TOWN OF ORDWAY, COLORADO

FINANCIAL STATEMENTS

December 31, 2019

TABLE OF CONTENTS

Independent Auditor's Report	a - c
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	4
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	6
Statement of Net Position – Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9
Notes to Financial Statements	10 – 29
Required Supplementary Information	
Schedules of Changes in the Town's Net Pension Liability(Asset) and Related Ratios - Volunteer Firefighter's Pension Plan	30
Schedules of Town Contributions - Volunteer Firefighter's Pension Plan	31
Budgetary Comparison Schedule – General Fund	32
Budgetary Comparison Schedule – Street Fund	33
Budgetary Comparison Schedule – Conservation Trust Fund	34

TABLE OF CONTENTS
(Continued)

Supplementary Information

Budgetary Comparison Schedule – Library Fund 35

Enterprise Funds

Budgetary Comparison Schedule – Water Fund 36

Budgetary Comparison Schedule – Sewer Fund 37

Budgetary Comparison Schedule – Sanitation Fund 38

Single Audit

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 39 – 40

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by Uniform Guidance 41 – 42

Schedule of Finds and Questioned Costs 43 – 44

Corrective Action Plan 45 - 48

Summary Schedule of Prior Audit Findings 49

Schedule of Expenditures of Federal Awards 50

Notes to the Schedule of Expenditures of Federal Awards 51

State Compliance

Local Highway Finance Report 52 - 53

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

6140 S. Gun Club Rd, Suite K6-132
Aurora, Colorado 80016
303.835.6815
Fax: 303.997.1056

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of Town Council
Town of Ordway, Colorado
Ordway, Colorado

Report on the Audit of the Financial Statements

Disclaimer of Opinions

We were engaged to audit the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ordway, Colorado as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Disclaimer
Business-Type Activities	Disclaimer
Governmental Fund - General Fund	Disclaimer
Governmental Fund – Street Fund	Disclaimer
Governmental Fund – Conservation Trust Fund	Disclaimer
Enterprise Fund – Water Fund	Disclaimer
Enterprise Fund – Sewer Fund	Disclaimer
Enterprise Fund – Sanitation Fund	Disclaimer
Aggregate Remaining Fund Information	Disclaimer

Disclaimer of Opinion on the Financial Statements

We do not express an opinion on the accompanying financial statements of the Town of Ordway, Colorado. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on the financial statements of the Town of Ordway, Colorado.

Basis for Disclaimer of Opinion on the Financial Statements

The Town had several different individuals as well as vacancy in the Town Treasurer position during the year ending December 31, 2019. These individuals lacked the knowledge and expertise in governmental accounting and financial reporting, resulting in improper recording of deposits, disbursements, assets, liabilities, revenues and expenditures in the accounting system. As a result of these matters, the general ledger was missing five months of salaries, wages and related payroll expenditures for which we could not identify the amounts that should have been reported by each fund. In addition, during our procedures the Town could not provide supporting invoices/documentation for certain disbursements reported in the accounting records. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary for the amounts included in the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Town of Ordway, Colorado's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards,* issued by the Comptroller General of the United States. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Town of Ordway, Colorado.

We are required to be independent of the Town of Ordway, Colorado and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules – General, Street and Conservation Trust Funds, schedule of changes in the Town's net pension liability(assets) and related ratios and schedules of Town contributions on pages 30 – 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 omitted the management's discussion and analysis that GASB requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB 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. Our disclaimer of opinion on the basic financial statements is not affected by this missing information.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Town of Ordway, Colorado's basic financial statements. The accompanying budgetary comparison schedules for the library, water, sewer and sanitation funds; and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards required by Title 2 *U.S. Code of Federal Regulations* Part 200 *Uniform*

Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards is also presented for purpose of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedules of the library, water, sewer and sanitation funds; the schedule of expenditures of federal awards and the 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. We do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated February 9, 2026, on our consideration of the Town of Ordway, Colorado's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ordway, Colorado's internal control over financial reporting and compliance.

Logan and Associates, LLC

Aurora, Colorado
February 9, 2026

BASIC FINANCIAL STATEMENTS

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION
December 31, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 583,557	$ 248,931	$ 832,488
Restricted Cash and Investments	95,965	67,960	163,925
Internal Balances	(234,596)	234,596	-
Receivables			
Other Governments	141,944	535	142,479
Accounts	45,512	143,557	189,069
Property Taxes	101,919	-	101,919
Inventory	-	6,842	6,842
Loan Receivable		127,477	127,477
Net Pension Asset	70,297	-	70,297
Capital Assets, Not Depreciated	47,793	2,833,747	2,881,540
Capital Assets, Net of			-
Accumulated Depreciation	1,048,955	2,154,417	3,203,372
TOTAL ASSETS	1,901,346	5,818,062	7,719,408
DEFERRED OUTFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	21,060	-	21,060
LIABILITIES			
Accounts Payable	15,219	452,361	467,580
Accrued Liabilities	-	-	-
Meter Deposits	-	25,825	25,825
Noncurrent Liabilities			-
Due within One Year	7,297	60,338	67,635
Due in More Than One Year	71,358	926,976	998,334
TOTAL LIABILITIES	93,874	1,465,500	1,559,374
DEFERRED INFLOWS OF RESOURCES			
Related to Defined Benefit Pension Plans	14,476	-	14,476
Deferred Property Tax Revenue	101,919	-	101,919
TOTAL DEFERRED INFLOWS OF RESOURCES	116,395	-	116,395
NET POSITION			
Net Investment in Capital Assets	1,018,093	4,000,850	5,018,943
Restricted for Emergencies	8,845	-	8,845
Restricted for Culture and Recreation	56,107	-	56,107
Unrestricted	629,092	351,712	980,804
TOTAL NET POSITION	$ 1,712,137	$ 4,352,562	$ 6,064,699

The accompanying notes are integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF ACTIVITIES
December 31, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	TOTALS
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 204,892	$ 61,132	$ 7,892	$ -	$ (135,868)	$ -	$ (135,868)
Public Safety	51,832	-	-	-	(51,832)	-	(51,832)
Highway and Streets	76,849	355	52,758	-	(23,736)	-	(23,736)
Culture and Recreation	12,339	-	11,910	-	(429)	-	(429)
Health and Welfare	2,965	-	-	-	(2,965)	-	(2,965)
Interest on Long-Term Debt	3,248	-	-	-	(3,248)	-	(3,248)
Total Governmental Activities	352,125	61,487	72,560	-	(218,078)	-	(218,078)
Business-Type Activities							
Water	254,383	429,825	-	628,379	-	803,821	803,821
Sewer	77,554	134,783	-	542,769	-	599,998	599,998
Sanitation	146,460	179,604	-	-	-	33,144	33,144
Total Business-Type Activities	478,397	744,212	-	1,171,148	-	1,436,963	1,436,963
TOTAL PRIMARY GOVERNMENT	830,522	805,699	72,560	1,171,148	(218,078)	1,436,963	1,218,885
			GENERAL REVENUES				
			Taxes		385,394	-	385,394
			Lease of Water Shares		-	89,087	89,087
			Investment Income		3,671	2,020	5,691
			Miscellaneous		15,759	22,607	38,366
			TOTAL GENERAL REVENUES		404,824	113,714	518,538
			CHANGE IN NET POSITION		186,746	1,550,677	1,737,423
			NET POSITION, Beginning		1,525,391	2,801,885	4,327,276
			NET POSITION, Ending		$ 1,712,137	$ 4,352,562	$ 6,064,699

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	NONMAJOR LIBRARY FUND	TOTALS
ASSETS					
Cash and Investments	$ 147,388	$ 436,169	$ -	$ -	$ 583,557
Restricted Cash and Investments	-	-	90,024	5,941	95,965
Due From Other Funds	-	-	-	-	-
Due From Other Governments	68,409	60,063	-	13,472	141,944
Property Taxes Receivable	43,316	43,316	-	15,287	101,919
Accounts Receivable	45,512	-	-	-	45,512
TOTAL ASSETS	304,625	539,548	90,024	34,700	968,897
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	11,448	3,743	-	28	15,219
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	190,742	7,284	33,917	2,653	234,596
TOTAL LIABILITIES	202,190	11,027	33,917	2,681	249,815
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	43,316	43,316		15,287	101,919
FUND EQUITY					
Fund Balance (Deficit)					
Nonspendable	-	-	-	-	-
Restricted for Parks and Recreation	-	-	56,107	-	56,107
Restricted for Emergencies	8,845		-	-	8,845
Assigned to Streets	-	485,205	-	-	485,205
Assigned to Library	-	-	-	16,732	16,732
Unassigned	50,274	-	-	-	50,274
TOTAL FUND EQUITY	59,119	485,205	56,107	16,732	617,163
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	$ 304,625	$ 539,548	$ 90,024	$ 34,700	$ 968,897

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances of Governmental Funds	$	617,163
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		1,096,748
Net Pension Asset is a long-term asset and therefore is not available to pay for current-period expenditures and is not reported in the governmental funds.		70,297
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources - difference in projected vs actual investment earnings		17,419
Deferred outflows of resources - difference in expected vs actual experience		-
Deferred outflows of resources - changes of assumptions		3,641
Deferred outflows of resources - contributions subsequent to measurement date		-
Deferred inflows of resources		(14,476)
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Loans and Leases Payable.		(78,655)
Net position of governmental activities	$	1,712,137

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

				NONMAJOR	
	GENERAL FUND	STREET FUND	CONSERVATION TRUST FUND	LIBRARY FUND	TOTALS
REVENUES					
Taxes	247,644	124,278	-	13,472	385,394
Licenses and Permits	19,759	-	-	-	19,759
Charges for Services	41,373	-	-	-	41,373
Intergovernmental	7,892	52,758	11,410	500	72,560
Fines and Forfeitures	-	355	-	-	355
Contributions/Donations	1,781	-	-	-	1,781
Investment Income	3,586	-	85	-	3,671
Insurance Proceeds	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Miscellaneous	13,918	-	-	60	13,978
TOTAL REVENUES	335,953	177,391	11,495	14,032	538,871
EXPENDITURES					
General Government	160,963	-	-	-	160,963
Public Safety	44,898	-	-	-	44,898
Highways and Streets	-	72,259	-	-	72,259
Culture and Recreation	45	-	3,621	8,673	12,339
Health and Welfare	2,965	-	-		2,965
Capital	-	-			-
Debt Service					
Principal	-	11,112	-	-	11,112
Interest	-	3,248	-	-	3,248
TOTAL EXPENDITURES	208,871	86,619	3,621	8,673	307,784
NET CHANGE IN FUND BALANCES	127,082	90,772	7,874	5,359	231,087
FUND BALANCES (DEFICIT), Beginning	(67,963)	394,433	48,233	11,373	386,076
FUND BALANCES (DEFICIT), Ending	$ 59,119	$ 485,205	$ 56,107	$ 16,732	$ 617,163

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

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

Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	231,087
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlay exceeded depreciation expense in the current year.		(50,073)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes loan payments in the current year.		
Change in accrued interest		12,666
In the statement of activities, certain operating expenses, pension expense, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represent the net effect of pension related amounts, including amortization of deferred outflows and deferred inflows of resources related to pensions, in the statement of activities.		(6,934)
Change in Net Position of Governmental Activities	$	186,746

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
ASSETS				
Current Assets				
Cash and Investments	$ 78,581	$ 93,186	$ 77,164	$ 248,931
Restricted Cash and Investments	-	67,960	-	67,960
Due From Other Funds	234,596	-	-	234,596
Due from Other Governments	-	-	535	535
Accounts Receivable	133,129	2,563	7,865	143,557
Loan Receivable	112,347	15,130	-	127,477
Inventory	6,842	-	-	6,842
Total Current Assets	565,495	178,839	85,564	829,898
Noncurrent Assets				
Capital Assets, Not Depreciated	1,490,044	1,343,248	455	2,833,747
Capital Assets, Net of Accumulated Depreciation	910,260	1,243,289	868	2,154,417
Total Noncurrent Assets	2,400,304	2,586,537	1,323	4,988,164
TOTAL ASSETS	2,965,799	2,765,376	86,887	5,818,062
LIABILITIES				
Current Liabilities				
Accounts Payable	279,454	172,812	95	452,361
Meter Deposits Payable	25,825	-	-	25,825
Loans Payable, Current Portion	15,298	45,040	-	60,338
Total Current Liabilities	320,577	217,852	95	538,524
Noncurrent Liabilities				
Loans Payable	309,778	617,198	-	926,976
Total Noncurrent Liabilities	309,778	617,198	-	926,976
TOTAL LIABILITIES	630,355	835,050	95	1,465,500
NET POSITION				
Net Investment in Capital Assets	2,075,228	1,924,299	1,323	4,000,850
Unrestricted	260,216	6,027	85,469	351,712
TOTAL NET POSITION	$ 2,335,444	$ 1,930,326	$ 86,792	$ 4,352,562

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2019

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
OPERATING REVENUES				
Charges for Services	$ 429,825	$ 134,783	$ 179,604	$ 744,212
Miscellaneous	22,607	-	-	22,607
TOTAL OPERATING REVENUES	452,432	134,783	179,604	766,819
OPERATING EXPENSES				
Operation and Maintenance	207,915	23,414	146,317	377,646
Depreciation	46,468	54,140	143	100,751
TOTAL OPERATING EXPENSES	254,383	77,554	146,460	478,397
OPERATING INCOME (LOSS)	198,049	57,229	33,144	288,422
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	1,172	848	-	2,020
Lease of Water Shares	89,087	-	-	89,087
Grant Proceeds	628,379	537,769	-	1,166,148
TOTAL NON-OPERATING REVENUES (EXPENSES)	718,638	538,617	-	1,257,255
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	916,687	595,846	33,144	1,545,677
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital Contributions				
Tap Fees	-	5,000	-	5,000
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	-	5,000	-	5,000
CHANGE IN NET POSITION	916,687	600,846	33,144	1,550,677
NET POSITION, Beginning	1,418,757	1,329,480	53,648	2,801,885
NET POSITION, Ending	$ 2,335,444	$ 1,930,326	$ 86,792	$ 4,352,562

The accompanying notes are an integral part of the financial statements.

TOWN OF ORDWAY, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2019
Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	SANITATION FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 376,562	$ 174,896	$ 167,112	$ 718,570
Cash Paid to Suppliers	(155,908)	(1,224)	(112,822)	(269,954)
Cash Paid to Employees	(52,469)	(22,190)	(12,291)	(86,950)
Net Cash Provided by Operating Activities	168,185	151,482	41,999	361,666
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Lease of Water Shares	89,087	-	-	89,087
Purchases of capital assets	(1,014,221)	(1,115,492)	-	(2,129,713)
Grant/Loan proceeds	628,379	969,039	-	1,597,418
Payments from (to) Other Funds	103,256	113,119	35,165	251,540
Long-term Debt Principal Paid	(13,083)	(29,952)	-	(43,035)
Tap Fees Received	-	5,000	-	5,000
Net Cash Provided (Used) by capital and Related Financing Activities	(206,582)	(58,286)	35,165	(229,703)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	1,172	838	-	2,010
Net (Decrease) in Cash and Cash Equivalents	(37,225)	94,034	77,164	133,973
CASH AND CASH EQUIVALENTS, Beginning	115,806	67,112	-	182,918
CASH AND CASH EQUIVALENTS, Ending	$ 78,581	$ 161,146	$ 77,164	$ 316,891
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ 198,049	$ 57,229	$ 33,144	$ 288,422
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	46,468	54,140	143	100,751
Changes in Assets and Liabilities				
Accounts Receivable	(63,935)	11,272	(3,521)	(56,184)
Accounts Payable	(12,803)	34,350	11,459	33,006
Accrued Liabilities	(2,015)	(6,303)	-	(8,318)
Meter Deposits Payable	533	-	-	533
Accrued Compensated Absences	1,888	794	774	3,456
Total Adjustments	(29,864)	94,253	8,855	73,244
Net Cash Provided by Operating Activities	$ 168,185	$ 151,482	$ 41,999	$ 361,666

The accompanying notes are an integral part of the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Ordway (the "Town") was incorporated in 1900 and is governed by a Mayor and six-member Town Council elected by the residents. The Town provides public safety, public works, parks, library, recreation, and general government services as well as water, sewer and sanitation services. The sanitation services are contracted by the Town to an outside provider.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the Town's more significant accounting policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 granting agency 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 collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

The Town reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

Street Fund – The Street Fund accounts for 42.5% of the property tax revenues and 50% of the sales tax revenues, in addition, to other revenues for Town street projects and maintenance.

Conservation Trust Fund – The Conservation Trust Fund is used to account for the receipt of lottery monies from the State of Colorado for the use of allowed park and recreation related expenses.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the financial activities associated with the provision of water services.

Sewer Fund – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

Sanitation Fund – The Sanitation Fund accounts for the financial activities related to the Town's services for collection and disposal of trash.

Cash – For purposes of reporting in the statement of cash flows, cash equivalents include certificates of deposits and investments with original maturities of three months or less. The Town pools cash from several funds for the purpose of increasing interest income.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance

Internal Balances and Due to/from Other Funds – During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Grants, Other Governments and Accounts Receivable – Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Accounts receivable are reported in the statement of net position, net of allowance for uncollectible accounts.

Capital Assets – Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure owned by the Town, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	15 – 25 years
Buildings and Improvements	20 – 40 years
Infrastructure	25 – 55 years
Collection and Distribution Systems	5 – 40 years
Equipment and Vehicles	3 – 10 years

Unearned Revenue – Unearned revenue includes receipts from customers for water services that will be provided in the following year. In addition, grants that have been collected but the corresponding expenditures have not been incurred are also reported as unearned revenue.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance (Continued)

This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expenses) until then. The Town has items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2019.

In addition to assets, the balance sheet – governmental funds and statement of financial position reports a separate section for *deferred inflows of resources*. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until then. The Town has an item related to property taxes levied in the current year to be collected in the following year and items related to pension actuarial activity and the change in proportion of pension participation in relation to the pension plans as a whole at December 31, 2019.

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick time. Employees will be paid for all accrued vacation time, but not accumulated sick time, upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

Long-Term Debt - In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position – In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitation on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The Town report an amount related to prepaid items for nonspendable resources at December 31, 2019.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted amounts for parks and recreation because of lottery funds received from the State for this purpose.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Town Council. The constraint may be removed or changed only through formal action of the Town Council. The Town had no committed resources at December 31, 2019.
- Assigned – This classification includes amounts that are constrained by the Town's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The Town had assigned resources at December 31, 2019 for future capital improvements related to hail damage claims, street maintenance and improvements; and library services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Town has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Pensions

The Town has the Volunteer Firefighter's Pension Plan, which is an agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Authority (FPPA). The net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer and public comments.

- Prior to December 31, the budget is legally enacted through passage of an ordinance.

- Budgets amended by the Town Council during the year have been presented in the budgetary comparison schedules for the each fund amended.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Council.

- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

For the year ended December 31, 2019, the Water and Sewer Funds actual expenditures exceeded budgeted expenditures by $471,668 and $225,373, respectively.

These may be violations of State statutes.

NOTE 2: CASH

A summary of cash and investments at December 31, 2019, follows:

Petty Cash	$	400
Cash Deposits		995,013
Total	$	996,415

Cash is reported in the financial statements as follows:

Cash Deposits	$	832,488
Restricted Cash		163,925
Toal	$	996,413

Cash Deposits

The Colorado Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories.

Eligibility is determined by State regulations. Amounts on deposit in excess of Federal DepositInsurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The 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 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 Town had bank deposits totaling $1,141,021 of which $641,021 were collateralized with securities held by the financial institutions' agents but not in the Town's name.

Restricted Cash

Restricted cash consists o f $90,024 in the Conservation Trust Fund, which is for future parks and recreation projects. In addition, the loans require amounts be restricted for debt service requirements. The Library Fund had a resitricted balance of $5,941 and the Sewer Fund had a residtricted balance of $67,960.

NOTE 3: INTERNAl BALANCES AND TRANSFERS

Internal balances - At December 31, 2019, Internal Balance amount was $234,596.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, is summarized below:

	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Governmental Activities :				
Capital Assets, not being depreciated				
Land	$ 47,793	$ -	$ -	$ 47,793
Capital Assets, being depreciated:				
Building and Improvements	837,138	-	-	837,138
Infrastructure	99,649	-	-	99,649
Equipment and Other	699,249	-	-	699,249
Total Capital Assets, being depreciated	1,636,036	-	-	1,636,036
Less accumulated depreciation for:				
Building and Improvements	(208,700)	(19,926)	-	(228,626)
Infrastructure	(26,683)	(4,590)	-	(31,273)
Equipment and Other	(301,625)	(25,557)		(327,182)
Total accumulated depreciation	(537,008)	(50,073)	-	(587,081)
Total Capital Assets, being depreciated, net	1,099,028	(50,073)	-	1,048,955
Governmental Activities Capital Assets, net	$ 1,146,821	$ (50,073)	$ -	$ 1,096,748

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

General Government	$ 16,618
Public Safety	1,143
Public Works	15,797
Culture and Recreation	16,515
Total	$ 50,073

NOTE 4: CAPITAL ASSETS (Continued)

	Balance at December 31, 2018	Additions	Deletions	Balance December 31, 2019
Business-type Activities :				
Capital Assets, not being depreciated				
Land	$ 87,596	$ -	$ -	$ 87,596
CIP	233,716	2,512,434		2,746,150
	321,312	2,512,434	-	2,833,746
Capital Assets, being depreciated:				
Building and Improvements	12,937	-	-	12,937
Equipment	128,934	-	-	128,934
Systems	3,979,122	-	-	3,979,122
Total Capital Assets, being depreciated	4,120,993	-	-	4,120,993
Less accumulated depreciation for:				
Building and Improvements	(8,889)	(459)	-	(9,348)
Equipment	(119,712)	(4,598)	-	(124,310)
Systems	(1,737,223)	(95,694)	-	(1,832,917)
Total accumulated depreciation	(1,865,824)	(100,751)	-	(1,966,575)
Total Capital Assets, being depreciated, net	2,255,169	(100,751)	-	2,154,418
Business-type Activities Capital Assets, net	$ 2,576,481	$ 2,411,683	$ -	$ 4,988,164

Depreciation expense was charged to theWater, Sewer and Sanitation Funds as follows:

Water Fund	$ 46,468
Sewer Fund	54,140
Sanitation Fund	143
Total	$ 100,751

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019	Due Within One Year
Governmental Activities					
Street Light Loan	$ 3,517	$ -	$ (3,517)	$ -	$ -
Series 2018 Equipment Lease Purchase	86,250		(7,595)	78,655	7,297
	$ 89,767	$ -	$ (11,112)	$ 78,655	$ 7,297

Street Light Loan

During 2013, the Town received a loan from First National Bank of Las Animas to finance the installation of street lights. Monthly payments of principal and interest were due through April 2019. The loan was paid in full during 2019.

Backhoe and International Truck Loan

During 2018, the Town received a loan from NBH Bank of Colorado to finance the purchases of a Backhoe and International Truck. Monthly payments of principal and interest are due through September 2028. Interest accrues at 4.4% per annum.

Future Debt Service Requirements

Year Ended December 31	Principal	Interest	Total
2020	7,297	3,381	10,678
2021	7,622	3,057	10,678
2022	7,961	2,718	10,678
2023	8,315	2,364	10,678
2024	8,685	1,994	10,678
2025-2028	38,777	3,936	42,713
Total	**$ 78,655**	**$ 17,450**	**$ 96,105**

NOTE 5: LONG TERM DEBT (Continued)

Business-type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019	Due Within One Year
Business-type activities					
2006 Drinking Water Revolving Loan	$ 123,333	$ -	$ (6,666)	$ 116,667	$ 6,666
2008 Drinking Water Revolving Loan	72,390	-	(3,810)	68,580	3,810
2006 Water Pollution Control Revolving Loan	254,575	-	(29,952)	224,623	29,950
2018 Drinking Water Revolving Loan	713,180	-	(573,351)	139,829	4,822
2018 Water Pollution Control Revolving Loan	446,400	-	(8,785)	437,615	15,090
	$ 1,609,878	$ -	$ (622,564)	$ 987,314	$ 60,338

Water Loans

During 2006, the Town entered into a $200,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's water system. Principal payments of $3,333 are due semi-annually on May 1 and November 1, through May 1, 2037. The loan is non-interest bearing.

During 2008, the Town entered into a $114,000 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for completion of improvements to the Town's water system. Principal payments of $1,905 are due semi-annually on May 1 and November 1, through November 1, 2037. The loan is non-interest bearing.

During 2018, the Town entered into a $713,180 Drinking Water Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for replacing old distribution piping, looping of system, replacement of water meters, and supply well rehabilitation. On January 22, 2019, the CWRPDA forgave loan principal of $570,544 leaving a remaining loan principal balance of $142,636. Principal payments were adjusted to $2,411, payable semi-annually on May 1 and November 1, through November 1, 2048. The loan is non-interest bearing.

The three water loans are payable solely from revenues of the Town's water utility

NOTE 5: LONG TERM DEBT (Continued)

Business-type Activities (Continued)

system, after deducting operation and maintenance costs. During the year ended December 31, 2019, net revenues of $205,542 and cash and investments were available to pay annual debt service of $15,298. Remaining debt service at December 31, 2019 was $325,076.

Sewer Loans

During 2006, the Town entered into a $599,000 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for improvements to the Town's sewer system. Principal payments of $14,975 are due semi-annually on May 1 and November 1, through May 1, 2027. The loan is non-interest bearing.

During 2018, the Town enter into a $446,400 Water Pollution Control Revolving Fund loan with the Colorado Water Resources and Power Development Authority (CWRPDA) for sanitary collection system pipe replacement and associated appurtenances. Principal payments of $7,545 are due semi-annually on May 1 and November 1, through November 1, 2048. The loan is non-interest bearing.

The sewer loans are payable solely from revenues of the Town's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2019, net revenues of $117,217 were available to pay annual debt service of $38,737. Remaining debt service at December 31, 2019 was $662,238.

CWRPDA Loan Covenants

The Town is required to maintain an operations and maintenance reserve in the Water and Sewer Funds equal to three months of operating and maintenance expenses, excluding depreciation, based on the current year annual budget. For the year ended December 31, 2019, the Water and Sewer Funds met this requirement. However, the Town didn't meet the CWRPDA filing requirements for the year ended December 31, 2019.

NOTE 5: LONG TERM DEBT (Continued)

Business-type Activities (Continued)

service requirements table below reflects the revised debt service after the principal forgiveness.

Future Debt Service Requirements

Year Ended December 31	Principal	Interest	Total
2020	$ 60,338	$ -	$ 60,338
2021	60,338	-	60,338
2022	60,338	-	60,338
2023	60,338	-	60,338
2024	60,338	-	60,338
2025-2029	226,815	-	226,815
2030-2034	151,940	-	151,940
2035-2039	127,661	-	127,661
2040-2044	99,560	-	99,560
2045-2048	79,648	-	79,648
Total	**$ 987,314**	**$ -**	**$ 987,314**

NOTE 6: PUBLIC ENTITY RISK POOL

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. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and

NOTE 6: PUBLIC ENTITY RISK POOL (Continued)

availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

The Town has workers' compensation insurance coverage through a private insurance company.

NOTE 7: PENSION PLANS

Volunteer Firefighter's Pension Plan

Plan Description. The Volunteer Firefighter's Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Plan is administered by a Board of Trustees composed of Town Council members and firefighters. Town Council establishes the Plan benefits. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues publicly available financial statements and required supplementary information. That report may be obtained by writing to FPPA, 5290 DTC Parkway, Suite 190, Englewood, CO 80111 or by calling 1-800-332-3772.

Benefits Provided. Any firefighter who has attained both the age of fifty and completed twenty years of active service shall be eligible for a monthly pension from the Town and the State of Colorado, currently at $225 and $300, respectively. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by Town Council.

Contributions. The Plan receives contributions from the Town and the State of Colorado based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2015, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present Plan. The Town contribution amount for the Plan has been historically determine by biennial

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in, loans to or leases with parties related to the Plan.

Pension Asset, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At December 31, 2019, the Town reported a net pension asset of $70,297. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of $5,380. At December 31, 2019, the Town reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources
Net difference between expected and actual experience of the total pension liability	$ 0
Changes of assumptions	3,641
Net difference between projected and actual earnings on pension plan investments	17,419
Contributions subsequent to the measurement date	0
Total deferred outflows of resources related to pensions	$ 21,060

At December 31, 2019, the Town reported deferred inflows of $14,476 related to net difference in projected and actual earnings on pension plan investments.

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:		
2020	$	2,632
2021		335
2022		310
2023		3,307
2024		0
Thereafter	.	0
Total	$	6,584

Actuarial assumptions. The January 1, 2015 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2019. The valuation used the following actuarial assumption and other inputs:

Long-term investment rate of return	7.00%

Long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

NOTE 7: PENSION PLANS (Continued)

Volunteer Firefighter's Pension Plan (Continued)

Single Discount Rate. The discount rate used to measure the total pension liability(asset) was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Net Pension Liability (Asset) to Changes in the Single Discount Rate.
The following presents the Town's net pension liability/(asset) calculated using the single discount rate of 7.00%, as well as what the Town's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.0%	Current Single Discount Rate Rate 7.0%	1% Increase 8.0%
Town's Net Pension Asset	**$ (54,937)**	**$ (70,297)**	**$ (83,205)**

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Simple IRA Plan
The Town maintains a Simple IRA plan with VOYA for its employees who meet the eligibility requirements. Eligibility is limited to employees who have received at least $5,000 in compensation during any two calendar years. The Town will matchup to 3% of eligible employee contributions.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 1994, voters within the Town authorized the Town to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of $8,845 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2019, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS - VOLUNTEER FIREFIGHTER'S PENSION PLAN
Last Ten Fiscal Years*

	2018	2017	2016	2015	2014
Total Pension Liability					
Interest on the Total Pension Liability	$ 10,671	$ 10,542	$ 6,692	$ 6,766	$ 6,632
Service Cost	784	784	585	585	548
Benefit Changes	-	-	46,639	-	-
Difference Between Expected and Actual Experience	(8,390)	-	3,393	-	1,248
Changes of Assumptions	5,578	-	3,773	-	-
Benefit Payments	(9,450)	(9,750)	(9,938)	(6,800)	(6,521)
Net Change in Total Pension Liability	(807)	1,576	51,144	551	1,907
Total Pension Liability - Beginning	146,535	144,959	93,815	93,264	91,357
Total Pension Liability - Ending	$ 145,728	$ 146,535	$ 144,959	$ 93,815	$ 93,264
Plan Fiduciary Net Position					
Employer Contributions	500	500	500	500	500
Pension Plan Net Investment Income	198	30,539	11,189	3,945	14,224
Benefit Payments	(9,450)	(9,750)	(9,938)	(6,800)	(6,521)
Pension Plan Administrative Expense	(6,023)	(5,712)	(610)	(2,659)	(710)
State of Colorado Discretionary Payment	450	450	-	450	-
Net Change in Plan Fiduciary Net Position	(14,325)	16,027	1,141	(4,564)	7,493
Plan Fiduciary Net Position - Beginning	230,350	214,323	213,182	217,746	210,253
Plan Fiduciary Net Position - Ending	$ 216,025	$ 230,350	$ 214,323	$ 213,182	$ 217,746
Net Pension Liability (Asset)					
Total Pension Liability - Ending	145,728	146,535	144,959	93,815	93,264
Plan Fiduciary Net Position - Ending	216,025	230,350	214,323	213,182	217,746
Net Pension Liability (Asset)	**$ (70,297)**	**$ (83,815)**	**$ (69,364)**	**$ (119,367)**	**$ (124,482)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	148.2%	157.2%	147.9%	227.2%	233.5%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

* - The amounts presented for each fiscal year were determined as of the Plan measurement date, 12/31.

NOTE: Information for the prior seven years was not available to report.

See the accompanying Independent Auditor’s report.

SCHEDULE OF TOWN CONTRIBUTIONS
Last Ten Fiscal Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2014	$ -	$ 500	$ (500)	NA	NA
2015	$ -	$ 950	$ (950)	NA	NA
2016	$ -	$ 500	$ (500)	NA	NA
2017	$ -	$ 950	$ (950)	NA	NA
2018	$ -	$ 950	$ (950)	NA	NA

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer and the State of Colorado supplemental discretionary payment, and does not include employee amounts.

NOTES:

Actuarial Valuation Date:	1/1/2017 Actuarially determined contribution rates are calculated as of January 1 of odd numbered years.
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open *
Remaining Amortization Period:	20 years *
Asset Valuation Method:	5-Year Smoothed Fair Value
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65
Mortality:	Pre-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality Table All tables projected with Scale BB.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

NOTE: Information for the prior six years was not available to report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2019

	2019 ORIGINAL AND FINAL BUDGET	2019 ACTUAL	2019 VARIANCE Positive (Negative)
REVENUES			
Taxes			
Sales and Use	$ 77,000	$ 164,703	$ 87,703
Property	35,800	38,169	2,369
Franchise	40,000	44,772	4,772
Other	280,000	-	(280,000)
Total Taxes	432,800	247,644	(185,156)
Licenses and Permits	11,880	19,759	7,879
Charges for Services			
Organic Waste Removal	5,000	15,633	10,633
Cemetery	5,200	20,815	15,615
Other	-	4,925	4,925
Total Charges for Services	10,200	41,373	31,173
Intergovernmental			
Cigarette Taxes	1,600	617	(983)
Other	6,000	7,275	1,275
Total Intergovernmental	7,600	7,892	292
Fines and Forfeitures	-		-
Contributions/Donations	1,586	1,781	195
Interest	150	3,586	3,436
Grant	21,000	-	(21,000)
Miscellaneous	4,115	13,918	9,803
TOTAL REVENUES	489,331	335,953	(153,378)
EXPENDITURES			
General Government			
General	221,582	138,820	82,762
Town Council	2,740	10,133	(7,393)
Mayor	-	130	(130)
Town Clerk	2,850	11,698	(8,848)
Town Treasurer	2,060	182	1,878
Grant writer	150	-	150
Capital	-	-	-
Total General Governments	229,382	160,963	68,419
Public Safety			
Law Enforcement	37,400	24,408	12,992
Fire	12,865	-	12,865
Animal Control	4,058	12,434	(8,376)
Building Inspection	150	-	150
Mosquito Spraying	-	2,422	(2,422)
Municipal Court	1,050	5,634	(4,584)
Total Public Safety	55,523	44,898	10,625
Culture and Recreation			
Culture and Recreation	23,630	45	23,585
Health and Welfare			
Cemetery	10,030	2,965	7,065
TOTAL EXPENDITURES	318,565	208,871	109,694
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	170,766	127,082	(43,684)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Sale of Asset	-		-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	170,766	127,082	(43,684)
FUND BALANCE (DEFICIT), Beginning		(67,963)	
FUND BALANCE (DEFICIT), Ending		$ 59,119	

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
STREET FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property/Specific Ownership Tax	$ 38,500	$ 38,169	$ (331)
Sales	80,000	86,109	6,109
Other	150	-	(150)
Total Taxes	118,650	124,278	5,628
Intergovernmental			
Motor Vehicle Registration	4,000	4,789	789
Highway Users Tax Fund	35,000	47,969	12,969
Total Intergovernmental	39,000	52,758	13,758
Fines and Forfeitures	300	355	55
Interest	-	-	-
Miscellaneous	33,120	-	(33,120)
TOTAL REVENUES	191,070	177,391	(13,679)
EXPENDITURES			
Highways and Streets			
Highways and Streets	147,222	43,190	104,032
Construction	5,000	1,002	3,998
Maintenance of Condition	65,500	20,280	45,220
Snow and Ice Removal	900	-	900
Law and Enforcement	250	2,232	(1,982)
Traffic Services	8,103	5,555	2,548
Total Highways and Streets	226,975	72,259	154,716
Debt Service			
Principal	-	11,112	(11,112)
Interest and Fiscal Charges	-	3,248	(3,248)
Total Debt Service	-	14,360	(14,360)
TOTAL EXPENDITURES	226,975	86,619	140,356
NET CHANGE IN FUND BALANCE	(35,905)	90,772	(126,677)
FUND BALANCE, Beginning		394,433	
FUND BALANCE, Ending		$ 485,205	

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Lottery Revenues	$ 11,000	$ 11,410	$ 410
Interest	10	85	75
Total Taxes	11,010	11,495	485
TOTAL REVENUES	11,010	11,495	485
EXPENDITURES			
Culture and Recreation	10,000	3,621	6,379
TOTAL EXPENDITURES	10,000	3,621	6,379
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,010	7,874	6,864
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
NET CHANGE IN FUND BALANCE	1,010	7,874	6,864
FUND BALANCE (DEFICIT), Beginning		48,233	
FUND BALANCE (DEFICIT), Ending		$ 56,107	

See the accompanying Independent Auditor's report.

SUPPLEMENTARY INFORMATION

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Taxes	$ 12,634	$ 13,472	$ 838
Intergovernmental Revenue	5,550	500	(5,050)
Interest	30	-	(30)
Miscellaneous	-	60	60
TOTAL REVENUES	18,214	14,032	(4,182)
EXPENDITURES			
Culture and Recreation			
Salaries and Benefits	14,197	618	13,579
Programs and Grants	5,169	2,963	2,206
Books	-	3,833	(3,833)
Maintenance and Supplies	-	1,259	(1,259)
TOTAL EXPENDITURES	19,366	8,673	10,693
NET CHANGE IN FUND BALANCE	(1,152)	5,359	6,511
FUND BALANCE, Beginning		11,373	
FUND BALANCE, Ending		$ 16,732	

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
WATER FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Charges for Services	$ 270,000	$ 429,825	$ 159,825
Tank Sales	8,800	110	(8,690)
Connection Fees	5,000	200	(4,800)
Late Fees and Penalties	10,000	22,297	12,297
Total Charges for Services	293,800	452,432	158,632
Tap Fees	50	-	(50)
Lease of Water Shares	89,000	89,087	87
Investment Income	-	1,172	1,172
Grant Proceeds	-	628,379	628,379
Loan Proceeds	713,180	-	(713,180)
TOTAL REVENUES	1,096,030	1,171,070	75,040
EXPENDITURES			
Salaries and Benefits	81,666	52,469	29,197
Operations and Maintenance	127,744	82,150	45,594
Water Stock Assessment	28,000	22,958	5,042
Water Purchased and Storage	52,200	50,338	1,862
Capital Outlay	714,000	1,254,080	(540,080)
Debt Service			
Principal	-	13,283	(13,283)
Interest	-	-	-
TOTAL EXPENDITURES	1,003,610	1,475,278	(471,668)
NET INCOME, Budget Basis	$ 92,420	(304,208)	$ (396,628)
GAAP BASIS ADJUSTMENTS			
Depreciation		(46,468)	
Capital Outlay		1,254,080	
Principal Paid on Long-Term Debt		13,283	
NET INCOME, GAAP Basis		916,687	
NET POSITION, Beginning		1,418,757	
NET POSITION, Ending		$ 2,335,444	

See the accompanying Independent Auditor's report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SEWER FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	$ 108,000	$ 134,783	$ 26,783
Tap Fees	-	5,000	5,000
Loan Proceeds	446,400	-	(446,400)
Investment Income	-	848	848
Miscellaneous Income	-	-	-
Grant Proceeds	604,000	537,769	(66,231)
Total Charges for Services	1,158,400	678,400	(480,000)
TOTAL REVENUES	1,158,400	678,400	(480,000)
EXPENDITURES			
Salaries and Benefits	37,239	22,190	15,049
Operations and Maintenance	57,893	1,224	56,669
Capital Outlay	1,000,000	1,258,354	(258,354)
Debt Service			
Principal	-	38,737	(38,737)
Transfers Out	-	-	-
TOTAL EXPENDITURES	1,095,132	1,320,505	(225,373)
NET INCOME, Budget Basis	$ 63,268	(642,105)	$ (254,627)
GAAP BASIS ADJUSTMENTS			
Depreciation		(54,140)	
Capital Outlay		1,258,354	
Principal Paid on Long-Term Debt		38,737	
NET INCOME, GAAP Basis		600,846	
NET POSITION, Beginning		1,329,480	
NET POSITION, Ending		$ 1,930,326	

See the accompanying Independent Auditor’s report.

TOWN OF ORDWAY, COLORADO

BUDGETARY COMPARISON SCHEDULE
SANITATION FUND
Year Ended December 31, 2019

	2019		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services			
Sanitation Charges	$ 185,000	$ 178,882	$ (6,118)
Trash Load Dumping	1,500	615	(885)
Trash Tags	350	107	(243)
Total Charges for Services	186,850	179,604	(7,246)
Grants - Landfill	-	-	-
Transfers In	-	-	-
TOTAL REVENUES	186,850	179,604	(7,246)
EXPENDITURES			
Salaries and Benefits	33,163	12,291	20,872
Contract Services	106,500	133,814	(27,314)
Operations and Maintenance	12,640	212	12,428
Landfill Closure Costs	-	-	-
TOTAL EXPENDITURES	152,303	146,317	5,986
NET INCOME, Budget Basis	$ 34,547	33,287	$ (13,232)
GAAP BASIS ADJUSTMENTS			
Depreciation		(143)	
NET INCOME, GAAP Basis		33,144	
NET POSITION, Beginning		53,648	
NET POSITION, Ending		$ 86,792	

See the accompanying Independent Auditor’s report.

SINGLE AUDIT

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

6140 S. Gun Club Rd, Suite K6-132
Aurora, Colorado 80016
303.835.6815
Fax: 303.997.1056

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of Town Council
Town of Ordway, Colorado
Ordway, Colorado

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ordway, Colorado (the "Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 9, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs identified as item 2019-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Town of Ordway, Colorado's Response to Findings

The Town of Ordway, Colorado's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Ordway, Colorado's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Logan and Associates, LLC

Aurora, Colorado
February 9, 2026

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

6140 S. Gun Club Rd, Suite K6-132
Aurora, Colorado 80016
303.835.6815
Fax: 303.997.1056

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of Town Council
Town of Ordway, Colorado
Ordway, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Town of Ordway, Colorado's (the "Town's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2019. Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program
In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and its results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Logan and Associates, LLC

Aurora, Colorado
February 9, 2026

TOWN OF ORDWAY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: disclaimer

Internal control over financial reporting:

• Material weaknesses identified?	x yes	x no
• Significant deficiencies identified that are not considered to be material weaknesses?	yes	x none reported
Noncompliance material to financial statements noted?	yes	x no

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	yes	x no
• Significant deficiencies identified that are not considered to be material weaknesses?	yes	x none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes	x no

Identification of major programs:

66.468 Capitalization Grants for Drinking Water State Revolving Funds
66.458 Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee.	yes	x no

(Continued)

TOWN OF ORDWAY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

Financial Reporting Findings

2019-001	Accounting and Financial Reporting
Criteria	The Town is responsible for designing and implementing internal controls in order to provide timely prepared, accurate and complete financial reports and information. In addition, the Town is responsible for having individuals who have knowledge and experience in governmental accounting and financial reporting.
Condition	The Town's accounting and financial reporting was incomplete and not in accordance with generally accepted accounting principles (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.
Context	During the performance of our audit procedures, we identified that there was five (5) months of salaries, wages and related payroll expenditures that were not reported in the Town's accounting records. In addition, the Town could not provide invoices/supporting documentation for certain expenditures recorded in the Town's accounting records.
Effect	Since the Town's accounting records we incomplete we were not able to complete our audit, resulting in a disclaimer of opinion on the financial statements for the year ended December 31, 2019.
Cause	There are a few factors that contributed to the incomplete accounting and financial reporting. 1.) Staff turnover in the Town Treasurer position during the year and the subsequent year; 2.) individuals in the Town Treasurer position did not possess the knowledge or experience of accounting or governmental accounting necessary for properly recording transactions in the Town's accounting records; 3.) Town employees were not properly trained on the accounting system used, therefore certain functions needed in order to reconcile and close accounting records each month were not being performed.
Questioned Costs	Unknown.
Recommendation	We recommend that the Town, 1.) hire qualified individuals whom have the accounting knowledge and experience necessary for appropriate financial reporting in accordance with GAAP; 2.) obtain the necessary training for operating the Town's accounting software; 3.) establish policies and procedures for monthly financial reporting.

View of Responsible Officials and Planned Corrective Actions

See the accompanying Corrective Action Plan.

Town of Ordway

311 MAIN STREET, ORDWAY, CO 81063

(719) 267-3134 OFFICE (719) 267-3192 FAX

TOWN OF ORDWAY

CORRECTIVE ACTION PLAN

YEAR ENDING DECEMBER 31, 2019

Finding 2019-001: ACCOUNTING AND INCOMPLETE FINANCIAL REPORTING

The Town's 2019 accounting and financial reporting was incomplete and not in accordance with generally accepted accounting principles (GAAP) and governmental accounting standards. This resulted in material audit adjustments and a disclaimer of opinion, because certain supporting records could not be verified.

The finding relates primarily to:

1. The omission of property and specific-ownership tax receivables due from the Crowley County Treasurer;

2. The omission of an accounts payable item in the Sewer Enterprise Fund; and

3. The lack of documented year-end review procedures to confirm all balances before closing the books.

These issues reflect incomplete documentation and review practices in 2019, not misuse of funds.

CORRECTIVE ACTIONS:

The following are the corrective actions in regards to Finding 2019-001:

1. Record Property and Specific-Ownership Tax Receivables (General, Street, and Library Funds)

   - Reinstate year-end receivables due from the Crowley County Treasurer as of 12/31/2019, consistent with County ledgers showing taxes levied, collected, and due at year-end.

   - *Status*: In progress by Fromm & Associates in coordination with the auditor.

   - Responsible: Karen Gates, Town Treasurer/Fromm & Associates

   - Target Completion: Upon finalization of 2019 financial statements

2. Record Sewer Enterprise Fund Accounts Payable and Adjust Capital Assets

   - Record the auditor's adjusting journal entry (AJE) of $28,282.94 to recognize accounts payable and increase Construction-in-Progress for related capital costs

   - *Status*: In progress by Fromm & Associates

   - Responsible: Karen Gates, Town Treasurer/Fromm & Associates

   - Target Completion: Upon finalization of 2019 financial statements

3. Provide Final Trial Balances and Supporting Schedules to Auditor

   - After all adjustments are posted, provide final trial balances with supporting schedules (property-tax receivable roll forward, Sewer CIP detail, and County reconciliation) to Logan & Associates for review and issuance of final audit report.

   - Responsible: Karen Gates, Town Treasurer

   - Target Completion: With resubmission to the auditor

4. Strengthen Year-End and Reporting Controls to prevent recurrence of similar issues in future years, the Town will:

   - Implement a year-end closing checklist requiring verification of property tax receivables, grant revenues, intergovernmental receivables, and payables;

- Require dual review and sign-off of all adjusting journal entries by the Treasurer and Mayor before submission to the auditor;

- Schedule quarterly financial reports to the Board of Trustees; and

- Provide annual accounting and audit-readiness training for financial staff.

- Responsible: Karen Gates, Town Treasurer; Oversight: Mayor and Board of Trustees

- Target Completion: Policy adoption within 60 days of Board approval of this Corrective Action Plan (CAP).

5. Administrative Oversight and Ordinance Compliance

The absence of a formally appointed Town Administrator was not the cause of the 2019 audit finding; however, the Town recognizes that long-term administrative stability is essential for proper internal control. The Town's municipal code (§2.48.015) establishes the Town Administrator as the chief administrative officer responsible for overall management and fiscal oversight.

The Board will consider either:

- Reappointing a Town Administrator pursuant to §2.48.015, or

- Amending the ordinance and adopting compensating internal-control policies to ensure equivalent oversight.

- Responsible: Board of Trustees/Town Attorney

- Target Completion: Discussion October 15, 2025; formal action at next regular meeting. This item of the corrective action plan was completed at the November 10, 2025, regular meeting of the Board of Trustees. The Board of Trustees approved the abolishment of the ordinance regarding the position of Town Administrator and giving specific administrative duties to the Mayor.

ANTICIPATED OUTCOME:

Implementation of this Corrective Action Plan will:

- Correct the 2019 financial reporting omissions;

- Allow completion and filing of the 2019 audit with the Office of the State Auditor; and

- Establish written internal-control procedures and oversight mechanisms to prevent recurrence of similar issues in future years.

Signed: Gerald Barber ______________________ **Date:** 12-18-25 ______________
Mayor, Town of Ordway

Attested: Karen Gates ______________________ **Date:** 12/18/25 ______________
Town Treasurer

TOWN OF ORDWAY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2019

None Reported.

TOWN OF ORDWAY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

	Passthrough Grant Award Identifying Number	ALN / CFDA Number		Federal Expenditures
U.S. Environmental Protection Agency				
Passed through Colorado Water Resources & Power Development Authority:				
Capitalization Grants for Drinking Water State Revolving Funds	D18F402	66.468	*	$ 600,835
U.S. Environmental Protection Agency				
Passed through Colorado Water Resources & Power Development Authority:				
Capitalization Grants for Clean Water State Revolving Funds	W18F402	66.458	*	155,399
Total U.S. Environmental Protection Agency				756,234
U.S. Department of Housing and Urban Development				
Passed through Colorado Department of Local Affairs:				
Community Development Block Grants	F19CDB17504	14.228		551,358
U.S. Department of the Interior				
Passed through Colorado Departmen tof Local Affairs:				
Distribution of Receipts to State and Local Governments	EIAF8643	15.227		$ 463,603
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,771,195

∗ - tested as major funds.

See the accompanying Independent Auditors' Report.

TOWN OF ORDWAY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2019

NOTE 1: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), using the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, information presented in the schedule of expenditures of federal awards may differ from the expenditures presented in the Town's financial statements for the year ended December 31, 2019.

NOTE 2: DE MINIMUS COST RATE

The Town has not allocated indirect cost to its federal awards through a federally negotiated indirect cost rate and has elected not to use the 10% de minimus costs rate allowed under the Uniform Guidance.

STATE COMPLIANCE

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: Town of Ordway YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of _)	Prepared By: Ruth Froman Phone: 719-367-3134

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)	86,218
4. Miscellaneous local receipts (from page 2)	160
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)	86,378
B. Private Contributions	
C. Receipts from State government (from page 2)	44,940
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	131,318

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	54,185
3. Road and street services:	
a. Traffic control operations	11,943
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	11,943
4. General administration & miscellaneous	12,223
5. Highway law enforcement and safety	31,728
6. Total (1 through 5)	110,079
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)	110,079

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
97,519	131,318	110,079	118,758	(0)

Notes and Comments:

See the accompanying Independent Auditor's Report.

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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	160
1. Sales Taxes	86,218	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	
6. Total (1. through 5.)	86,218	h. Other	
c. Total (a. + b.)	86,218	i. Total (a. through h.)	160
	(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	44,940	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		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.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	44,940	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

See the accompanying Independent Auditor's Report.