ 2,383,703

Note 10 - Capital Assets-(continued)

Capital assets activity for the year ended December 31, 2016 was as follows:

Business-Type Activities	Balance January 1, 2016	Additions	Dispositions	Balance December 31, 2016
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	1,240,487	-	-	1,240,487
Storage tanks	209,045	-	-	209,045
Wells	324,652	-	-	324,652
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,044,050)	(41,905)	-	(1,085,955)
Capital assets being depreciated, net	1,040,178	(41,905)	-	998,273
Total business-type activities capital assets	$ 1,558,166	$ (41,905)	$ -	$ 1,516,261

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

General government	$ 3,078
Public works	33,280
Culture and recreation	3,174
Total	$ 39,532

REQUIRED SUPPLEMENTARY INFORMATION

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Sales	$ 400,000	$ 400,000	**$ 514,463**	$ 114,463
Property	35,833	35,833	**36,426**	593
Specific Ownership	3,500	3,500	**3,630**	130
Franchise	26,000	26,000	**30,687**	4,687
Use tax	12,000	12,000	**101,474**	89,474
Cigarette/other	3,350	3,350	**3,993**	643
Total Taxes	480,683	480,683	**690,673**	209,990
Intergovernmental				
Highway users tax	41,000	41,000	**36,233**	(4,767)
Grants	372,000	372,000	**242,977**	(129,023)
Other	1,000	1,000	**1,290**	290
Total intergovernmental	414,000	414,000	**280,500**	(133,500)
Licenses and permits	5,600	5,600	**6,908**	1,308
Charges for services	4,000	4,000	**6,079**	2,079
Other				
Interest	1,040	1,040	**4,382**	3,342
Development fees	500	500	**1,750**	1,250
Impact fees	12,000	12,000	**49,084**	37,084
Miscellaneous	700	700	**30,499**	29,799
Total other	14,240	14,240	**85,715**	71,475
Total revenues	$ 918,523	$ 918,523	**$ 1,069,875**	$ 151,352

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

General Government	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Salaries	$ 82,468	$ 82,468	**$ 80,100**	$ 2,368
Trustee's	21,000	21,000	**20,800**	200
Employee benefits	32,111	32,111	**29,177**	2,934
Supplies	10,700	10,700	**10,566**	134
Purchased services	31,133	31,133	**26,311**	4,822
Fixed charges	10,400	10,400	**9,291**	1,109
Grant related expenses	1,000	1,000	**-**	1,000
Miscellaneous	2,000	2,000	**3,726**	(1,726)
Total general government	190,812	190,812	**179,971**	10,841
Public Works				
Salaries	82,433	82,433	**81,619**	814
Employee benefits	22,737	22,737	**24,001**	(1,264)
Supplies	19,700	19,700	**15,679**	4,021
Purchased services	26,676	26,676	**26,052**	624
Miscellaneous	2,100	2,100	**989**	1,111
Total public works	153,646	153,646	**148,340**	5,306
Visitors' Center				
Supplies	1,500	1,500	**867**	633
Purchased services	2,000	2,000	**2,953**	(953)
Total visitors' center	3,500	3,500	**3,820**	(320)
Cemetery	100	100	**-**	100
Capital Outlay	769,000	769,000	**580,453**	188,547
Total expenditures	1,117,058	1,117,058	**912,584**	204,474
Excess revenues over expenditures	(198,535)	(198,535)	**157,291**	355,826
Fund Balance-January 1	1,017,437	1,017,437	**1,158,311**	140,874
Fund Balance-December 31	$ 818,902	$ 818,902	**$ 1,315,602**	$ 496,700

Town of Poncha Springs
Combining Balance Sheet
Other Governmental Funds
Year Ended December 31, 2016

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	$ 59,458	$ 2,629	$ 62,087
Due from state	-	36,812	36,812
Total assets	$ 59,458	$ 39,441	$ 98,899
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund balances			
Committed: capital projects	-	39,441	39,441
Unreserved:	59,458	-	59,458
Total fund balances	59,458	39,441	98,899
Total liabilities and fund balances	$ 59,458	$ 39,441	$ 98,899

Town of Poncha Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2016

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	$ 8,518	$ 73,556	$ 82,074
Interest earnings	122	-	122
Total revenues	8,640	73,556	82,196
EXPENDITURES			
Capital outlay	-	49,425	49,425
Total expenditures	-	49,425	49,425
Excess of revenues over expenditures	8,640	24,131	32,771
Fund balance (deficit), January 1	50,818	15,310	66,128
Fund balance (deficit), December 31	$ 59,458	$ 39,441	$ 98,899

Town of Poncha Springs
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Grants and contributions	$ -	$ 36,744	**$ 73,556**	$ 36,812
Total revenues	-	36,744	**73,556**	36,812
Expenditures				
Current:				
Capital outlay	-	49,425	**49,425**	-
Total expenditures	-	49,425	**49,425**	-
Excess of revenues over (under) expenditures	-	(12,681)	**24,131**	36,812
Fund Balance-January 1	-	12,681	**15,310**	2,629
Fund Balance-December 31	$ -	$ -	**$ 39,441**	$ 39,441

Town of Poncha Springs
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 7,200	$ 7,200	**$ 8,518**	$ 1,318
Interest	100	100	**122**	22
Total revenues	7,300	7,300	**8,640**	1,340
Expenditures				
Repairs	1,000	1,000	**-**	1,000
Total expenditures	1,000	1,000	**-**	1,000
Excess of revenues over (under) expenditures	6,300	6,300	**8,640**	2,340
Fund Balance-January 1	20,836	20,836	**50,818**	29,982
Fund Balance-December 31	$ 27,136	$ 27,136	**$ 59,458**	$ 32,322

Town of Poncha Springs
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water charges	$ 157,000	$ 157,000	**$ 167,142**	$ 10,142
Connection fees	34,600	34,600	**216,900**	182,300
Grants	35,000	35,000	**-**	(35,000)
Water rights leasing	60,000	60,000	**11,200**	(48,800)
Miscellaneous	5,620	5,620	**31,211**	25,591
Total revenues	292,220	292,220	**426,453**	134,233
Expenditures				
Water:				
Salaries and wages	37,910	37,910	**39,797**	(1,887)
Employee benefits	11,685	11,685	**11,685**	-
Repairs and supplies	8,500	8,500	**18,145**	(9,645)
Postage	1,300	1,300	**1,329**	(29)
Utilities	12,500	12,500	**9,871**	2,629
Water storage and leasing	7,000	7,000	**14,385**	(7,385)
Water treatment/testing	7,500	7,500	**5,181**	2,319
Professional fees	25,000	25,000	**19,100**	5,900
Capital outlay	75,640	75,640	**54,969**	20,671
Debt service payments	143,000	143,000	**136,188**	6,812
Miscellaneous	8,900	8,900	**697**	8,203
Total Water	338,935	338,935	**311,347**	27,588
Excess of revenues over (under) expenditures	(46,715)	(46,715)	**115,106**	161,821
Available Resources-January 1	284,365	284,365	**357,545**	73,180
Available Resources-December 31	$ 237,650	$ 237,650	**$ 472,651**	$ 235,001

Completed 8/1/17 + Mailed

Financial Planning 02/01
Form # 350-050-36

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT

City or County: Poncha Springs	YEAR ENDING : December ~~2014~~ 2016
This Information From The Records Of (example - City of _ or County of _ Town of Poncha Springs	Prepared By: Brian Berger Phone: 719-539-6882

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. Remainder 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.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	116868
3. Other local imposts (from page 2)	49084 0
4. Miscellaneous local receipts (from page 2)	1654 0
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.)	0
7. Total (1 through 6)	167606 0
B. Private Contributions	
C. Receipts from State government (from page 2)	41,211 0
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	208817 0

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	86833 0
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	1108
b. Snow and ice removal	336
c. Other	14918
d. Total (a. through c.)	16362 0
4. General administration & miscellaneous	105622
5. Highway law enforcement and safety	
6. Total (1 through 5)	208817 0
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	208817 0

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		208,817 0	208,817 0		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

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 Assessments		a. Interest on investments	364 00
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	49084	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	1290
6. Total (1. through 5.)	49084 0	h. Other	
c. Total (a. + b.)	49084 0	i. Total (a. through h.)	1654 0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	36,409	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	4802	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	41211 0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	41211 0	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		86833	86833 0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	86833 0	86833 0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	86833 0	86833 0
			(Carry forward to page 1)

Notes and Comments:

ANNUAL HIGHWAY FINANCE REPORT - CY16

Step 1: Enter your email and select your City or County from the list below.
Step 2: Click on "Start" to edit/update your data.
Step 3: Click on "Submit" at the bottom of the form to edit/update your data.

Your Email Address: manager@ponchasprings.us

Select City: Poncha Springs

Start

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$ 116868
3. Other local imposts: *(from A.3. 'Total' below)*	$ 49,084.00
4. Miscellaneous local receipts: *(from A.4. 'Total' below)*	$ 1,654.00
5. Transfers from toll facilities	$ 0.00
6. Proceeds of sale of bonds and notes	
a. Bonds - Original Issues:	$ 0.00
b. Bonds - Refunding Issues:	$ 0.00
c. Notes:	$ 0.00
SubTotal:	$ 167,606.00

B. Private Contributions $ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments $ 0.00

b. Other Local Imposts

1. Sales Taxes:	$ 0.00
2. Infrastructure and Impact Fees:	$ 49084
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 0.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 49,084.00

A.4. Miscellaneous local receipts
Please no commas or dollar signs for the input

a. Interest on Investments:	$ 364
b. Traffic fines & Penalities:	$ 0.00
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 1290
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 1,654.00

C. Receipts from State Government
Please no commas or dollar signs for the input

1. Highway User Taxes:	$ 36409
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 4802
d. Other (Specify): Comments: undefined	$ 0.00
e. Other (Specify): Comments: undefined	$ 0.00
Total: *(1+3c,d,e)*	$ 41,211.00

D. Receipts from Federal Government
Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	$ 0.00
b. FEMA:	$ 0.00
c. HUD:	$ 0.00

d. Federal Transit Administration:	$ 0.00
e. U.S. Corp of Engineers	$ 0.00
f. Other Federal:	$ 0.00
Total: *(2a-f)*	$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$ 86,833.00
2. Maintenance:	$ 0.00
3. Road and street services	
a. Traffic control operations:	$ 1108
b. Snow and ice removal:	$ 336
c. Other:	$ 14918
4. General administration & miscellaneous	$ 105622
5. Highway law enforcement and safety	$ 0.00
Total: *(A.1-5)*	$ 208,817.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds	
a. Interest	$ 0.00
b. Redemption	$ 0.00
2. Notes	
a. Interest	$ 0.00
b. Redemption	$ 0.00
SubTotal: *(1+2)*	$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways: $ 0.00

D. Payments to Toll Facilities: $ 0.00

Total Disbursements: *(A+B+C+D)* $ 208,817.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.
2. Capacity Improvements:	$ 0.00	$ 86833	$ 86,833.
3. System Preservation:	$ 0.00	$ 0.00	$ 0.
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.
5. Total Construction:			$ 86,833.
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 86,833.

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.(
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.(
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.(

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliati
$ 0.00	$ 208,817.00	$ 208,817.00	$ 0.00	$ 0.0

Notes & Comments:

undefined

Please enter your name: Brian Berger

Please provide a telephone number where you may be reached: 719-539-6882

Save Print Report

Note: Printing your form will *NOT* save it. Save *BEFORE* printing.

FORM FHWA-536e(Version 3.00) - CY16