Town of Poncha Springs, Colorado
Financial Statements and Report of
Independent Certified Public Accountants
December 31, 2020

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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, 2020, 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, 2020, 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.

Certified Public Accountants

105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

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 16, 2021

TOWN OF PONCHA SPRINGS
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2020

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, 2020. 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 $ 11,719,273 (i.e. net position) as of December 31, 2020, an increase of $ 1,092,223 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $ 2,408,174, a decrease of $ 54,664 in comparison with the prior year.
- The Town's fund balance for the General Fund was $ 2,347,043, a decrease of $ 43,141 in comparison to the prior year.
- General property, sales and franchise taxes totaled $ 1,101,735, or 79% 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, 2020, the Town's combined assets exceeded liabilities by $ 11,719,273. Of this amount, $ 3,489,185 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 $ 8,166,888 (70% 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 2020 and 2019:

	Governmental Activities		Business-Type Activities	
Assets	2020	2019	2020	2019
Current and other assets	$ 2,604,214	$ 2,551,588	$ 1,391,425	$ 1,144,446
Capital assets	3,712,183	2,982,322	4,454,705	4,066,720
Total assets	$ 6,316,397	$ 5,533,910	$ 5,846,130	$ 5,211,166
Current liabilities	$ 136,340	$ 47,250	$ 236,233	$ 21,748
Non-current liabilities				
Loans and compensated absences	10,981	7,529	-	-
Total liabilities	147,321	54,779	236,233	21,748
Deferred Inflow of Resources				
Deferred property tax revenue	59,700	41,500	-	-
Net postion				
Net investment in capital assets	3,712,183	2,982,322	4,454,705	4,066,720
Restricted	63,200	45,650	-	-
Unrestricted	2,333,993	2,409,659	1,155,192	1,122,698
Total net position	$ 6,109,376	$ 5,437,631	$ 5,609,897	$ 5,189,418

An additional portion of net position, $63,200, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 3,489,185 (30% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

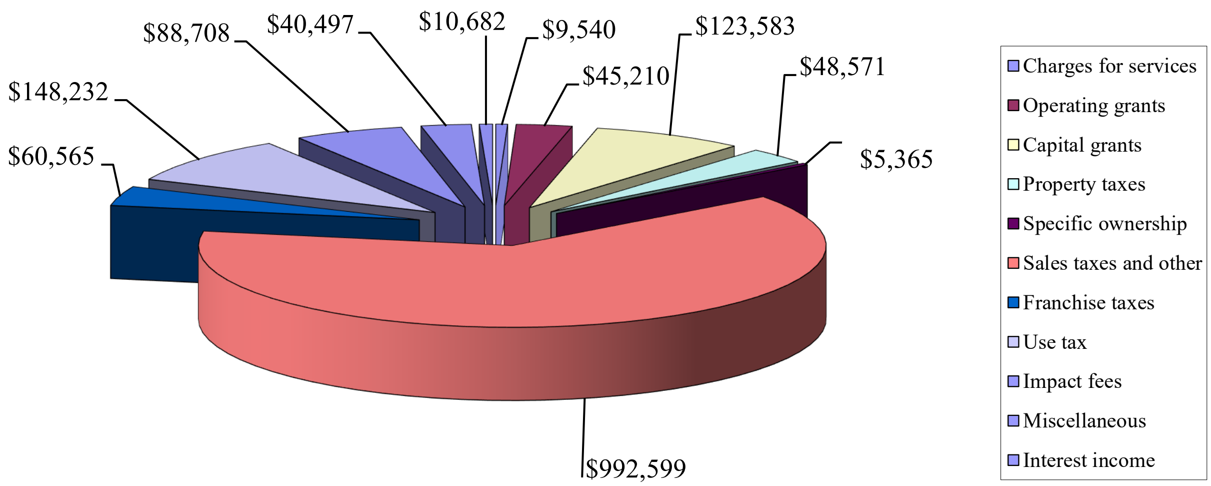
Governmental and business-type activities increased the Town's net position by $ 1,092,223 in 2020.

	Governmental Activities		Business-Type Activities	
Revenues	2020	2019	2020	2019
Program revenues				
Charges for services	$ 9,540	$ 29,013	$ 240,736	$ 209,377
Operating grants	45,210	58,211	-	-
Capital grants	123,583	262,507	525,474	1,297,538
General Revenues				
Property taxes	48,571	42,412	-	-
Specific ownership	5,365	5,234	-	-
Sales taxes and other	992,599	732,074	-	-
Franchise taxes	60,565	37,307	-	-
Use tax	148,232	160,768	-	-
Miscellaneous	40,497	37,266	34,488	32,013
Interest income	10,682	25,148	-	-
Impact fees	88,708	84,354	-	-
Totals	1,573,552	1,474,294	800,698	1,538,928
Expenses				
General government	438,073	275,263	-	-
Public works	353,991	276,252	380,220	216,445
Culture and recreation	53,034	21,573	-	-
Law Enforcement	56,709	-	-	-
Total expenses	901,807	573,088	380,220	216,445
Increase in net position	671,745	901,206	420,478	1,322,483
Beginning	5,437,631	4,536,425	5,189,418	3,866,935
Ending	$ 6,109,376	$ 5,437,631	$ 5,609,896	$ 5,189,418

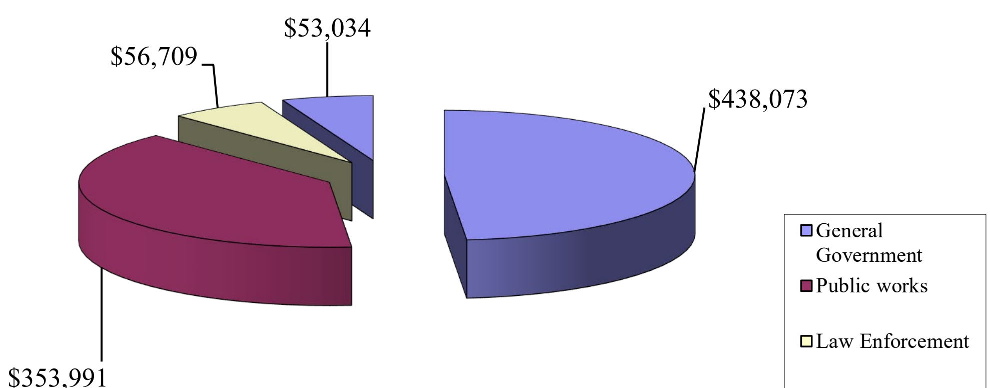
Governmental Activities

Governmental activities increased the Town's net position by $ 671,745.

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 $ 420,478. Capital grants and contributions accounted for 66% 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 2020, the Town's governmental funds reported combined ending fund balances of $ 2,408,174, a decrease of $ 54,664 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 95% of this total amount, $ 2,283,843, 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 $58,502.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2020, 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 decreased by $ 43,141 during 2020.

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 2020, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$ 1,155,192
Total net position	$ 5,609,897
Increase (Decrease) in net position	$420,479

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $ 1,696,042 for 2020 expenditures. Actual expenditures were $ 1,606,665.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2020, was $ 8,166,888, an increase of $ 1,117,846 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, 2020 was as follows:

Governmental Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land	$ 578,189		$ -	$ 578,189
Capital assets being depreciated				
Buildings	1,415,697	227,214	-	1,642,911
Improvements other than buildings	96,660	36,325	-	132,985
Infrastructure	1,202,804	579,063	-	1,781,867
Equipment	262,393	7,194	-	269,587
	2,977,554	849,796	-	3,827,350
Less accumulated depreciation				
Buildings	(133,805)	(46,777)	-	(180,582)
Improvements other than buildings	(13,877)	(9,382)		(23,259)
Infrastructure	(231,220)	(42,927)	-	(274,147)
Equipment	(194,519)	(20,849)	-	(215,368)
	(573,421)	(119,935)	-	(693,356)
Capital assets being depreciated, net	2,404,133	729,861	-	3,133,994
Total governmental activities capital assets	$ 2,982,322	$ 729,861	$ -	$ 3,712,183

Business-Type Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	3,796,450	14,759	-	3,811,209
Storage tanks	209,044	82,395	-	291,439
Wells	452,877	341,847	-	794,724
Equipment	304,207		-	304,207
Less accumulated depreciation	(1,219,684)	(51,015)	-	(1,270,699)
Capital assets being depreciated, net	3,548,731	387,986	-	3,936,717
Total business-type activities capital assets	$ 4,066,719	$ 387,986	$ -	$ 4,454,705

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 2019 numbers, despite the COVID-19 pandemic. The activity in residential development during the last few calendar years also continued into 2020, while commercial development activity was minimal due to the uncertainty associated with the pandemic. Fees collected at the time of permit accounted for $148,232 of revenue in Use Tax and $88,708 in Impact Fees both contributing to the General Fund; as well as, $419,924 of revenue in Water System Development Fees contributing to the Water Fund. These revenues will contribute to Capital Projects in 2021 and 2022, and it is anticipated that residential growth will continue into the next fiscal year and commercial development will start to come back as the Town looks to the recovery stage of the pandemic.

Capital projects for the next budgetary cycle include improving acoustics in the Board room and integrating systems to allow for virtual participation in public meetings by Board members and the public, procuring equipment for Public Works to improve maintenance and operations, continued extension of trails, sidewalks, and the construction of highway pedestrian crossings to improve safety, multi-modal connectivity, and promote active transportation throughout Poncha Springs. Capital projects in the General Fund will be separated out into a Capitals Fund in 2021. Within the Water Fund, budgeted projects include finalizing the second new high production associated with the Water Infrastructure Improvement Project completed in 2019, integrating "Smart Hydrants" into the distribution system improving leak detection and water main break response time, upsizing the water main running along CR 128 from a 6" to an 8" to increase fire flow capacity, and installing an isolation valve near the old water storage tanks on the south side of Town in preparation for repairs and maintenance in the future.

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, 2020

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 2,359,789	$ 1,379,387	$ 3,739,176
Property taxes receivable	59,700	-	59,700
Accounts receivables	23,693	12,038	35,731
Due from other governments	161,032	-	161,032
Capital assets, net	3,712,183	4,454,705	8,166,888
Total assets	6,316,397	5,846,130	12,162,527
LIABILITIES			
Accounts payable	136,340	236,233	372,573
Compensated absences	10,981	-	10,981
Total liabilities	147,321	236,233	383,554
Deferred Inflows of Resources			
Deferred property tax revenue	59,700	-	59,700
NET POSITION			
Invested in capital assets, net of related debt	3,712,183	4,454,705	8,166,888
Reserve for emergencies	63,200	-	63,200
Unrestricted	2,333,993	1,155,192	3,489,185
Total net position	$ 6,109,376	$ 5,609,897	$ 11,719,273

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Activities
For the Year Ended December 31, 2020

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 438,073	$ 9,540	$ -	$ 86,090
Public Works	353,991	-	35,379	-
Law Enforcement	56,709			
Culture and Recreation	53,034	-	9,831	37,493
Total governmental activities	901,807	9,540	45,210	123,583
Business-type activities:				
Water	380,220	240,736	-	525,474
Total business- type activities	380,220	240,736	-	525,474
Total primary government	$ 1,282,027	$ 250,276	$ 45,210	$ 649,057

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**
$ (342,443)	$ -	$ (342,443)
(318,612)	-	(318,612)
(56,709)		(56,709)
(5,710)	-	(5,710)
(723,474)	-	(723,474)
-	385,990	385,990
-	385,990	385,990
(723,474)	385,990	(337,484)
48,571	-	48,571
5,365	-	5,365
992,599	-	992,599
60,565	-	60,565
88,708	-	88,708
148,232	-	148,232
40,497	34,488	74,985
10,682	-	10,682
1,395,219	34,488	1,429,707
671,745	420,478	1,092,223
5,437,631	5,189,419	10,627,050
$ 6,109,376	$ 5,609,897	$ 11,719,273

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Balance Sheet
December 31, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	2,298,658	$ 61,131	$ 2,359,789
Taxes receivable	59,700	-	59,700
Due from other governments	161,032	-	161,032
Accounts receivable	23,693	-	23,693
Total assets	$ 2,543,083	$ 61,131	$ 2,604,214
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	136,340	-	136,340
Total liabilities	136,340	-	136,340
Deferred Inflows of Resources			
Deferred property tax revenue	59,700	-	59,700
Fund balances:			
Restricted			
Reserve for emergencies	63,200	-	63,200
Parks and recreation	-	58,502	58,502
Committed	-	2,629	2,629
Unassigned	2,283,843	-	2,283,843
Total fund balance	2,347,043	61,131	2,408,174
Total liabilities and fund balance	$ 2,543,083	$ 61,131	$ 2,604,214

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, 2020

Total fund balance, governmental funds		$ 2,408,174
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	$ 4,405,539	
Less accumulated depreciation	(693,356)	3,712,183
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		(10,981)
Net Position of Governmental Activities in the Statement of Net Position		$ 6,109,376

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, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 1,255,332	$ -	$ 1,255,332
Intergovernmental	36,990	9,831	46,821
Licenses and permits	9,540	-	9,540
Grants	37,493	-	37,493
Charges for services	34,961	-	34,961
Miscellaneous	189,208	197	189,405
Total revenues	1,563,524	10,028	1,573,552
Expenditures			
Current:			
General government	403,799	-	403,799
Public works	280,815	-	280,815
Culture and recreation	12,510	2,061	14,571
Law Enforcement	56,709		56,709
Capital outlay	852,832	19,490	872,322
Total expenditures	1,606,665	21,551	1,628,216
Excess of revenues over (under) expenditures	(43,141)	(11,523)	(54,664)
Fund balance, January 1	2,390,184	72,654	2,462,838
Fund balance, December 31	$ 2,347,043	$ 61,131	$ 2,408,174

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, 2020

Net change in fund balances - total governmental funds		$ (54,664)
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	$ 849,796	
Depreciation expense	(119,935)	
Excess of capital outlay over depreciation		729,861
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.		(3,452)
Change in net position of governmental funds		$ 671,745

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Net Position
Enterprise Fund
Year Ended December 31, 2020

	Enterprise Fund Water Fund
Assets	
Current Assets	
Cash and cash equivalents	1,379,387
Accounts receivable, net	12,038
Total Current Assets	1,391,425
Noncurrent Assets	
Capital assets	
Land and improvements	517,988
Buildings	5,837
Wells	794,724
Utility system	4,102,648
Equipment	304,207
Less accumulated depreciation	(1,270,699)
Total Noncurrent Assets	4,454,705
Total Assets	$ 5,846,130
Liabilities	
Current Liabilities	
Accounts payable	236,233
Total Current Liabilities	236,233
Net Position	
Invested in capital assets, net of related debt	4,454,705
Unrestricted	1,155,192
Total Net Position	$ 5,609,897

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, 2020

	Enterprise Fund
	Water Fund
Operating revenues:	
Charges for services	$ 240,736
Total operating revenues	240,736
Operating expenses:	
Personnel services	71,515
Contractual services	102,821
Utilities	9,959
Other supplies and expenses	144,910
Depreciation	51,015
Total operating expenses	380,220
Operating income (loss)	(139,484)
Non-operating revenues (expenses):	
Miscellaneous	34,488
Grants	105,550
Total non-operating revenues (expenses)	140,038
Income (loss) before transfers and capital contributions	554
Capital contributions-Tap fees	419,924
Change in net position	420,478
Total net position, January 1	5,189,419
Total net position, December 31	$ 5,609,897

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Cash Flows
Enterprise Fund
Year Ended December 31, 2020

	Enterprise Fund
	Water Fund
Cash flows from operating activities	
Cash received from charges for services	$ 360,026
Cash payments for goods and services	(43,204)
Cash payments to employees for services	(71,515)
Net cash provided (used) by operating activities	245,307
Cash flows from non-capital financing activities	
Miscellaneous	34,488
Net cash provided (used) by non-capital financing activities	34,488
Cash flows from capital and related financing activities	
Tap fees	419,924
Grant proceeds	105,550
Acquisition of capital assets	(439,000)
Net cash provided (used) by capital and related financing activities	86,474
Net increase (decrease) in cash and equivalents	366,269
Cash balances, January 1	1,013,118
Cash balances, December 31	$ 1,379,387
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (139,484)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	51,015
Assets (increase) decrease:	
Accounts receivables	4,363
Grant receivable	114,927
Liabilities increase (decrease):	
Accounts payable	214,486
Total adjustments	384,791
Net cash provided (used) by operating activities	$ 245,307

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. There was one revision made to the original budgeted expenditures for 2020.

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, 2020, the bank balance of the Town's deposits was $ 2,905,469 of which $ 250,000 was covered by federal depository insurance and $ 2,655,469 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, 2020, 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, 2020, 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, 2020, the Town's investments in Colotrust Plus were $ 934,052.

Note 5 - Deposits and Investments - (continued)

At December 31, 2020, the Town had the following investments:

	Net Asset Value
ColoTrust	$934,052

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	$ 225
Demand deposits	2,577,723
Certificates of deposits	227,176
ColoTrust	934,052
	$ 3,739,176

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, 2020	Additions	Reductions	December 31, 2020	Due within one year
Compensated absences	$ 7,529	$ 3,452		$ 10,981	$ -
Total	$ 7,529	$ 3,452	$ -	$ 10,981	$ -

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 2020 was $ 318,468. The total payroll covered by the plan was $ 286,962. A contribution of $ 31,566 was made to the plan in 2020. This contribution consisted of the Town's contribution of $ 22,957 and the employee's contributions of $ 8,609.

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	$ -	$ 380,220	$ -
Add (deduct);			
Depreciation		(51,015)	
Acquisition and construction of capital assets		439,000	
Total budgetary-based expenditures	$ 779,859	$ 768,205	$ 11,654

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2020, was as follows:

Governmental Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Capital assets being depreciated				
Buildings	1,415,697	227,214	-	1,642,911
Improvements other than buildings	96,660	36,325	-	132,985
Infrastructure	1,202,804	579,063	-	1,781,867
Equipment	262,393	7,194	-	269,587
	2,977,554	849,796	-	3,827,350
Less accumulated depreciation				
Buildings	(133,805)	(46,777)	-	(180,582)
Improvements other than building	(13,877)	(9,382)		(23,259)
Infrastructure	(231,220)	(42,927)	-	(274,147)
Equipment	(194,519)	(20,849)	-	(215,368)
	(573,421)	(119,935)	-	(693,356)
Capital assets being depreciated, net	2,404,133	729,861	-	3,133,994
Total governmental activities capital assets	$ 2,982,322	$ 729,861	$ -	$ 3,712,183

Note 10 - Capital Assets-(continued)

Capital assets activity for the year ended December 31, 2020, was as follows:

Business-Type Activities	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	3,796,450	14,759	-	3,811,209
Storage tanks	209,044	82,395	-	291,439
Wells	452,877	341,847	-	794,724
Equipment	304,207		-	304,207
Less accumulated depreciation	(1,219,684)	(51,015)	-	(1,270,699)
Capital assets being depreciated, net	3,548,731	387,986	-	3,936,717
Total business-type activities capital assets	$ 4,066,719	$ 387,986	$ -	$ 4,454,705

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

General government	$ 18,226
Public works	63,996
Culture and recreation	37,713
Total	$119,935

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, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Sales	$ 691,000	$ 691,000	**$ 946,062**	$ 255,062
Property	47,978	47,978	**48,571**	593
Specific Ownership	5,000	5,000	**5,365**	365
Franchise	33,000	33,000	**60,565**	27,565
Use tax	78,000	78,000	**148,232**	70,232
RETA	-	-	**40,860**	40,860
Cigarette/other	3,450	3,450	**5,677**	2,227
Total Taxes	858,428	858,428	**1,255,332**	396,904
Intergovernmental				
Highway users tax	36,411	36,411	**35,379**	(1,032)
Other	1,410	1,410	**1,611**	201
Total intergovernmental	37,821	37,821	**36,990**	(831)
Licenses and permits	8,200	8,200	**9,540**	1,340
Charges for services	22,540	22,540	**34,961**	12,421
Other				
Interest	16,843	16,843	**10,485**	(6,358)
Grants	37,500	37,500	**37,493**	(7)
Development fees	2,000	2,000	**3,925**	1,925
Impact fees	38,700	38,700	**88,708**	50,008
Miscellaneous	1,000	1,000	**86,090**	85,090
SUPPLEMENTAL BUDGET	-	422,607	**-**	(422,607)
Total other	96,043	518,650	**226,701**	(291,949)
Total revenues	$ 1,023,032	$ 1,445,639	**$ 1,563,524**	$ 117,885

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2020

General Government	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Salaries	$ 136,880	$ 136,880	**$ 142,804**	$ (5,924)
Trustee's	25,000	25,000	**20,800**	4,200
Employee benefits	59,458	59,458	**61,580**	(2,122)
Supplies	13,750	13,750	**14,216**	(466)
Purchased services	53,250	53,250	**48,286**	4,964
Fixed charges	14,510	14,510	**14,559**	(49)
Grant related expenses	11,000	11,000	**-**	11,000
Miscellaneous	4,000	4,000	**97,905**	(93,905)
Intergovernmental Services	3,226	3,226	**3,649**	(423)
SUPPLEMENTAL BUDGET		174,617	**-**	174,617
Total general government	321,074	495,691	**403,799**	91,892
Public Works				
Salaries	122,024	122,024	**128,946**	(6,922)
Employee benefits	54,838	54,838	**42,697**	12,141
Supplies	29,800	29,800	**34,481**	(4,681)
Purchased services	77,447	77,447	**39,900**	37,547
Miscellaneous	44,539	44,539	**34,791**	9,748
Total public works	328,648	328,648	**280,815**	47,833
Visitors' Center				
Supplies	2,000	2,000	**3,106**	(1,106)
Purchased services	4,700	4,700	**9,404**	(4,704)
Total visitors' center	6,700	6,700	**12,510**	(5,810)
Cemetery	-	-	**-**	-
Law Enforcement- Court	78,003	78,003	**56,709**	21,294
Capital Outlay	787,000	787,000	**852,832**	(65,832)
Total expenditures	1,521,425	1,696,042	1,606,665	89,377
Excess revenues over expenditures	(498,393)	(250,403)	**(43,141)**	207,262
Fund Balance-January 1	2,229,372	2,229,372	**2,390,184**	160,812
Fund Balance-December 31	$ 1,730,979	$ 1,978,969	**$ 2,347,043**	$ 368,074

Town of Poncha Springs
Combining Balance Sheet
Other Governmental Funds
Year Ended December 31, 2020

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	58,502	2,629	$ 61,131
Total assets	$ 58,502	$ 2,629	$ 61,131
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	-	$ -
Total liabilities	-	-	-
Fund balances			
Committed: capital projects		2,629	2,629
Unreserved:	58,502	-	58,502
Total fund balances	58,502	2,629	61,131
Total liabilities and fund balances	$ 58,502	$ 2,629	$ 61,131

Town of Poncha Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2020

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	$ 9,831	$ -	$ 9,831
Interest earnings	197	-	197
Total revenues	10,028	-	10,028
EXPENDITURES			
Current:			
Culture and recreation	2,061	-	2,061
Capital outlay	19,490	-	19,490
Total expenditures	21,551	-	21,551
Excess of revenues over expenditures	(11,523)	-	(11,523)
Fund balance (deficit), January 1	70,025	2,629	72,654
Fund balance (deficit), December 31	$ 58,502	$ 2,629	$ 61,131

Town of Poncha Springs
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2020

	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, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 8,000	$ 8,000	**9,831**	$ 1,831
Development Fees	63,383	63,383	**-**	(63,383)
Interest	175	175	**197**	22
Total revenues	71,558	71,558	**10,028**	(61,530)
Expenditures				
Repairs	3,500	3,500	**2,061**	1,439
Capital Outlay	102,878	102,878	**19,490**	83,388
Total expenditures	106,378	106,378	**21,551**	84,827
Excess of revenues over (under) expenditures	(34,820)	(34,820)	(11,523)	(146,357)
Fund Balance-January 1	66,292	66,292	**70,025**	3,733
Fund Balance-December 31	$ 31,472	$ 31,472	**$ 58,502**	$ (142,624)

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, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water charges	$ 200,000	$ 200,000	**$ 239,655**	$ 39,655
Connection fees	175,000	175,000	**419,924**	244,924
Grants and loans	417,500	417,500	**105,550**	(311,950)
Water rights leasing	10,000	10,000	**1,081**	(8,919)
Miscellaneous	22,800	22,800	**34,488**	11,688
Total revenues	825,300	825,300	**800,698**	(24,602)
Expenditures				
Water:				
Salaries and wages	60,616	60,616	**50,918**	9,698
Employee benefits	26,819	26,819	**20,597**	6,222
Repairs and supplies	28,750	28,750	**60,666**	(31,916)
Postage	1,350	1,350	**2,097**	(747)
Utilities	10,000	10,000	**9,959**	41
Water storage and leasing	19,000	19,000	**37,536**	(18,536)
Water treatment/testing	39,800	39,800	**59,051**	(19,251)
Professional fees	13,000	13,000	**6,234**	6,766
Capital outlay	527,500	527,500	**515,242**	12,258
Miscellaneous	19,781	19,781	**5,905**	13,876
SUPPLEMENTAL BUDGET	-	33,243	**-**	33,243
Total Water	746,616	779,859	**768,205**	11,654
Excess of revenues over (under) expenditures	78,684	45,441	32,493	(36,256)
Available Resources-January 1	960,568	960,568	**1,122,698**	162,130
Available Resources-December 31	$ 1,039,252	$ 1,006,009	**$ 1,155,191**	$ 125,874

COLORADO
Department of Transportation

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2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY20

Email address: manager@ponchasprings.us
City/County: Poncha Springs

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	90,319.20
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	956.58
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	91,275.78

B. Private Contributions	$	0.00

Receipts, Disbursements & Costs

A.3. Other local imposts

a. Property Taxes &and Assessments	$	1,611.20
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	88,708.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	0.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	90,319.20

A.4. Miscellaneous local receipts

a. Interest on Investments:	$	956.58
b. Traffic fines and Penalities:	$	0.00
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	956.58

C. Receipts from State Government

1. Highway User Taxes:	$	35,484.51
3. Other State funds:		
c. Motor Vehicle Registrations:	$	5,559.25
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	41,043.76

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	$	0.00

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

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	0.00
2. Maintenance:	$	1,217.00
3. Road and street services		
a. Traffic control operations:	$	3,744.93
b. Snow and ice removal:	$	0.00
c. Other:	$	17,052.71
4. General administration and miscellaneous	$	20,640.32
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	42,654.96

B. Debt service on local obligations

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

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00

Total Disbursements: (A+B+C+D) $ 42,654.96

Receipts, Disbursements & Costs

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

Receipts, Disbursements & Costs

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

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 243,959.41	$ 132,319.54	$ 42,654.96	$ 333,623.99	$ 0.00

Notes and Comments:

Ending Balance carried forward for capital projects in 2021-2022

Please enter your name: Brian Berger

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

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