TOWN OF KIOWA, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2024

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Kiowa
Kiowa, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Kiowa (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town'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 and the major fund of the Town, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 8 to the financial statements, the Town restated beginning balances due to an understatement of accounts receivable and revenues in the prior year. The result was a restatement of the prior period net position for governmental activities and fund balance for the general fund. Our opinions are not modified with respect to this matter.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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'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.

Auditors' 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 auditors' 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'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'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 general fund budgetary comparison schedule 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The local highway finance report as listed in the table of contents 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 local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
June 16, 2025

BASIC FINANCIAL STATEMENTS

TOWN OF KIOWA
STATEMENT OF NET POSITION
DECEMBER 31, 2024

		Governmental Activities
Assets		
Cash and cash equivalents	$	976,541
Accounts receivable		65,276
Property tax receivable		186,050
Capital assets, not being depreciated		191,306
Capital assets, net of depreciation		122,625
Total Assets		1,541,798
Liabilities		
Accounts payable		135,524
Total Liabilities		135,524
Deferred Inflows of Resources		
Unavailable property taxes		186,050
Total Deferred Inflows of Resources		186,050
Net Position		
Net investment in capital assets		313,931
Restricted		
Emergencies		24,500
Unrestricted		881,793
Total Net Position	$	1,220,224

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

TOWN OF KIOWA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
General government	$ 450,283	$ 47,868	$ 8,858	$ -	$ (393,557)
Public works	88,630	-	-	226,353	137,723
Culture and recreation	40,010	-	-	-	(40,010)
Total Governmental Activities	$ 578,923	$ 47,868	$ 8,858	$ 226,353	(295,844)

GENERAL REVENUES:	
Sales tax	268,526
Property tax	183,122
Specific ownership taxes	21,989
Other taxes	107,541
Investment earnings	11,478
Other revenue	67,495
Total General revenues	660,151
Change in net position	364,307
Net position, beginning as previously reported	821,894
Restatement - See Note 8	34,023
Restated net position, beginning	855,917
Net Position, Ending	$ 1,220,224

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

TOWN OF KIOWA
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2024

	General Fund
Assets	
Cash and cash equivalents	$ 976,541
Accounts receivable	65,276
Property taxes receivable	186,050
Total Assets	$ 1,227,867
Liabilities, deferred inflows of resources and fund balance	
Liabilities:	
Accounts payable	$ 135,524
Total Liabilities	135,524
Deferred inflows of resources:	
Unavailable property taxes	186,050
Total Deferred Inflows of Resources	186,050
Fund balance:	
Restricted	
Emergencies	24,500
Committed	
Conservation trust	15,000
Unassigned	866,793
Total Fund Balances	906,293
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,227,867

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

TOWN OF KIOWA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total fund balance, governmental fund	$	906,293
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		313,931
Total net position of governmental activities	$	1,220,224

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

TOWN OF KIOWA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024

	General Fund
Revenues	
Taxes:	
Sales taxes	$ 268,526
Property taxes	183,122
Specific ownership taxes	21,989
Highway user taxes	28,227
Road and bridge tax	62,348
Other taxes	16,966
Charges for services	47,868
Intergovernmental	235,211
Earnings on investments	11,478
Other revenue	64,169
Total revenues	939,904
Expenditures	
Current:	
General government	371,863
Public safety	74,567
Planning and development	16,823
Street maintenance	64,629
Parks and recreation	33,010
Capital outlay	191,306
Total expenditures	752,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	187,706
Other Financing Sources (Uses)	
Proceeds on sale of asset	6,925
Total other financing sources (uses)	6,925
Net change in fund balance	194,631
Fund balance, beginning as previously reported	677,639
Restatement - See Note 8	34,023
Restated fund balance, beginning	711,662
Fund balances - ending	$ 906,293

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

TOWN OF KIOWA
RECONCILIATION OF THE OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net change in fund balance - total governmental fund:	$ 194,631
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or construct capital assets are reported in governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital outlay	191,306
Depreciation	(18,031)
Loss on disposition of capital assets	(3,599)
Change in net position of governmental activities	$ 364,307

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Town of Kiowa, Colorado (the Town) is a political subdivision of the State of Colorado governed by a sever member Board of Trustees. The provides various services to the residents of the Town related to general government services, public works, public safety, and park services.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities and report information on all of the activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for all revenue streams. The major sources of revenue susceptible to accrual are sales taxes, property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

> The *General Fund* is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

Budgets

In accordance with the Local Government Budget Law of Colorado, the Town's Board of Trustees holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The Town's Board of Trustees can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank deposits.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Based upon review of the existing accounts receivable, no allowance for doubtful accounts is recorded. All receivables are expected to be collected within one year.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the Town. Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include construction in progress, buildings and improvements, and equipment are reported in the government-wide financial statements. Capitalized assets are defined by the Town as assets with an initial, individual cost of more than $5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (continued)

Capital Assets (continued)

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Description	Estimated Life
Buildings and improvements	10 - 40 years
Equipment	5 - 10 years

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for 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 and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items reported as a deferred outflow of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for 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 and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has one item that qualifies for reporting in this category. Accordingly, deferred property tax revenue are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

The Town's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

> *Nonspendable fund balance* – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. At December 31, 2024, the General Fund had no items reported as nonspendable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (continued)

Fund Balances (continued)

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation. The restricted fund balance in the amount of $24,500 in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Colorado Constitution.

Committed fund balance – amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e. Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest level of action to remove or change the constraint. The Town has $15,000 reported as committed in the general fund.

Assigned fund balance – amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Board of Trustees or by an official or body to which the Town Board of Trustees delegates the authority. The Town has no items reported as assigned in the general fund.

Unassigned fund balance – amounts that are available for any purpose.

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 the Town Board of Trustees has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Town can report up to three categories of net position, as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (continued)

Net Position (continued)

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town will use the most restrictive net position first.

Current Year GASB Pronouncement

For the year ended December 31, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* See Note 8 for impact of this new standard on the Town.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2024, are classified in the accompanying statement of net position and consist of the following:

Deposits with financial institutions	$	976,534
Cash on hand		7
Total deposits	$	976,541

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the Town's cash and cash equivalents had a bank balance of $987,599 and carrying balance of $976,541.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

The Town generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2024, the Town's investment balance was $0.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024
Governmental Activities:				
Capital assets, not being depreciated				
Construction in progress	$ -	$ 191,306	$ -	$ 191,306
Total capital assets, not being depreciated	-	191,306	-	191,306
Capital assets, being depreciated				
Buildings and improvements	419,412	-	(24,332)	395,080
Equipment	278,417	-	(144,672)	133,745
Total capital assets, being depreciated	697,829	-	(169,004)	528,825
Accumulated Depreciation				
Buildings and Improvements	(283,438)	(11,550)	22,533	(272,455)
Equipment	(270,136)	(6,481)	142,872	(133,745)
Total Accumulated Depreciation	(553,574)	(18,031)	165,405	(406,200)
Total capital assets being depreciated, net	144,255	(18,031)	(3,599)	122,625
Total capital assets, net	$ 144,255	$ 173,275	$ (3,599)	$ 313,931

Depreciation is charged to the Town's governmental activities as follows:

General government	$ 3,853
Public Works	7,178
Community	7,000
	$ 18,031

NOTE 5 – INTERGOVERNMENTAL AGREEMENTS

Operating Agreement with Kiowa Water and Wastewater Authority

The Town and the Kiowa Water and Wastewater Authority (KWWA) have entered into an operating agreement to establish how each party would cooperate to ensure the facilities (water and wastewater systems) would be operated and maintained for the benefit of those who are served by the facilities. The KWWA will own all water and wastewater facilities within the boundaries of the Town until all KWWA bonds are paid. The parties shall cooperatively operate, maintain, and repair the facilities in accordance with the Agreement. The KWWA shall pay the Town on a monthly basis for services provided by the Town pursuant to the Agreement and pursuant to the annual budget of the KWWA. For the year ended December 31, 2024, the Town received and recorded $60,500 of revenue under the agreement.

NOTE 6 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the Town may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

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

NOTE 7 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments, except Enterprise.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 7 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 8, 1994 (as re-authorized on November 4, 1994 and April 4, 2000), the voters of the Town voted their approval that taxes be increased by $87,607 annually, beginning in 1995 and by whatever annual amount future collections total from an additional 1.5 percent sales tax.

NOTE 8 – RESTATEMENT

The Town restated beginning net position and fund balance for the year ended December 31, 2023 due to correction of an error reported in the prior year financial statements as a result of sales tax receivables being understated. A reconciliation of the prior period beginning net position and fund balance is as follows:

	December 31, 2023 beginning net position and fund balance, as previously reported	Error Correction	December 31, 2023 beginning net position and fund balance, as restated
Governmental activities	$ 821,894	$ 34,023	$ 855,917
General fund	$ 677,639	$ 34,023	$ 711,662

The effect of the restatement increased beginning net position and fund balance for the year ended December 31, 2023 by $34,023 and the impact on the prior year change in net position and fund balance was $34,023 for the year ended December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF KIOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes:				
Sales taxes	$ 264,200	$ 264,200	$ 268,526	$ 4,326
Property taxes	100,000	100,000	183,122	83,122
Specific ownership taxes	15,500	15,500	21,989	6,489
Highway user taxes	30,000	30,000	28,227	(1,773)
Road and bridge tax	35,000	35,000	62,348	27,348
Other taxes	9,300	9,300	16,966	7,666
Charges for services	56,000	56,000	47,868	(8,132)
Intergovernmental	1,265,975	1,265,975	235,211	(1,030,764)
Earnings on investments	3,000	3,000	11,478	8,478
Other revenue	66,000	66,000	64,169	(1,831)
Total revenues	1,844,975	1,844,975	939,904	(905,071)
Expenditures				
Current:				
General government	319,900	1,243,599	371,863	871,736
Public safety	84,000	84,000	74,567	9,433
Planning and development	56,400	56,400	16,823	39,577
Street maintenance	1,608,300	2,342,957	64,629	2,278,328
Parks and recreation	43,850	101,103	33,010	68,093
Capital outlay	-	-	191,306	(191,306)
Total expenditures	2,112,450	3,828,059	752,198	3,075,861
Excess (deficiency) of revenues over (under) expenditures	(267,475)	(1,983,084)	187,706	(3,980,932)
Other Financing Sources				
Proceeds on sale of asset	-	-	6,925	6,925
Total other financing sources	-	-	6,925	6,925
Net changes in fund balance	$ (267,475)	$ (1,983,084)	194,631	$ 2,177,715
Fund balance, beginning as previously reported			677,639	
Restatement - See Note 8			34,023	
Restated fund balance, beginning			711,662	
Fund balance - ending			$ 906,293	

SUPPLEMENTARY INFORMATION

The public report burden for this information collection is estimated to average 380 hours annually. Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024
This Information From The Records Of: TOWN OF KIOWA	Prepared By: KIMBERLY BOYD, TOWN ADMINISTRATOR

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	$ 21,989.00
4. Miscellaneous local receipts (from page 2)	$ -
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 21,989.00
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 31,279.00
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 53,268.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 50,771.00
2. Maintenance:	$ 10,866.00
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	$ -
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 61,637.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 61,637.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ 53,268.00	$ 61,637.00		$ (8,369.00)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 21,989.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 21,989.00	h. Other	
c. Total (a. + b.)	$ 21,989.00	i. Total (a. through h.)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 28,227.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 3,052.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	$ 3,052.00	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 31,279.00	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation		$ 50,771.00	$ 50,771.00
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 50,771.00	$ 50,771.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 50,771.00	$ 50,771.00
(Carry forward to page 1)			

Notes and Comments:

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