Town of Kiowa, Colorado

Financial Statements

December 31, 2019

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Independent Auditor's Report

Board of Trustees
Town of Kiowa, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Kiowa ("Kiowa"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Kiowa's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Kiowa's 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, each major fund, and the aggregate remaining fund information of Kiowa, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

p o box 1173 203 east oak st. lamar, colorado 81052 (719) 336-7428 (719) 336-2982

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, 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.

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be present to supplement the basic financial statements. The omission of this information does not affect our opinion on the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kiowa's basic financial statements. The individual nonmajor fund financial statements including the budget and actual information, and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund financial statements including the budget to actual financial information and the local highway finance report 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. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

July 28, 2020

Town of Kiowa, Colorado
Statement of Net Position
December 31, 2019

	Governmental Activities	Total
ASSETS		
Cash and Equivalents	$ 110,370	$ 110,370
Receivables	129,792	129,792
Other Assets Prepaid Expenses	(70)	(70)
Capital Assets:		
Buildings	419,412	419,412
Property, Plant and Equipment	314,225	314,225
Less: Accumulated Depreciation	(518,437)	(518,437)
Total Capital Assets	215,200	215,200
Total Assets	455,292	455,292
LIABILITIES		
Accounts payable and accrued expenses	4,605	4,605
Total liabilities	4,605	4,605
Deferred Cash-Inflows		
Deferred Property Taxes	85,254	85,254
NET POSITION		
Net investment in capital assets	215,200	215,200
Restricted for:		
TABOR	8,733	8,733
Unrestricted	141,500	141,500
Total net position	$ 365,433	$ 365,433

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

Town of Kiowa, Colorado
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Total
Primary government						
Governmental Activities						
General Government	$ 142,390	$ 21,543	$ 9,380	$ -	$ (111,467)	$ (111,467)
Public Safety	58,573	6,198	-	-	(52,375)	(52,375)
Public Works	80,199	3,627	-	-	(76,572)	(76,572)
Culture and Recreation	32,464	1,372	5,975	-	(25,117)	(25,117)
Total governmental activities	313,626	32,740	15,355	-	(265,531)	(265,531)
Total primary government	$ 313,626	$ 32,740	$ 15,355	$ -	(265,531)	(265,531)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					72,802	72,802
Franchise, Highway Users, and misc. taxes and fees					73,627	73,627
Sales & SO tax					146,940	146,940
Unrestricted investment earnings					153	153
Miscellaneous					9,729	9,729
Special item - gain on sale of fixed assets					20,012	20,012
Total general revenues, special items, and transfers					323,263	323,263
Change in net position					57,732	57,732
Net position - beginning					307,701	307,701
Net position - ending					$ 365,433	$ 365,433

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

Town of Kiowa, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Road and Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 40,316	$ 60,122	$ 9,933	$ 110,371
Taxes receivable, net	114,227	-	-	114,227
Other receivables--grants	-	15,566	-	15,566
Prepaid expenses	-	(70)	-	(70)
Total assets	154,543	75,618	9,933	240,094
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	4,605	-	-	4,605
Total liabilities	4,605	-	-	4,605
Deferred Cash Inflows				
Deferred property taxes	85,254	-	-	85,254
Fund balances:				
Restricted--TABOR	8,733	-	-	8,733
Unassigned	55,951	-	-	55,951
Committed		75,618	9,933	85,551
Total fund balances	64,684	75,618	9,933	150,235
Total liabilities and fund balances	$ 154,543	$ 75,618	$ 9,933	$ 240,094

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

Town of Kiowa, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total fund balance, governmental funds	$	150,235
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		215,200
Adjustment due to rounding		(2)
Net Position of Governmental Activities in the Statement of Net Position	$	365,433

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

Town of Kiowa, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Road and Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	$ 72,802	$ -	$ -	$ 72,802
SO Tax	14,084	-	-	14,084
Sales taxes	81,132	51,725	-	132,857
Fees and fines	4,103	-	-	4,103
Franchise taxes, licenses and permits	36,703	3,348	-	40,051
Intergovernmental	9,380	52,973	3,028	65,381
Charges for services	11,239	(2,000)	-	9,239
Investment earnings	153	-	-	153
Miscellaneous	12,624	52	-	12,676
Total revenues	242,220	106,098	3,028	351,346
EXPENDITURES				
Current:				
General government	125,748	-	-	125,748
Public safety	54,064	-	-	54,064
Public works	14,316	63,996	-	78,312
Culture and recreation	25,721	-	202	25,923
Debt Service:				
Principle	6,556	-	-	6,556
Interest	514	-	-	514
Total Expenditures	226,919	63,996	202	291,117
Excess (deficiency) of revenues over expenditures	15,301	42,102	2,826	60,229
SPECIAL ITEM				
Proceeds from sale of assets	20,012	-	-	20,012
Net change in fund balances	35,313	42,102	2,826	80,241
Fund balances - beginning	29,371	33,516	7,107	69,994
Fund balances - ending	$ 64,684	$ 75,618	$ 9,933	$ 150,235

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

Town of Kiowa, Colorado

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds:	$	80,241
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of $0 was less than depreciation of $29,064 in the current period.		(29,064)
Governmental funds report lease purchase proceeds as current financial resources. In contrast, the Statement of Activities treats lease purchase agreements as a liability. Governmental funds report repayment of principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.		6,556
Adjustment due to rounding		(1)
Change in net position of governmental activities	$	57,732

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

Note 1 **Summary of Significant Accounting Policies**

The Town of Kiowa (the Town) provides various services to the residents of the Town including parks, police service, roads and streets, and water and sanitation services. The Town is governed by a seven-member Board of Trustees, which is the policy making body of the Town.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

Reporting Entity

The Town has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing and the primary recipient services.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) fees and 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. Revenues not classified as program revenues, including all taxes, are reported as general revenues.

Separate financial statements are provided for the governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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 flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are revenue in the fiscal year in which 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 period or soon enough thereafter to pay liabilities of the current fiscal 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 are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers property taxes as available if they are collected within 30 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, sales taxes, interest revenue, and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the Town are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The main revenues are property taxes, sales taxes, fines and fees, and charges for services. Personnel costs and public safety are the main expenditures.

The *Road and Street Fund* is used to account for revenues that are to be used for expenditures for the Town's roads and streets. Highway Users Trust Fund monies and sales taxes are the main revenue sources. Personnel costs and maintenance costs are the main expenditures.

As a general rule, the effect of Interfund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value. Fair value and actual value are approximately the same.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds." In the government-wide financial statements, all internal balances have been substantially eliminated.

Restricted Cash and Investments

The use of certain cash and investments of the Town is restricted. These cash and investment items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Capital Assets

Capital assets, which include land, buildings, vehicles, water and sewer systems and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Town adopted a $3,500 capitalization threshold for all funds.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements, vehicles, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 40 years
Equipment	3 to 10 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement, and the related costs including accumulated depreciation are removed from the accounts, with any gain or loss reflected in the statement of revenue, expenses, and changes in fund net position.

Accumulated Employee Benefit Amounts

After five years of full-time employment, payment for accrued personal leave will be made at the time of dismissal at the rate of 50% of the accumulated hours, not to exceed 160 hours, at the rate of pay at the time of dismissal.

Accumulated unpaid vacation and other employee benefit amounts are reflected in these financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Budget Information

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

1. In October, the Town Administrator submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the Town to obtain taxpayer comments.

3. Prior to December 31, the budget is legally enacted through passage of a resolution.

4. Authorization to transfer budgeted amounts between funds and revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

6. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended.

7. The budgets for the Proprietary Funds are adopted on a comprehensive basis of accounting other than GAAP. The main difference between the budget and the statement of operations is that capital expenditures and bond payments are included as part of the budget, but are not included in the statement of operations. Depreciation is included in the statement of operations, but is not included as a budgeted item. Bond proceeds are considered a source of revenue for budget purposes.

All annual appropriations lapse at the end of the year. Supplemental budgets were adopted during the year.

Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or in one installment due April 30. Elbert County bills and collects property taxes for the Town. Town property tax revenues are recognized when levied to the extent that they result in current receivables. The Town is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt.

Note 2 **Cash and Investments**

Deposits

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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2019, the carrying amount of the Town's deposits was $107,699. The total amount was covered by FDIC insurance and, if applicable, under the provision of the PDPA, which is collateralized in single institution pools.

Investments

The Town can participate with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. (One such trust formed under the statute is ColoTrust.) MCIA's COLOTRUST PRIME and PLUS+ pools are a 2a7-like investment pool. ColoTrust has a Standard and Poor's rating of AAAm.

At December 31, 2019, the Town had $2,672 invested in ColoTrust.

Note 3 **Water and Wastewater Funds**

On March 10, 2014, the Kiowa Water and Wastewater Authority of Elbert County, Colorado (the "Authority") Board of Directors established, under provisions of Title 37, Article 45.1, Colorado Revised Statutes (the "Water Activity Law"), the Water Enterprise and Wastewater Enterprise of the Kiowa Water and Wastewater Authority which is authorized: (i) to establish or continue to maintain water activity enterprises for the purpose of pursuing or continuing water activities, including water acquisition or water projects or facility activities including the construction, operation, repair and replacement of water or wastewater facilities; and (ii) to issue or reissue bonds, notes or other obligations payable from the revenues derived or to be derived from the function, service, benefits or facility or from any other available funds of the enterprise, the terms and conditions of such bonds or other obligations to be set forth in the resolution authorizing the same. With the establishment of the Authority, the Town sold the majority of its water and wastewater assets for the amount of the Town's outstanding debt, including accrued interest as of December 31, 2014. Beginning in July 2014, the Town's Water Operations Fund and Wastewater Operations Fund reflect the costs of operating the water and wastewater enterprises for the Authority on a contractual basis through an Intergovernmental Agreement.

Note 4 **Capital Assets**

Those assets that were not sold were transferred to general fixed assets at original cost less accumulated depreciation with the exception of older miscellaneous assets.

Capital asset activity for the year ended December 31, 2019, was as follows:

	12/31/2018	Additions	Deletions	13/31/2019
Governmental Activities:				
Building and Improvements	$ 419,412	$ -	$ -	$ 419,412
Equipment	314,225	-	-	314,225
Total	733,637	-	-	733,637
Less: Accumulated Depreciation	(489,373)	(29,064)	-	(518,437)
Net	$ 244,264	$ (29,064)	$ -	$ 215,200

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

Governmental Activities:	
General Government	$ 9,897
Public Safety	10,280
Public Works	1,887
Community Development	7,000
Total Depreciation Expense – Governmental Activities	$ 29,064

Note 5 **Risk Management**

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town carries commercial insurance for these risks of loss, including worker's compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the past three years.

Note 6 **Amendment to Colorado Constitution**

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.

The Town's activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The Amendment excludes from its provision Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment. The Town is of the opinion that the following operations qualify for this exclusion: Water Operations and Wastewater Operations.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenue or receipts. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly, causing a net tax revenue gain to any local government.

On November 8, 1994, the voters of the Town of Kiowa voted their approval that taxes be increased by $87,607 annually, beginning in 1995 and by whatever annual amount future collections total from an additional 1.5% sales tax.

On November 4, 1997, the voters of the Town of Kiowa voted their approval that the Town be authorized to collect, retain and expend the full proceeds generated by any revenue source of the Town without any increase in any tax rate, notwithstanding any limitation contained in Article X, Section 20, of the Colorado Constitution and without limiting in any year the amount of other revenues that may be collected and spend by the Town under Article X, Section 20, of the Colorado Constitution.

On April 4, 2000, the voters of the Town of Kiowa voted their approval that the Town be authorized to collect, retain and spend all property tax revenues generated from the mill levy for the general municipal purposes, beginning with 1999 taxes collected in 2000, and continuing for each subsequent year thereafter, notwithstanding the 5.5% limitation imposed by statute and notwithstanding any expenditure revenue raising or other limitation contained within Article X, Section 20, of the Colorado Constitution.

The Amendment requires that Emergency Reserves be established. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2019, totaled $8,733. The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment. However, the Town has made certain interpretations in the Amendment's language in order to determine its compliance.

Note 7 Fund Equity

Non-Spendable Fund Balance

The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.

Restricted Fund Balance

The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance

The portion of fund balance constrained for specific purposes according to the limitations imposed by the Town's highest level of decision-making authority, the Board of Trustees, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Assigned Fund Balance

The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the Board of Trustees or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Unassigned Fund Balance

The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the Town's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

Note 8 Retirement Plan

The Town has a 401(a)-retirement plan for all full-time employees. The Town and employees each contribute 7.9% of qualifying wages. The qualifying wages during 2019 were $93,908 with employer and employee contributions of $7,444 each. All employees are immediately vested in all benefits. An employee that is no longer employed does not forfeit any benefits. The Board of Trustees authorizes the benefits and can change them by a majority vote. There was no outstanding liability at year-end.

Note 9 Note Payable

During 2017, the Town enter into a lease purchase agreement for $12,700 to be used for the purchase of a police vehicle. The lease purchase was made June 26, 2017, and calls for 36 monthly payments of $386.71 with an interest rate of 4.5% beginning July 8, 2017. The interest rate was reduced to 4.1% during 2018 and the monthly payments were decreased. If all payments are made, the Town will own the vehicle at the end of the lease. During 2019, the lease was paid in full.

Town of Kiowa, Colorado
Budget and Actual
General Fund
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 76,679	$ 76,679	$ 72,802
SO Taxes	14,000	14,000	14,084
Sales and miscellaneous taxes	41,000	41,000	81,132
Fees and fines	90,000	90,000	4,103
Licenses and permits	32,050	32,050	36,703
Intergovernmental	79,500	79,500	9,380
Charges for services	94,510	94,510	11,239
Investment earnings	50	50	153
Miscellaneous	6,100	6,100	12,624
Total revenues	433,889	433,889	242,220
EXPENDITURES			
Current:			
General government	113,090	113,090	125,748
Public Safety	207,862	207,862	54,064
Public Works and Planning	99,166	99,166	14,316
Culture and recreation	16,320	16,320	25,721
Debt Service:			
Principal	4,538	4,538	6,556
Interest and other charges	228	228	514
Total Expenditures	441,204	441,204	226,919
Excess (deficiency) of revenues over expenditures	(7,315)	(7,315)	15,301
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	20,012
Net change in fund balances	(7,315)	(7,315)	35,313
Fund balance - beginning	24,804	24,804	29,371
Fund balance - ending	$ 17,489	$ 17,489	$ 64,684

Town of Kiowa, Colorado
Budget and Actual
Road and Street Fund
For the year ended December 31, 2019

	Budgeted Amounts				Actual Amounts, Budgetary Basis	
	Original		Final			
REVENUES						
Sales and miscellaneous taxes	$	40,000	$	40,000	$	51,725
Licenses and permits		3,300		3,300		3,348
Intergovernmental		49,506		49,506		52,973
Charges for services		-		-		(2,000)
Investment earnings		12		12		-
Miscellaneous		-		-		52
Total revenues		92,818		92,818		106,098
EXPENDITURES						
Current:						
Highways and roads		87,748		87,748		63,996
Total Expenditures		87,748		87,748		63,996
Excess (deficiency) of revenues over expenditures		5,070		5,070		42,102
Net change in fund balances		5,070		5,070		42,102
Fund balance - beginning		16,872		16,872		33,516
Fund balance - ending	$	21,942	$	21,942	$	75,618

Town of Kiowa, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2019

	Conservation Trust Fund	Total Other Governmental Funds
ASSETS		
Cash and cash equivalents	$ 9,933	$ 9,933
Total assets	9,933	9,933
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	-	-
Total liabilities	-	-
Fund balances:		
Committed	9,933	9,933
Total fund balances	9,933	9,933
Total liabilities and fund balances	$ 9,933	$ 9,933

Town of Kiowa, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds

For the Year Ended December 31, 2019

	Conservation Trust Fund	Total Other Governmental Funds
REVENUES		
Intergovernmental	$ 3,028	$ 3,028
Total revenues	3,028	3,028
EXPENDITURES		
Current:		
Culture and recreation	202	202
Total Expenditures	202	202
Excess (deficiency) of revenues over expenditures	2,826	2,826
Net change in fund balances	2,826	2,826
Fund balances - beginning	7,107	7,107
Fund balances - ending	$ 9,933	$ 9,933

Town of Kiowa, Colorado
Budget and Actual
Conservation Trust Fund
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 7,300	$ 7,300	$ 3,028
Investment earnings	10	10	-
Total revenues	7,310	7,310	3,028
EXPENDITURES			
Current:			
Culture and recreation	7,150	7,150	202
Total Expenditures	7,150	7,150	202
Excess (deficiency) of revenues over expenditures	160	160	2,826
Net change in fund balances	160	160	2,826
Fund balance - beginning	6,573	6,573	7,107
Fund balance - ending	$ 6,733	$ 6,733	$ 9,933

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

LOCAL HIGHWAY FINANCE REPORT		
		City or County: Town of Kiowa
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of	Prepared By:	Maria Morales / Town Administrator
	Phone:	(303) 621-2366

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	
3. Other local imposts (from page 2)	51,725
4. Miscellaneous local receipts (from page 2)	26,657
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)	78,382
B. Private Contributions	
C. Receipts from State government (from page 2)	27,716
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	106,098

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	25,214
3. Road and street services:	
a. Traffic control operations	7,722
b. Snow and ice removal	2,520
c. Other	
d. Total (a. through c.)	10,242
4. General administration & miscellaneous	7,300
5. Highway law enforcement and safety	21,240
6. Total (1 through 5)	63,996
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)	63,996

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
33,516	106,098	63,996	75,618	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

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	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	51,725	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		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	52
6. Total (1. through 5.)	51,725	h. Other	26,605
c. Total (a. + b.)	51,725	i. Total (a. through h.)	26,657
	(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	24,368	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	3,348	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.)	3,348	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	27,716	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			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE