Town of Poncha Springs, Colorado
Financial Statements and Report of
Independent Certified Public Accountants
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Poncha Springs, Colorado

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Town of Poncha Springs, Colorado's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Poncha Springs, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Poncha Springs, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Town of Poncha Springs, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Poncha Springs, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10) and budgetary comparison information (pages 34-35) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Poncha Springs, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balance – budget and actual for non-major governmental funds, schedule of revenues, expenditures, and changes in available resources – budget and actual for enterprise funds, and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 combining and individual nonmajor fund financial statements 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 8, 2022

TOWN OF PONCHA SPRINGS
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2021

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, 2021. 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 $ 13,562,939 (i.e. net position) as of December 31, 2021, an increase of $ 1,843,666 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $ 3,404,775, an increase of $ 996,601 in comparison with the prior year.
- The Town's fund balance for the General Fund was $ 2,262,728, decrease of $ 84,315 in comparison to the prior year.
- General property, sales and franchise taxes totaled $ 1,330,181, or 74% 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, 2021, the Town's combined assets exceeded liabilities by $ 13,562,939. Of this amount, $ 5,021,157 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 $ 8,480,332 (63% 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 2021 and 2020:

	Governmental Activities		Business-Type Activities	
Assets	2021	2020	2021	2020
Current and other assets	$ 3,526,825	$ 2,604,214	$ 1,730,294	$ 1,391,425
Capital assets	3,788,506	3,712,183	4,691,826	4,454,705
Total assets	$ 7,315,331	$ 6,316,397	$ 6,422,120	$ 5,846,130
Current liabilities	$ 47,220	$ 136,340	$ 38,312	$ 236,233
Non-current liabilities				
Loans and compensated absences	14,150	10,981	-	-
Total liabilities	61,370	147,321	38,312	236,233
Deferred Inflow of Resources				
Deferred property tax revenue	74,830	59,700	-	-
Net postion				
Net investment in capital assets	3,788,506	3,712,183	4,691,826	4,454,705
Restricted	61,450	63,200	-	-
Unrestricted	3,329,175	2,333,993	1,691,982	1,155,192
Total net position	$ 7,179,131	$ 6,109,376	$ 6,383,808	$ 5,609,897

An additional portion of net position, $61,450, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $ 5,021,157 (37% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

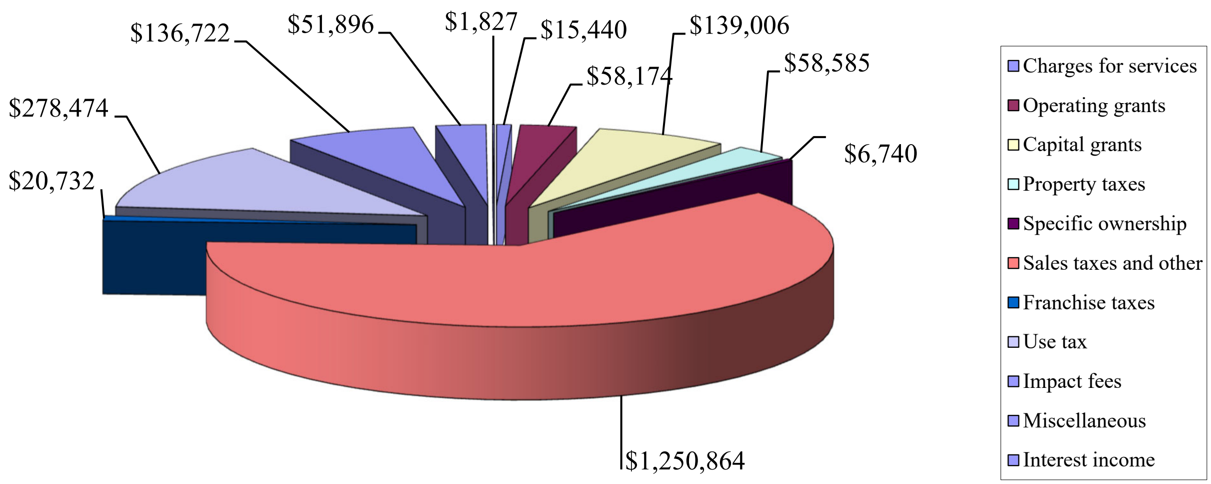
Governmental and business-type activities increased the Town's net position by $ 1,846,666 in 2021.

	Governmental Activities		Business-Type Activities	
Revenues	2021	2020	2021	2020
Program revenues				
Charges for services	$ 15,440	$ 9,540	$ 276,515	$ 240,736
Operating grants	58,174	45,210	-	-
Capital grants	139,006	123,583	827,247	525,474
General Revenues				
Property taxes	58,585	48,571	-	-
Specific ownership	6,740	5,365	-	-
Sales taxes and other	1,250,864	992,599	-	-
Franchise taxes	20,732	60,565	-	-
Use tax	278,474	148,232	-	-
Miscellaneous	51,896	40,497	50,697	34,488
Interest income	1,827	10,682	-	-
Impact fees	136,722	88,708	-	-
Totals	2,018,460	1,573,552	1,154,459	800,698
Expenses				
General government	397,197	438,073	-	-
Public works	398,909	353,991	380,548	380,220
Culture and recreation	90,131	53,034	-	-
Law Enforcement	62,468	56,709	-	-
Total expenses	948,705	901,807	380,548	380,220
Increase in net position	1,069,755	671,745	773,911	420,478
Beginning	6,109,376	5,437,631	5,609,897	5,189,419
Ending	$ 7,179,131	$ 6,109,376	$ 6,383,808	$ 5,609,897

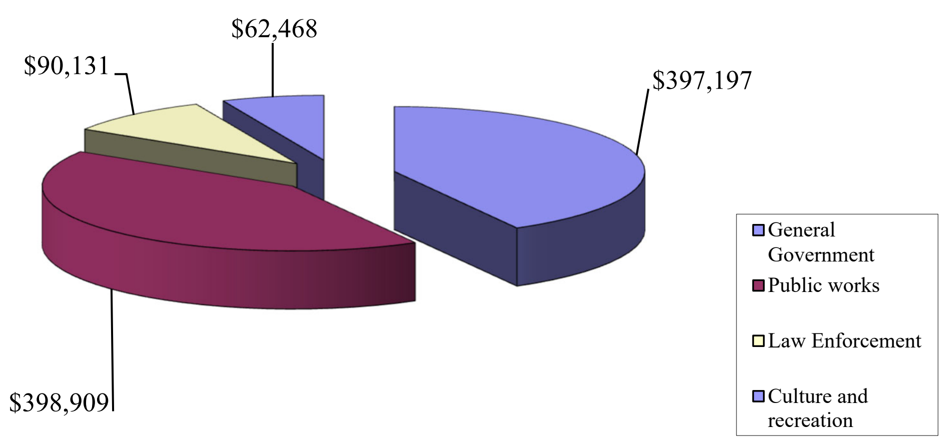
Governmental Activities

Governmental activities increased the Town's net position by $ 1,069,755.

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 $ 773,911. Capital grants and contributions accounted for 72% 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 2021, the Town's governmental funds reported combined ending fund balances of $ 3,404,775, an increase of $ 996,601 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 65% of this total amount, $ 2,201,278, 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 $61,450.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2021, committed fund balance of the Capital Projects Fund was $ 1,132,096. 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 $ 84,315 during 2021.

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 2021, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$ 1,691,982
Total net position	$ 6,383,808
Increase (Decrease) in net position	$773,911

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $ 2,103,678 for 2021 expenditures. Actual expenditures were $ 2,084,819.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2021, was $ 8,480,332, an increase of $ 313,441 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, 2021 was as follows:

Governmental Activities	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Capital assets being depreciated				
Buildings	1,642,911	-	-	1,642,911
Improvements other than buildings	132,985	65,780	-	198,765
Infrastructure	1,781,867	74,500	-	1,856,367
Equipment	269,587	87,050	-	356,637
	3,827,350	227,330	-	4,054,680
Less accumulated depreciation				
Buildings	(180,582)	(52,421)	-	(233,003)
Improvements other than buildings	(23,259)	-		(23,259)
Infrastructure	(274,147)	(74,502)	-	(348,649)
Equipment	(215,368)	(24,085)	-	(239,453)
	(693,356)	(151,008)	-	(844,364)
Capital assets being depreciated, net	3,133,994	76,322	-	3,210,316
Total governmental activities capital assets	$ 3,712,183	$ 76,322	$ -	$ 3,788,505

Business-Type Activities	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	3,811,209	82,966	-	3,894,175
Storage tanks	291,439	-	-	291,439
Wells	794,724	263,432	-	1,058,156
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,270,699)	(109,279)	-	(1,379,978)
Capital assets being depreciated, net	3,936,717	237,119	-	4,173,836
Total business-type activities capital assets	$ 4,454,705	$ 237,119	$ -	$ 4,691,824

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 the State Highway User Tax Fund, Mineral Lease Royalties, and Severance Tax 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 taxes collected in 2020. The activity in residential and commercial development also continued into 2021. Fees collected at the time of permit accounted for $278,474 of revenue in Use Tax and $136,722 in Impact Fees both contributing to the General Fund; as well as, $630,145 of revenue in Water System Development Fees contributing to the Water Fund. These revenues will contribute to Capital Projects in 2022 and beyond, and it is anticipated that residential growth will continue into the next fiscal year and commercial development will start to increase as the Town looks to the recovery stage of the pandemic.

Capital projects for the next budgetary cycle include additional digital speed limit signs, park amenities, and landscaping, procuring equipment for Public Works to improve maintenance and operations, continued extension of sidewalks, street improvements, 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 2022. The Town also intents to intitate long-term planning efforts including the vision for the Highway 50 corridor and forming committees to evaluate the Comprehensive Plan and Parks & Openspace Plan. Within the Water Fund, budgeted projects include sandblasting and recoating the Town's two old water storage tanks, conducting a meter replacement program, incremental improvements to the municipal ditch system, and initiating a project to evaluate the Town's original wells and treatment facilities installed in 1983.

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:

Town Administrator/Treasurer
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, 2021

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,355,676	$ 1,720,936	$ 5,076,612
Property taxes receivable	74,830	-	74,830
Accounts receivables	-	9,358	9,358
Due from other governments	96,319	-	96,319
Capital assets, net	3,788,506	4,691,826	8,480,332
Total assets	$ 7,315,331	$ 6,422,120	$ 13,737,451
LIABILITIES			
Accounts payable	$ 47,220	$ 38,312	$ 85,532
Compensated absences	14,150	-	14,150
Total liabilities	61,370	38,312	99,682
Deferred Inflows of Resources			
Deferred property tax revenue	74,830	-	74,830
NET POSITION			
Invested in capital assets, net of related debt	3,788,506	4,691,826	8,480,332
Reserve for emergencies	61,450	-	61,450
Unrestricted	3,329,175	1,691,982	5,021,157
Total net position	$ 7,179,131	$ 6,383,808	$ 13,562,939

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 397,197	$ 15,440	$ -	$ 7,697
Public Works	398,909	-	44,911	-
Law Enforcement	90,131	-	-	-
Culture and Recreation	62,468	-	13,263	131,309
Total governmental activities	948,705	15,440	58,174	139,006
Business-type activities:				
Water	380,548	276,515	-	827,247
Total business- type activities	380,548	276,515	-	827,247
Total primary government	$ 1,329,253	$ 291,955	$ 58,174	$ 966,253

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
$ (374,060)	$ -	$ (374,060)
(353,998)	-	(353,998)
(90,131)	-	(90,131)
82,104	-	82,104
(736,085)	-	(736,085)
-	723,214	723,214
-	723,214	723,214
(736,085)	723,214	(12,871)
58,585	-	58,585
6,740	-	6,740
1,250,864	-	1,250,864
20,732	-	20,732
136,722	-	136,722
278,474	-	278,474
51,896	50,697	102,593
1,827	-	1,827
1,805,840	50,697	1,856,537
1,069,755	773,911	1,843,666
6,109,376	5,609,897	11,719,273
$ 7,179,131	$ 6,383,808	$ 13,562,939

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Governmental Funds
Balance Sheet
December 31, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 2,202,224	$ 1,153,452	$ 3,355,676
Taxes receivable	74,830	-	74,830
Due from other governments	96,319	-	96,319
Total assets	$ 2,373,373	$ 1,153,452	$ 3,526,825
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	$ 35,815	$ 11,405	$ 47,220
Total liabilities	35,815	11,405	47,220
Deferred Inflows of Resources			
Deferred property tax revenue	74,830	-	74,830
Fund balances:			
Restricted			
Reserve for emergencies	61,450	-	61,450
Parks and recreation	-	9,951	9,951
Committed	-	1,132,096	1,132,096
Unassigned	2,201,278	-	2,201,278
Total fund balance	2,262,728	1,142,047	3,404,775
Total liabilities and fund balance	$ 2,373,373	$ 1,153,452	$ 3,526,825

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, 2021

Total fund balance, governmental funds		$ 3,404,775
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	$ 4,632,870	
Less accumulated depreciation	(844,364)	3,788,506
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		(14,150)
Net Position of Governmental Activities in the Statement of Net Position		$ 7,179,131

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, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 1,615,395	$ -	$ 1,615,395
Intergovernmental	46,957	13,263	60,220
Licenses and permits	15,440	-	15,440
Grants	126,711	4,598	131,309
Charges for services	47,390	-	47,390
Miscellaneous	148,611	95	148,706
Total revenues	2,000,504	17,956	2,018,460
Expenditures			
Current:			
General government	375,770	-	375,770
Public works	289,627	-	289,627
Culture and recreation	18,752	-	18,752
Law Enforcement	90,131	-	90,131
Capital outlay	33	247,546	247,579
Total expenditures	774,313	247,546	1,021,859
Excess of revenues over (under) expenditures	1,226,191	(229,590)	996,601
Other Financing sources (uses)			
Transfer out	(1,310,506)	1,310,506	-
Excess of revenues over (under) expenditures and other financing sources (uses)	(84,315)	1,080,916	996,601
Fund balance, January 1	2,347,043	61,131	2,408,174
Fund balance, December 31	$ 2,262,728	$ 1,142,047	$ 3,404,775

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, 2021

Net change in fund balances - total governmental funds		$ 996,601
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	$ 227,330	
Depreciation expense	(151,008)	
Excess of capital outlay over depreciation		76,322
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.		(3,168)
Change in net position of governmental funds		$ 1,069,755

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Net Position
Enterprise Fund
Year Ended December 31, 2021

	Enterprise Fund Water Fund
Assets	
Current Assets	
Cash and cash equivalents	$ 1,720,936
Accounts receivable, net	9,358
Total Current Assets	1,730,294
Noncurrent Assets	
Capital assets	
Land and improvements	517,988
Buildings	5,837
Wells	1,058,156
Utility system	4,180,614
Equipment	309,207
Less accumulated depreciation	(1,379,976)
Total Noncurrent Assets	4,691,826
Total Assets	$ 6,422,120
Liabilities	
Current Liabilities	
Accounts payable	$ 38,312
Total Current Liabilities	38,312
Net Position	
Invested in capital assets, net of related debt	4,691,826
Unrestricted	1,691,982
Total Net Position	$ 6,383,808

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, 2021

	Enterprise Fund
	Water Fund
Operating revenues:	
Charges for services	$ 276,515
Total operating revenues	276,515
Operating expenses:	
Personnel services	83,248
Contractual services	83,227
Utilities	14,951
Other supplies and expenses	89,843
Depreciation	109,279
Total operating expenses	380,548
Operating income (loss)	(104,033)
Non-operating revenues (expenses):	
Miscellaneous	50,697
Grants	197,102
Total non-operating revenues (expenses)	247,799
Income (loss) before transfers and capital contributions	143,766
Capital contributions-Tap fees	630,145
Change in net position	773,911
Total net position, January 1	5,609,897
Total net position, December 31	$ 6,383,808

The accompanying notes are an integral part of this statement.

Town of Poncha Springs
Statement of Cash Flows
Enterprise Fund
Year Ended December 31, 2021

	Enterprise Fund
	Water Fund
Cash flows from operating activities	
Cash received from charges for services	$ 279,194
Cash payments for goods and services	(385,943)
Cash payments to employees for services	(83,248)
Net cash provided (used) by operating activities	(189,997)
Cash flows from non-capital financing activities	
Miscellaneous	50,697
Net cash provided (used) by non-capital financing activities	50,697
Cash flows from capital and related financing activities	
Tap fees	630,145
Grant proceeds	197,102
Acquisition of capital assets	(346,398)
Net cash provided (used) by capital and related financing activities	480,849
Net increase (decrease) in cash and equivalents	341,549
Cash balances, January 1	1,379,387
Cash balances, December 31	$ 1,720,936
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (104,033)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	109,279
Assets (increase) decrease:	
Accounts receivables	2,679
Liabilities increase (decrease):	
Accounts payable	(197,922)
Total adjustments	(85,964)
Net cash provided (used) by operating activities	$ (189,997)

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 2021.

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, 2021, the bank balance of the Town’s deposits was $ 4,224,854 of which $ 250,000 was covered by federal depository insurance and $ 3,974,854 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, 2021, 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, 2021, 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, 2021, the Town’s investments in Colotrust Plus were $ 934,502.

Note 5 - Deposits and Investments - (continued)

At December 31, 2021, the Town had the following investments:

	Net Asset Value
ColoTrust	$934,502

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	$ 51
Demand deposits	3,913,894
Certificates of deposits	228,165
ColoTrust	934,502
	$ 5,076,612

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, 2021	Additions	Reductions	December 31, 2021	Due within one year
Compensated absences	$ 10,982	$ 3,168	$ -	$ 14,150	$ -
Total	$ 10,982	$ 3,168	$ -	$ 14,150	$ -

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 2021 was $ 347,601. The total payroll covered by the plan was $ 322,469. A contribution of $ 37,525 was made to the plan in 2021. This contribution consisted of the Town's contribution of $ 26,390 and the employee's contributions of $11,135.

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	$ -	$ 380,548	$ -
Add (deduct);			
Depreciation		(109,279)	
Acquisition and construction of capital assets		346,398	
Total budgetary-based expenditures	$ 766,109	$ 617,667	$ 148,442

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2021, was as follows:

Governmental Activities	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Capital assets not being depreciated				
Land	$ 578,189	$ -	$ -	$ 578,189
Capital assets being depreciated				
Buildings	1,642,911	-	-	1,642,911
Improvements other than buildings	132,985	65,780	-	198,765
Infrastructure	1,781,867	74,500	-	1,856,367
Equipment	269,587	87,050	-	356,637
	3,827,350	227,330	-	4,054,680
Less accumulated depreciation				
Buildings	(180,582)	(52,421)	-	(233,003)
Improvements other than building	(23,259)	-		(23,259)
Infrastructure	(274,146)	(74,502)	-	(348,648)
Equipment	(215,368)	(24,085)	-	(239,453)
	(693,355)	(151,008)	-	(844,363)
Capital assets being depreciated, net	3,133,995	76,322	-	3,210,317
Total governmental activities capital assets	$ 3,712,184	$ 76,322	$ -	$ 3,788,506

Note 10 - Capital Assets-(continued)

Capital assets activity for the year ended December 31, 2021, was as follows:

Business-Type Activities	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Capital assets not being depreciated				
Land	$ 517,988	$ -	$ -	$ 517,988
Capital assets being depreciated				
Buildings	5,837	-	-	5,837
Transmission system	3,811,209	82,966	-	3,894,175
Storage tanks	291,439	-	-	291,439
Wells	794,724	263,432	-	1,058,156
Equipment	304,207	-	-	304,207
Less accumulated depreciation	(1,270,697)	(109,279)	-	(1,379,976)
Capital assets being depreciated, net	3,936,719	237,119	-	4,173,838
Total business-type activities capital assets	$ 4,454,707	$ 237,119	$ -	$ 4,691,826

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

General government	$ 18,226
Public works	89,066
Culture and recreation	43,716
Total	$151,008

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, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Sales	$ 981,215	$ 981,215	$ 1,195,003	$ 213,788
Property	59,708	59,708	58,585	(1,123)
Specific Ownership	5,000	5,000	6,740	1,740
Franchise	37,500	37,500	20,732	(16,768)
Use tax	100,000	100,000	278,474	178,474
RETA	-	-	51,583	51,583
Cigarette/other	4,300	4,300	4,278	(22)
Total Taxes	1,187,723	1,187,723	1,615,395	427,672
Intergovernmental				
Highway users tax	36,411	36,411	44,911	8,500
Other	1,410	1,410	2,046	636
Total intergovernmental	37,821	37,821	46,957	9,136
Licenses and permits	8,200	8,200	15,440	7,240
Charges for services	40,000	40,000	47,390	7,390
Other				
Interest	19,643	19,643	1,732	(17,911)
Grants	-	-	126,711	126,711
Development fees	2,000	2,000	2,460	460
Impact fees	70,000	70,000	136,722	66,722
Miscellaneous	2,750	2,750	7,697	4,947
Total other	94,393	94,393	275,322	180,929
Total revenues	1,368,137	1,368,137	2,000,504	632,367

Town of Poncha Springs
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2021

General Government	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Salaries	166,942	166,942	161,115	5,827
Trustee's	21,000	21,000	21,191	(191)
Employee benefits	73,907	73,907	80,205	(6,298)
Supplies	14,250	14,250	19,565	(5,315)
Purchased services	60,347	60,347	58,762	1,585
Fixed charges	14,856	14,856	15,224	(368)
Miscellaneous	15,700	15,700	19,708	(4,008)
Total general government	367,002	367,002	375,770	(8,768)
Public Works				
Salaries	127,511	127,511	131,879	(4,368)
Employee benefits	62,725	62,725	64,599	(1,874)
Supplies	35,300	35,300	31,855	3,445
Purchased services	67,170	67,170	41,813	25,357
Miscellaneous	23,300	23,300	19,481	3,819
Total public works	316,006	316,006	289,627	26,379
Visitors' Center				
Supplies	2,100	2,100	4,065	(1,965)
Purchased services	9,200	9,200	14,687	(5,487)
Total visitors' center	11,300	11,300	18,752	(7,452)
Law Enforcement- Court	98,863	98,863	90,131	8,732
Capital Outlay	-	-	33	(33)
Total expenditures	793,171	793,171	774,313	18,858
Excess revenues over expenditures	574,966	574,966	1,226,191	651,225
Other Financing sources (uses)				
Transfer out	(1,310,506)	(1,310,506)	(1,310,506)	-
Excess of revenues over and (under) expenditures and use	(735,540)	(735,540)	(84,315)	651,225
Fund Balance-January 1	2,103,678	2,103,678	2,347,043	243,365
Fund Balance-December 31	$ 1,368,138	$ 1,368,138	$ 2,262,728	$ 894,590

Town of Poncha Springs
Combining Balance Sheet
Other Governmental Funds
Year Ended December 31, 2021

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
Assets			
Cash and cash equivalents	$ 9,951	$ 1,143,501	$ 1,153,452
Total assets	$ 9,951	$ 1,143,501	$ 1,153,452
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ 11,405	$ 11,405
Total liabilities	-	11,405	11,405
Fund balances			
Committed: capital projects		1,132,096	1,132,096
Unreserved:	9,951	-	9,951
Total fund balances	9,951	1,132,096	1,142,047
Total liabilities and fund balances	$ 9,951	$ 1,143,501	$ 1,153,452

Town of Poncha Springs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2021

	Conservation Trust Fund	Capital Projects Fund	Total Other Governmental Funds
REVENUES			
Intergovernmental	$ 13,263	$ -	$ 13,263
Grants	4,598	-	4,598
Interest earnings	95	-	95
Total revenues	17,956	-	17,956
EXPENDITURES			
Capital outlay	66,507	181,039	247,546
Total expenditures	66,507	181,039	247,546
Excess of revenues over expenditures	(48,551)	(181,039)	(229,590)
Other Financing sources (uses)			
Transfer in	-	1,310,506	1,310,506
Excess of revenues and other sources over (under) expenditures and other uses	(48,551)	1,129,467	1,080,916
Fund balance (deficit), January 1	58,502	2,629	61,131
Fund balance (deficit), December 31	$ 9,951	$ 1,132,096	$ 1,142,047

Town of Poncha Springs
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Grants and contributions	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
Capital outlay	1,313,136	1,313,136	181,039	1,132,097
Total expenditures	1,313,136	1,313,136	181,039	1,132,097
Excess of revenues over (under) expenditures	(1,313,136)	(1,313,136)	(181,039)	1,132,097
Other Financing sources (uses)				
Transfer in	1,310,506	1,310,506	1,310,506	
Excess of revenues over and (under) expenditures and use	(2,630)	(2,630)	1,129,467	1,132,097
Fund Balance-January 1	2,629	2,629	2,629	-
Fund Balance-December 31	$ (1)	$ (1)	$ 1,132,096	$ 1,132,097

Town of Poncha Springs
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 9,550	$ 9,550	$ 13,263	$ 3,713
Grant	-	-	4,598	4,598
Interest	175	175	95	(80)
Total revenues	9,725	9,725	17,956	8,231
Expenditures				
Repairs	2,500	2,500	-	2,500
Capital Outlay	66,425	66,425	66,507	(82)
Total expenditures	68,925	68,925	66,507	2,418
Excess of revenues over (under) expenditures	(59,200)	(59,200)	(48,551)	10,649
Fund Balance-January 1	59,200	59,200	58,502	(698)
Fund Balance-December 31	$ -	$ -	$ 9,951	$ 9,951

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, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water charges	$ 255,112	$ 255,112	$ 260,493	$ 5,381
Connection fees	175,000	175,000	630,145	455,145
Grants and loans	196,000	196,000	197,102	1,102
Water rights leasing	1,000	1,000	16,022	15,022
Miscellaneous	23,800	23,800	50,697	26,897
Total revenues	650,912	650,912	1,154,459	503,547
Expenditures				
Water:				
Salaries and wages	63,633	63,633	53,558	10,075
Employee benefits	29,868	29,868	29,690	178
Repairs and supplies	28,750	28,750	35,495	(6,745)
Postage	1,800	1,800	2,438	(638)
Utilities	10,000	10,000	14,951	(4,951)
Water storage and leasing	54,000	54,000	14,723	39,277
Water treatment/testing	32,160	32,160	43,167	(11,007)
Professional fees	10,000	10,000	25,337	(15,337)
Capital outlay	529,898	529,898	366,568	163,330
Miscellaneous	6,000	6,000	31,740	(25,740)
Total Water	766,109	766,109	617,667	148,442
Excess of revenues over (under) expenditures	(115,197)	(115,197)	536,792	651,989
Available Resources-January 1	1,058,455	1,058,455	1,155,191	96,736
Available Resources-December 31	$ 943,258	$ 943,258	$ 1,691,983	$ 748,725

COLORADO
Department of Transportation

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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY21

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)*	$	138,768.28
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	63.53
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:	$	138,831.81

B. Private Contributions	$	0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. Other local imposts

a. Property Taxes &and Assessments	$	2,046.36
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	136,721.92
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	0.00
Total: *(a + b) carried to 'Other locol imposts' above)*	$	138,768.28

A.4. Miscellaneous local receipts

a. Interest on Investments:	$	63.53
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)*	$	63.53

C. Receipts from State Government

1. Highway User Taxes:	$	44,175.61
3. Other State funds:		
c. Motor Vehicle Registrations:	$	5,730.27
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	49,905.88

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:	$	3,183.90
3. Road and street services		
a. Traffic control operations:	$	2,071.69
b. Snow and ice removal:	$	0.00
c. Other:	$	15,931.47
4. General administration and miscellaneous	$	30,764.65
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	51,951.71

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)*	$	51,951.71

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	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

IV. Local Highway Debt Status

	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
$ 333,623.99	$ 188,737.69	$ 51,951.71	$ 470,409.97	$ 0.00

Notes and Comments:

There are two road projects planned for 2022 including a off-highway road reconstruction project and a new pedestrian highway crossing on Highway 50. These projects will spend down the ending balance identified above.

Please enter your name: Brian Berger

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

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