Town of Poncha Springs, Colorado
Financial Statements and Report of
Independent Certified Public Accountants
December 31, 2019

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Blair and Associates P.C.
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Poncha Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Poncha Springs, Colorado as of and for the year ended December 31, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Poncha Springs, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Collice P. Blair, Jr., CPA, CFE

105 S.E. Frontier, Suite A • Cedaredge, Colorado 81413
Phone 970/856-7550 • Fax 970/856-2122
peteblaircpa@yahoo.com
www.BandACPAS.com

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 34, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Capital Projects Fund, Conservation Trust Fund, Water Fund and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Conservation Trust Fund, Water Fund and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
August 6, 2020

TOWN OF PONCHA SPRINGS
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2019

As management of the Town of Poncha Springs (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by $ 10,627,049 (i.e. net position) as of December 31, 2019, an increase of $ 2,223,689 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $ 2,462,838, an increase of $ 420,259 in comparison with the prior year.
- The Town's fund balance for the General Fund was $ 2,390,184, an increase of $ 395,562 in comparison to the prior year.
- General property, sales and franchise taxes totaled $ 811,793, or 72% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2019, the Town's combined assets exceeded liabilities by $ 10,627,049. Of this amount, $ 3,532,357 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is invested in capital assets (net of related debt) of $ 7,049,042 (66% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the net investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2019 and 2018:

	Governmental Activities		Business-Type Activities	
Assets	2019	2018	2019	2018
Current and other assets	$ 2,551,588	$ 2,100,080	$ 1,144,446	$ 730,079
Capital assets	2,982,322	2,506,209	4,066,720	3,265,460
Total assets	$ 5,533,910	$ 4,606,289	$ 5,211,166	$ 3,995,539
Current liabilities	$ 47,250	$ 16,001	$ 21,748	$ 128,604
Non-current liabilities				
Loans and compensated absences	7,529	12,363	-	-
Total liabilities	54,779	28,364	21,748	128,604
Deferred Inflow of Resources				
Deferred property tax revenue	41,500	41,500	-	-
Net postion				
Net investment in capital assets	2,982,322	2,506,209	4,066,720	3,265,460
Restricted	45,650	33,500	-	-
Unrestricted	2,409,659	1,996,716	1,122,698	601,475
Total net position	$ 5,437,631	$ 4,536,425	$ 5,189,418	$ 3,866,935

An additional portion of net position, $45,650, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 3,532,357 (33% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

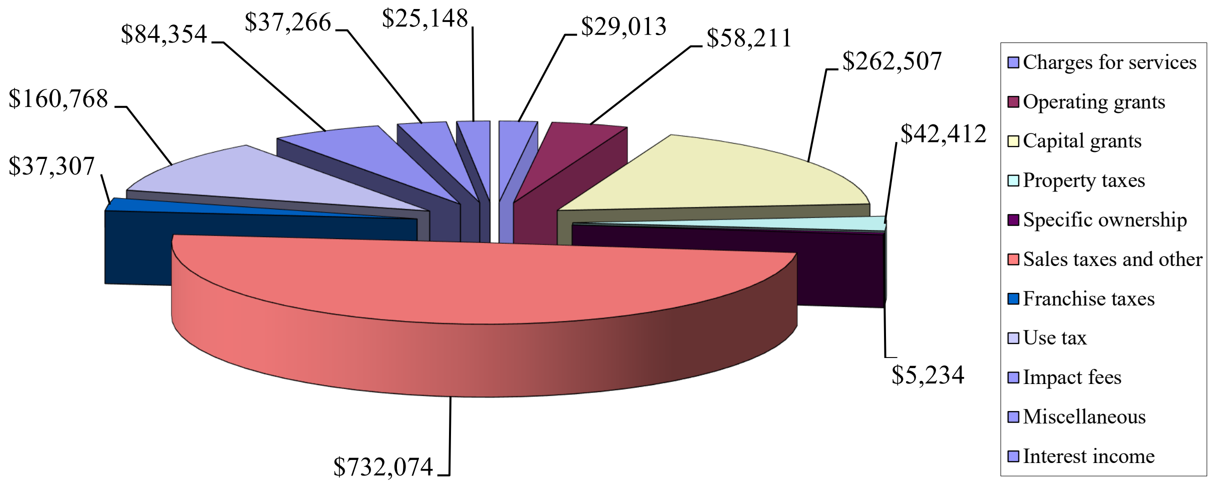
Governmental and business-type activities increased the Town's net position by $ 2,223,689 in 2019.

	Governmental Activities		Business-Type Activities	
Revenues	2019	2018	2019	2018
Program revenues				
Charges for services	$ 29,013	$ 34,161	$ 209,377	$ 209,965
Operating grants	58,211	52,258	-	-
Capital grants	262,507	22,500	1,297,538	1,343,946
General Revenues				
Property taxes	42,412	40,855	-	-
Specific ownership	5,234	5,004	-	-
Sales taxes and other	732,074	560,888	-	-
Franchise taxes	37,307	33,427	-	-
Use tax	160,768	64,424	-	-
Miscellaneous	37,266	42,357	32,013	341,695
Interest income	25,148	24,637	-	-
Impact fees	84,354	25,754	-	-
Totals	1,474,294	906,265	1,538,928	1,895,606
Expenses				
General government	275,263	276,708	-	-
Public works	276,252	233,579	216,445	226,711
Culture and recreation	21,573	53,523	-	-
Total expenses	573,088	563,810	216,445	226,711
Increase in net position	901,206	342,455	1,322,483	1,668,895
Beginning	4,536,425	4,193,970	3,866,935	2,198,040
Ending	$ 5,437,631	$ 4,536,425	$ 5,189,418	$ 3,866,935

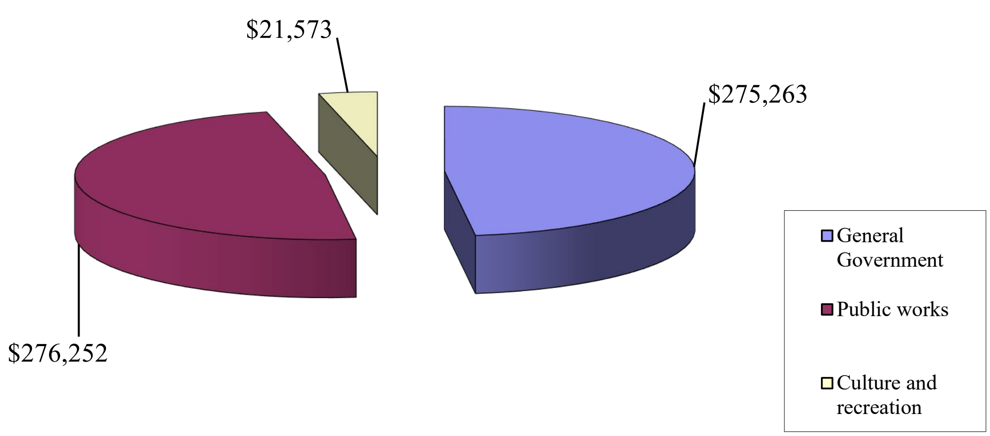
Governmental Activities

Governmental activities increased the Town's net position by $ 901,206.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in an increase in net position of $ 1,322,483. Capital grants and contributions accounted for 84% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of the end of 2019, the Town's governmental funds reported combined ending fund balances of $ 2,462,838, an increase of $ 420,259 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 95% of this total amount, $ 2,344,534, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve of $ 45,650.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2019, committed fund balance of the Capital Projects Fund was $ 2,629. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $ 395,562 during 2019.

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

The Town has one enterprise fund, the Water Fund. At the end of 2019, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$ 1,122,698
Total net position	$ 5,189,418
Increase (Decrease) in net position	$ 1,322,483

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $ 1,111,903 for 2019 expenditures. Actual expenditures were $ 1,050,062.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2019, was $ 7,049,042, an increase of $ 1,277,373 from the prior year. As required by GASB 34, the net investment in capital assets includes land, buildings, building improvements, and equipment.

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

Governmental Activities	Balance January 1, 2019	Additions	Dispositions	Balance December 31, 2019
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Capital assets being depreciated				
Buildings	876,368	539,329	-	1,415,697
Improvements other than buildings	83,284	13,376	-	96,660
Infrastructure	1,202,804	-	-	1,202,804
Equipment	250,393	12,000	-	262,393
	2,412,849	564,705	-	2,977,554
Less accumulated depreciation				
Buildings	(110,247)	(23,558)	-	(133,805)
Improvements other than buildings	(7,426)	(6,451)		(13,877)
Infrastructure	(193,760)	(37,460)	-	(231,220)
Equipment	(173,396)	(21,123)	-	(194,519)
	(484,829)	(88,592)	-	(573,421)
Capital assets being depreciated, net	1,928,020	476,113	-	2,404,133
Total governmental activities capital assets	$ 2,506,209	$ 476,113	$ -	$ 2,982,322

Business-Type Activities	Balance January 1, 2019	Additions	Dispositions	Balance December 31, 2019
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	2,964,547	831,903	-	3,796,450
Storage tanks	209,045	-	-	209,045
Wells	440,423	12,454	-	452,877
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,176,587)	(43,096)	-	(1,219,683)
Capital assets being depreciated, net	2,747,472	801,261	-	3,548,733
Total business-type activities capital assets	$ 3,265,460	$ 801,261	$ -	$ 4,066,721

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The Town's sales tax and portion of county sales tax saw an increase compared to 2018 numbers, as both were up >10% year over year. The activity in residential development during the last few calendar years also continued into 2019. Fees collected at the time of permit accounted for $160,768 of revenue in Use Tax and $83,354 in Impact Fees both contributing to the General Fund; as well as, $208,445 of revenue in Water System Development Fees contributing to the Water Fund. These revenues will contribute to Capital Projects in 2020 and 2021, and it is anticipated that residential growth; as well as, commercial will continue into the next fiscal year.

Capital projects for the next budgetary cycle include finalizing the Crossroads Welcome Center Improvement Project including landscaping located at the corner of US Highway 50 and US Highway 285, road improvement projects, a public works shop addition, trails, and the introduction of law enforcement through an agreement with the Chaffee County Sheriff's Office; as well as, the establishment of a municipal court during the 2019 fiscal year. Within the Water Fund, budgeted projects include a second new high production well to be drilled and integrated into the Water Infrastructure Improvement Project finalized in 2019, replacement of the water SCADA System, GIS mapping of the distribution system, and updated water meter reading equipment.

REQUEST FOR INFROMATION

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

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

BASIC FINANCIAL STATEMENTS

Town of Poncha Springs
Statement of Net Position
December 31, 2019

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,447,842	$ 1,013,118	$ 3,460,960
Property taxes receivable	41,500	-	41,500
Accounts receivables	2,416	16,401	18,817
Due from other governments	59,830	114,927	174,757
Capital assets, net	2,982,322	4,066,720	7,049,042
Total assets	5,533,910	5,211,166	10,745,076
LIABILITIES			
Accounts payable	47,250	21,748	68,998
Compensated absences	7,529	-	7,529
Total liabilities	54,779	21,748	76,527
Deferred Inflows of Resources			
Deferred property tax revenue	41,500	-	41,500
NET POSITION			
Invested in capital assets, net of related debt	2,982,322	4,066,720	7,049,042
Reserve for emergencies	-	-	-
Unrestricted	2,455,309	1,122,698	3,578,007
Total net position	$ 5,437,631	$ 5,189,418	$ 10,627,049

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 275,263	$ 11,733	$ -	$ -
Public Works	276,252	17,280	47,133	-
Culture and Recreation	21,573	-	11,078	262,507
Total governmental activities	573,088	29,013	58,211	262,507
Business-type activities:				
Water	216,445	209,377	-	1,297,538
Total business- type activities	216,445	209,377	-	1,297,538
Total primary government	$ 789,533	$ 238,390	$ 58,211	$ 1,560,045

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

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	**Business-Type Activities**	**Total**
$ (263,530)	$ -	$ (263,530)
(211,839)	-	(211,839)
252,012	-	252,012
(223,357)	-	(223,357)
-	1,290,470	1,290,470
-	1,290,470	1,290,470
(223,357)	1,290,470	1,067,113
42,412	-	42,412
5,234	-	5,234
732,074	-	732,074
37,307	-	37,307
84,354	-	84,354
160,768	-	160,768
37,266	32,013	69,279
25,148	-	25,148
1,124,563	32,013	1,156,576
901,206	1,322,483	2,223,689
4,536,425	3,866,935	8,403,360
$ 5,437,631	$ 5,189,418	$ 10,627,049

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Balance Sheet
December 31, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 2,375,083	$ 72,759	$ 2,447,842
Taxes receivable	41,500	-	41,500
Due from other governments	59,830	-	59,830
Accounts receivable	2,416	-	2,416
Total assets	$ 2,478,829	$ 72,759	$ 2,551,588
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 47,145	$ 105	$ 47,250
Total liabilities	47,145	105	47,250
Deferred Inflows of Resources			
Deferred property tax revenue	41,500	-	41,500
Fund balances:			
Restricted			
Reserve for emergencies		-	-
Parks and recreation	-	70,025	70,025
Committed	-	2,629	2,629
Unassigned	2,390,184	-	2,390,184
Total fund balance	2,390,184	72,654	2,462,838
Total liabilities and fund balance	$ 2,478,829	$ 72,759	$ 2,551,588

The accompanying notes are an integral part of this statement.

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

Total fund balance, governmental funds		$ 2,462,838
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Cost of capital assets	$ 3,555,743	
Less accumulated depreciation	(573,421)	2,982,322
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Compensated absences		(7,529)
Net Position of Governmental Activities in the Statement of Net Position		$ 5,437,631

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 977,795	$ -	$ 977,795
Intergovernmental	48,708	11,078	59,786
Licenses and permits	10,333	-	10,333
Grants	262,507	-	262,507
Charges for services	29,781	-	29,781
Miscellaneous	116,500	17,592	134,092
Total revenues	1,445,624	28,670	1,474,294
Expenditures			
Current:			
General government	250,421	-	250,421
Public works	199,871	-	199,871
Culture and recreation	5,818	2,573	8,391
Cemetery	-	-	-
Capital outlay	593,952	1,400	595,352
Total expenditures	1,050,062	3,973	1,054,035
Excess of revenues over (under) expenditures	395,562	24,697	420,259
Fund balance, January 1	1,994,622	47,957	2,042,579
Fund balance, December 31	$ 2,390,184	$ 72,654	$ 2,462,838

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended December 31, 2019

Net change in fund balances - total governmental funds		$ 420,259
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Fixed assets current additions	$ 564,705	
Depreciation expense	(88,592)	
Excess of capital outlay over depreciation		476,113
Reduction of compensated absences is not reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		4,834
Change in net position of governmental funds		$ 901,206

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Net Position
Enterprise Fund
Year Ended December 31, 2019

	Enterprise Fund Water Fund
Assets	
Current Assets	
Cash and cash equivalents	$ 1,013,118
Accounts receivable, net	16,401
Grants receivable	114,927
Total Current Assets	1,144,446
Noncurrent Assets	
Capital assets	
Construction in progress	2,555,961
Land and improvements	517,988
Buildings	5,837
Wells	452,877
Utility system	1,449,532
Equipment	304,207
Less accumulated depreciation	(1,219,682)
Total Noncurrent Assets	4,066,720
Total Assets	$ 5,211,166
Liabilities	
Current Liabilities	
Accounts payable	$ 21,748
Total Current Liabilities	21,748
Net Position	
Invested in capital assets, net of related debt	4,066,720
Unrestricted	1,122,698
Total Net Position	$ 5,189,418

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Fund
Year Ended December 31, 2019

	Enterprise Fund
	Water Fund
Operating revenues:	
Charges for services	$ 209,377
Total operating revenues	209,377
Operating expenses:	
Personnel services	55,558
Contractual services	51,518
Utilities	11,008
Other supplies and expenses	55,265
Depreciation	43,096
Total operating expenses	216,445
Operating income (loss)	(7,068)
Non-operating revenues (expenses):	
Miscellaneous	32,013
Grants	859,388
Total non-operating revenues (expenses)	891,401
Income (loss) before transfers and capital contributions	884,333
Capital contributions-Tap fees	438,150
Change in net position	1,322,483
Total net position, January 1	3,866,935
Total net position, December 31	$ 5,189,418

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Cash Flows
Enterprise Fund
Year Ended December 31, 2019

	Enterprise Fund
	Water Fund
Cash flows from operating activities	
Cash received from charges for services	$ 524,345
Cash payments for goods and services	(224,647)
Cash payments to employees for services	(55,558)
Net cash provided (used) by operating activities	244,140
Cash flows from non-capital financing activities	
Miscellaneous	32,013
Net cash provided (used) by non-capital financing activities	32,013
Cash flows from capital and related financing activities	
Tap fees	438,150
Grant proceeds	859,388
Property sales	-
Acquisition of capital assets	(844,357)
Net cash provided (used) by capital and related financing activities	453,181
Net increase (decrease) in cash and equivalents	729,334
Cash balances, January 1	283,784
Cash balances, December 31	$ 1,013,118
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (7,068)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	43,096
Assets (increase) decrease:	
Accounts receivables	(1,176)
Grant receivable	316,144
Liabilities increase (decrease):	
Accounts payable	(106,856)
Total adjustments	251,208
Net cash provided (used) by operating activities	$ 244,140

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town is a statutory municipality with a mayor – trustee form of government with seven elected Trustee members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Poncha Springs (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respect governing body.

B. Government-wide Financial Statements

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

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

C. Fund Financial Statements

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

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

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

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

C. Fund Financial Statements- (continued)

The Town reports the following major governmental funds:

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

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

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

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

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

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

- Water Fund, which accounts for all operations of the Town's water services. It is primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

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

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

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

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

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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

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

F. Use of Estimates

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

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

G. Property Taxes

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

H. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds $ 5,000.

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

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

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

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

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

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

I. Long-Term Liabilities

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

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

J. Compensated Absences

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

K. Net Position

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

L. Interfund Transactions

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

M. Encumbrances

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

N. Fund Equity

Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

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

N. Fund Equity - (continued)

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

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

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

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

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

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

Note 3 - Tax, Spending and Debt Limitations

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

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

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

Note 4 - Budgets

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

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

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

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

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

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

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

Note 4 – Budgets - (continued)

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. No revisions were made to the original budgeted expenditures for 2019.

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

Note 5 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2019, the bank balance of the Town’s deposits was $ 2,545,530 of which $ 250,000 was covered by federal depository insurance and $ 2,295,530 was collateralized under PDPA.

Colorado statues specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers’ acceptances of certain banks’ commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town’s investment policy follows Colorado statues. On December 31, 2019 the Town’s investments included certificates of deposit and funds held in Colotrust.

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of $1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts’ investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2019, the Town held investments in the Colorado Local Government Liquid Asset Trust (Colotrust portfolio). The Colotrust portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2019, the Town’s investments in Colotrust Plus were $ 927,281.

Note 5 - Deposits and Investments - (continued)

At December 31, 2019 the Town had the following investments:

	Net Asset Value
ColoTrust	$927,281

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

Cash and cash equivalents are summarized as follows:

Cash on hand	$ 50
Demand deposits	2,309,013
Certificates of deposits	224,616
ColoTrust	927,281
	$ 3,460,960

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

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

Custodial Credit Risk- For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. There are no investments not in the name of the Town.

Note 6 - Long-term Liabilities

Governmental Activities	January 1, 2019	Additions	Reductions	December 31, 2019	Due within one year
Compensated absences	$ 12,363	$ -	$ (4,834)	$ 7,529	$ -
Total	$ 12,363	$ -	$ (4,834)	$ 7,529	$ -

Note 7 - Retirement Plans

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by Nexus Financial Programs, Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The plan is a qualified plan as defined by Internal Revenue Service Code Section 401 (A). The plan provisions and contribution requirements are established and may be amended by Nexus Financial Programs, Inc. and would have to be approved by the Town.

There are no unfunded past service liabilities. All employees are eligible to participate in the plan from the date of employment. The Town makes a basic contribution of 5% of the employee's salary and will match an additional 3% if the employee chooses to contribute. Employees may make additional voluntary contributions up to a maximum of 10% of compensation. Employees are immediately vested in their participant contributions as well as the Town's.

The Town's total payroll in 2019 was $ 238,898. The total payroll covered by the plan was $ 238,898. A contribution of $ 25,052 was made to the plan in 2019. This contribution consisted of the Town's contribution of $ 17,396 and the employee's contributions of $ 7,656.

Note 8 - Risk Management

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

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

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

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
GAAP-based expenses	$ -	$ 216,445	$ -
Add (deduct);			
Depreciation		(43,096)	
Acquisition and construction of capital assets		844,357	
Total budgetary-based expenditures	$ 1,419,875	$ 1,017,706	$ 402,169

Note 10 - Capital Assets

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

Governmental Activities	Balance January 1, 2019	Additions	Dispositions	Balance December 31, 2019
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Capital assets being depreciated				
Buildings	876,368	539,329	-	1,415,697
Improvements other than buildings	83,284	13,376	-	96,660
Infrastructure	1,202,804	-	-	1,202,804
Equipment	250,393	12,000	-	262,393
	2,412,849	564,705	-	2,977,554
Less accumulated depreciation				
Buildings	(110,247)	(23,558)	-	(133,805)
Improvements other than building	(7,426)	(6,451)		(13,877)
Infrastructure	(193,760)	(37,460)	-	(231,220)
Equipment	(173,396)	(21,123)	-	(194,519)
	(484,829)	(88,592)	-	(573,421)
Capital assets being depreciated, net	1,928,020	476,113	-	2,404,133
Total governmental activities capital assets	$ 2,506,209	$ 476,113	$ -	$ 2,982,322

Note 10 - Capital Assets-(continued)

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

Business-Type Activities	Balance January 1, 2019	Additions	Dispositions	Balance December 31, 2019
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	2,964,547	831,903	-	3,796,450
Storage tanks	209,045	-	-	209,045
Wells	440,423	12,454	-	452,877
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,176,587)	(43,096)	-	(1,219,683)
Capital assets being depreciated, net	2,747,472	801,261	-	3,548,733
Total business-type activities capital assets	$ 3,265,460	$ 801,261	$ -	$ 4,066,721

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

General government	$ 18,226
Public works	58,584
Culture and recreation	11,782
Total	$ 88,592

REQUIRED SUPPLEMENTARY INFORMATION

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Sales	$ 581,370	$ 581,370	**$ 720,493**	$ 139,123
Property	41,543	41,543	**42,412**	869
Specific Ownership	4,000	4,000	**5,234**	1,234
Franchise	30,000	30,000	**37,307**	7,307
Use tax	47,000	47,000	**160,768**	113,768
RETA	-	-	**7,524**	7,524
Cigarette/other	3,350	3,350	**4,057**	707
Total Taxes	707,263	707,263	**977,795**	270,532
Intergovernmental				
Highway users tax	34,900	34,900	**47,133**	12,233
Other	1,300	1,300	**1,575**	275
Total intergovernmental	36,200	36,200	**48,708**	12,508
Licenses and permits	7,500	7,500	**10,333**	2,833
Charges for services	15,000	15,000	**29,781**	14,781
Other				
Interest	12,140	12,140	**24,836**	12,696
Grants	300,000	300,000	**262,507**	(37,493)
Development fees	2,000	2,000	**2,310**	310
Sale of Assets	500	500	**-**	(500)
Impact fees	31,000	31,000	**84,354**	53,354
Cemetery plot sales	-	-	**1,400**	1,400
Miscellaneous	300	300	**3,600**	3,300
Total other	345,940	345,940	**379,007**	33,067
Total revenues	$ 1,111,903	$ 1,111,903	**$ 1,445,624**	$ 333,721

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2019

General Government	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Salaries	$ 106,883	$ 106,883	**$ 107,015**	$ (132)
Trustee's	21,000	21,000	**20,150**	850
Employee benefits	51,418	51,418	**57,599**	(6,181)
Supplies	12,750	12,750	**11,977**	773
Purchased services	45,350	45,350	**36,236**	9,114
Fixed charges	11,213	11,213	**11,146**	67
Grant related expenses	1,000	1,000	**-**	1,000
Miscellaneous	4,000	4,000	**3,072**	928
Intergovernmental Services	3,226	3,226	**3,226**	-
Total general government	256,840	256,840	**250,421**	6,419
Public Works				
Salaries	83,626	83,626	**95,321**	(11,695)
Employee benefits	34,491	34,491	**35,189**	(698)
Supplies	27,150	27,150	**31,183**	(4,033)
Purchased services	30,695	30,695	**30,980**	(285)
Miscellaneous	8,100	8,100	**7,198**	902
Total public works	184,062	184,062	**199,871**	(15,809)
Visitors' Center				
Supplies	1,500	1,500	**1,384**	116
Purchased services	4,700	4,700	**4,434**	266
Total visitors' center	6,200	6,200	**5,818**	382
Capital Outlay	664,801	664,801	**593,952**	70,849
Total expenditures	1,111,903	1,111,903	**1,050,062**	61,841
Excess revenues over expenditures	-	-	**395,562**	395,562
Fund Balance-January 1	1,920,378	1,920,378	**1,994,622**	74,244
Fund Balance-December 31	$ 1,920,378	$ 1,920,378	**$ 2,390,184**	$ 469,806

Town of Poncha Springs
Combining Balance Sheet
Other Governmental Funds
Year Ended December 31, 2019

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	$ 70,130	$ 2,629	$ 72,759
Total assets	$ 70,130	$ 2,629	$ 72,759
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 105	$ -	$ 105
Total liabilities	105	-	105
Fund balances			
Committed: capital projects		2,629	2,629
Unreserved:	70,025	-	70,025
Total fund balances	70,025	2,629	72,654
Total liabilities and fund balances	$ 70,130	$ 2,629	$ 72,759

Town of Poncha Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2019

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	$ 11,078	$ -	$ 11,078
Development Fees	17,280	-	17,280
Interest earnings	312	-	312
Total revenues	28,670	-	28,670
EXPENDITURES			
Capital outlay	1,400	-	1,400
Total expenditures	3,973	-	3,973
Excess of revenues over expenditures	24,697	-	24,697
Fund balance (deficit), January 1	45,328	2,629	47,957
Fund balance (deficit), December 31	$ 70,025	$ 2,629	$ 72,654

Town of Poncha Springs
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Grants and contributions	$ -	$ -	**$ -**	$ -
Total revenues	-	-	**-**	-
Expenditures				
Current:				
Capital outlay	-	-	**-**	-
Total expenditures	-	-	**-**	-
Excess of revenues over (under) expenditures	-	-	**-**	-
Fund Balance-January 1	2,629	2,629	**2,629**	-
Fund Balance-December 31	$ 2,629	$ 2,629	**$ 2,629**	$ -

Town of Poncha Springs
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 7,300	$ 7,300	**$ 11,078**	$ 3,778
Development Fees	35,598	35,598	**17,280**	(18,318)
Interest	175	175	**312**	137
Total revenues	43,073	43,073	**28,670**	(14,403)
Expenditures				
Repairs	3,500	3,500	**2,573**	927
Capital Outlay	55,598	55,598	**1,400**	54,198
Total expenditures	59,098	59,098	**3,973**	55,125
Excess of revenues over (under) expenditures	(16,025)	(16,025)	**24,697**	40,722
Fund Balance-January 1	44,223	44,223	**45,328**	1,105
Fund Balance-December 31	$ 28,198	$ 28,198	**$ 70,025**	$ 41,827

Town of Poncha Springs
Water Fund
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water charges	$ 187,000	$ 187,000	**$ 208,445**	$ 21,445
Connection fees	70,000	70,000	**438,150**	368,150
Grants and loans	1,127,175	1,127,175	**859,388**	(267,787)
Water rights leasing	10,000	10,000	**932**	(9,068)
Miscellaneous	15,700	15,700	**32,013**	16,313
Total revenues	1,409,875	1,409,875	**1,538,928**	129,053
Expenditures				
Water:				
Salaries and wages	36,976	36,976	**37,845**	(869)
Employee benefits	17,499	17,499	**17,713**	(214)
Repairs and supplies	23,750	23,750	**41,640**	(17,890)
Postage	1,350	1,350	**1,789**	(439)
Utilities	10,000	10,000	**11,008**	(1,008)
Water storage and leasing	28,100	28,100	**17,435**	10,665
Water treatment/testing	9,800	9,800	**24,989**	(15,189)
Professional fees	10,000	10,000	**9,094**	906
Capital outlay	1,245,000	1,245,000	**849,505**	395,495
Debt service payments	32,000	32,000	**2,722**	29,278
Miscellaneous	5,400	5,400	**3,966**	1,434
Total Water	1,419,875	1,419,875	**1,017,706**	402,169
Excess of revenues over (under) expenditures	(10,000)	(10,000)	**521,222**	531,222
Available Resources-January 1	610,723	610,723	**601,476**	(9,247)
Available Resources-December 31	$ 600,723	$ 600,723	**$ 1,122,698**	$ 521,975

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

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

LOCAL HIGHWAY FINANCE REPORT

City or County: Town of Poncha Springs
YEAR ENDING: December. 2019

This Information From The Records Of (example - City of _ or County of

Prepared By: Brian Berger
Phone: 719-539-6882

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	-
3. Other local imposts (from page 2)	85,929.47
4. Miscellaneous local receipts (from page 2)	3,022.55
5. Transfers from toll facilities	-
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	-
b. Bonds - Refunding Issues	-
c. Notes	-
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	88,952.02
B. Private Contributions	
C. Receipts from State government (from page 2)	51,593.36
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	140,545.38

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	-
2. Maintenance:	1,686.56
3. Road and street services:	
a. Traffic control operations	841.18
b. Snow and ice removal	-
c. Other	13,651.58
d. Total (a. through c.)	14,492.76
4. General administration & miscellaneous	7,162.56
5. Highway law enforcement and safety	-
6. Total (1 through 5)	23,341.88
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
3. Total (1.c + 2.c)	
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
126,755.91	140,545.38	23,341.88	243,959.41	0

Notes and Comments:

Ending balance proposed

Blank536-CY13

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

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	1,575.47	a. Interest on investments	3,022.55
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	84,354.00	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.)	84,354.00	h. Other	
c. Total (a. + b.)	85,929.47	i. Total (a. through h.)	3,022.55
	(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	46,666.70	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	4,926.66	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)		g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	51,593.36	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			
b. Engineering Costs			
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement & Operation			
(5). Total Construction (1) + (2) + (3) + (4)			
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)			0.00
			(Carry forward to page 1)

Notes and Comments:

Federal Awards Reports in Accordance With the

Single Audit Act and the Uniform Guidance

December 31, 2019

TOWN OF PONCHA SPRINGS, COLORADO

TOWN OF PONCHA SPRINGS
Table of Contents
December 31, 2019

Blair and Associates P.C.
Certified Public Accountants and Consultants

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*

To the Town Council
Poncha Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Poncha Springs, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Poncha Springs's basic financial statements, and have issued our report thereon dated August 6, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Poncha Springs, Colorado'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 the Town of Poncha Springs, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Poncha Springs, Colorado's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Poncha Springs, Colorado's financial statements are free from 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*.

Collice P. Blair, Jr., CPA, CFE

105 S.E. Frontier, Suite A • Cedaredge, Colorado 81413
Phone 970/856-7550 • Fax 970/856-2122
peteblaircpa@yahoo.com
www.BandACPAS.com

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Fraud Examiners
Governmental Audit Quality Center

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blair and Associates, P.C.

Cedaredge, Colorado
August 6, 2020

Blair and Associates P.C.
Certified Public Accountants and Consultants

Independent Auditor's Report on Compliance for The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Town Council
Poncha Springs, Colorado

Report on Compliance for the Major Federal Program

We have audited Town of Poncha Springs'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 Town of Poncha Springs's major federal programs for the year ended December 31, 2019. Town of Poncha Springs'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 the compliance for the Town of Poncha Springs's major federal program 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 the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 Town of Poncha Springs'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 Town of Poncha Springs's compliance.

Opinion on the Major Federal Program

In our opinion, the Town of Poncha Springs, Colorado 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.

Collice P. Blair, Jr., CPA, CFE

105 S.E. Frontier, Suite A • Cedaredge, Colorado 81413
Phone 970/856-7550 • Fax 970/856-2122
peteblaircpa@yahoo.com
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Report on Internal Control over Compliance

Management of the Town of Poncha Springs, Colorado 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 of Poncha Springs, Colorado'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 the 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 of Poncha Springs, Colorado'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 a 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. 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.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance We have audited the financial statements of Town of Poncha Springs as of and for the year ended December 31, 2019, and have issued our report thereon dated August 6, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
August 6, 2020

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

FEDERAL AGENCY NAME	PASS THROUGH AGENCY	FEDERAL PROGRAM TITLE	CFDA NUMBER	OTHER IDENTIFICATION NUMBER	EXPENDITURES
UNITED STATES DEPARTMENT OF INTERIOR	COLORADO DEPARTMENT OF LOCAL AFFAIRS	DISTRIBUTION OF RECEIPTS TO STATE AND LOCAL GOVERNMENTS	15.227	DOLA EIAF 8533	$209,105
ENVIROMENTAL PROTECTION AGENCY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	66.458	PROJECT # D18F395 WPCRF	$650,282
			TOTAL FEDERAL AWARDS		$859,387

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Town of Poncha Springs and is presented on the accrual basis of accounting. The information on the SEFA is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements. Expenditures represent only the federally funded portions of the program. Town records should be consulted to determine amounts expended or matched from nonfederal sources.

The Town has elected to not use the 10% de minimus indirect cost rate, as allowed under the Uniform Guidance.

Program Costs

The amounts shown as current-year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Town's local matching share, may be more than shown.

WPCRF Project Requirements

Public Law No. 113-76, Consolidated Appropriations Act, 2014, Section 436, requires that, unless exempted by the EPA Administrator, all iron and steel products used for a WPCRF project for the construction, alteration, maintenance, or repair of treatment work are produced in the United States. This requirement does not apply with respect to a project prior to January 17, 2014 if a State agency approved the engineering plans and specifications for the project, in that agency's capacity to approve such plans and specifications prior to a project requesting bids.

TOWN OF PONCHA SPRINGS
Notes to Schedule of Finding and Questioned Costs
December 31, 2019

Section II – Financial Statement Findings

None
Section I - Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None Reported
Noncompliance material to financial statements noted	No
Federal Awards	
Internal Control over major programs:	
Material weakness identified	No
Significant deficiency identified	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 Title 2 U.S. Code of Federal Regulations Part 200	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
15.227	Distribution of Receipts to State and Local Governments

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes