TOWN OF NUCLA, COLORADO
FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S
REPORT
December 31, 2018

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Board of Trustees
Town of Nucla, Colorado
Nucla, Colorado 81424

I 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 Nucla, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Nucla, Colorado, as of December 31, 2018, 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.

Report on Summarized Comparative Information

I have previously audited the Town of Nucla's 2017 financial statements, and I expressed an unmodified audit opinion on those financial statements in my report dated July 3, 2018. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and pages 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Nucla, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are presented for purposes of additional analysis or legal and regulatory requirements and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Kelly Neal Sesto, CPA, PC

August 22, 2019
Delta, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Nucla, we offer readers of the Town of Nucla's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2018.

Financial Highlights

As of the close of the year, the Town had $676,770 in combined ending cash and investment balances compared to $659,831 in combined ending cash and investment balances for the previous year. The reason for this increase is in part attributable to the BLM revenue received.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic 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 of the Town's assets and liabilities, with the difference between the two reported as net position. 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of Nucla that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, public works, parks and the library. The business-type activities of the Town include the water and sewer fund operations.

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. The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town 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.

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 funds with similar information presented for governmental activities in the government-wide financial statements. 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 four individual governmental funds. 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, emergency medical fund and the capital improvement fund, which are considered to be major funds. Data from the other governmental fund is also presented. Individual fund data for the nonmajor governmental fund is provided in the form of combining statements elsewhere in the report.

The Town adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund, capital improvement fund and emergency medical fund to demonstrate compliance with the budget. Budgetary comparisons for all other funds are provided as schedules elsewhere in the report.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Proprietary funds. The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer utility funds. The Town does not use internal service funds which are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the funds.

The basic proprietary fund financial statements can be found on pages 16 through 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparisons for the general fund, capital improvement fund and emergency medical fund. Required supplementary information can be found on pages 34 through 39 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental fund and budgetary comparison schedules for proprietary funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 40 through 43 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's assets exceeded liabilities by $3,410,669 at the close of the year 2018.

The largest portion of the Town's net position reflects its investment in the capital assets (e.g. land, buildings, infrastructure and equipment), less any related debt used to acquire those assets that are still outstanding. The resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Nucla's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	$466,391	$448,815	$356,020	$352,667	822,411	801,482
Capital assets	606,502	573,856	1,871,907	2,202,414	2,478,409	2,776,270
Total assets	1,072,893	1,022,671	2,227,927	2,555,081	3,300,820	3,577,752
Long-term liabilities			61,881	91,176	61,881	91,176
Other liabilities	12,672	21,076	53,039	0	65,711	21,076
Deferred inflows	54,417	54,831			54,417	54,831
Net assets:						
Invested in capital assets, net of related debt	606,502	573,856	1,801,362	2,140,533	2,407,864	2,714,389
Restricted	338,388	341,380			338,388	341,380
Unrestricted	60,914	31,528	311,645	323,372	372,559	354,900
Total net assets	1,005,804	946,764	2,113,007	2,463,905	3,118,811	3,410,669

The restricted portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Nucla's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services			409,757	468,602	409,757	468,602
Fees and fines	10,576	12,527			10,576	12,527
Operating grants	72,303	100,207			72,303	100,207
Capital grants			70,362	414,364	70,362	414,364
General revenues:					0	0
Taxes:					0	0
Property tax	60,674	60,087			60,674	60,087
Sales tax	215,579	216,413			215,579	216,413
Franchise tax	5,761	5,564			5,761	5,564
Severance tax	6,409	5,529			6,409	5,529
Donations	1,256	7,105			1,256	7,105
Miscellaneous	8,518	16,091			8,518	16,091
Earnings on investments	489	474	1,348	2,472	1,837	2,946
Total revenue	381,565	423,997	481,467	885,438	863,032	1,309,435
Expenses:						
General government	146,262	186,211			146,262	186,211
Public safety	58,563	58,908			58,563	58,908
Parks	84,529	105,626			84,529	105,626
Public works	83,686	89,938			83,686	89,938
Library	36,577	42,354			36,577	42,354
Utilities			500,015	534,540	500,015	534,540
Total expenses	409,617	483,037	500,015	534,540	909,632	1,017,577
Increase or (decrease) in net assets	-28,052	-59,040	-18,548	350,898	-46,600	291,858
Net assets - January 1	1,033,856	1,005,804	2,131,555	2,113,007	3,165,411	3,118,811
Net assets - December 31	1,005,804	946,764	2,113,007	2,463,905	3,118,811	3,410,669

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

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

General Fund Budgetary Highlights

The Town General Fund did not exceed the budget in revenues or expenditures for the year ended December 31, 2018.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business type activities as of December 31, 2018 amounts to $2,776,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and roads.

Town of Nucla's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	18,500	18,500	40,703	40,703	59,203	59,203
Land improvements	410,878	376,213	61,582	55,500	472,460	431,713
Infrastructure	27,419	23,501			27,419	23,501
Transmission and distribution systems			1,671,308	1,584,485	1,671,308	1,584,485
Buildings	70,637	75,922	2,490	2,074	73,127	77,996
Equipment	79,068	47,840	317		79,385	47,840
Construction in Progress		31,880	95,507	519,650	95,507	551,530
Total	606,502	573,856	1,871,907	2,202,412	2,478,409	2,776,268

Additional information on the Town of Nucla's capital assets can be found in note 5 on pages 29 through 30 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Nucla had a $61,881 unsecured Note payable to the Colorado Department of Local Affairs.

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Bonds payable			70,545	61,881	70,545	61,881
Total	0	0	70,545	61,881	70,545	61,881

Additional information on the Town's long-term debt can be found in note 7 on page 31 of this report.

Economic Factors and Next Year's Budgets

The economic condition and outlook for the Town's enterprise funds in the upcoming year is positive. In July of 2019 we were awarded a grant in the amount of $165,521 from the Colorado Department of Local Affairs and chose to use $33,000 received from Montrose County for the final engineering and surveying as well as Phase I physical improvements for the Main Street Improvements project. We are still working on completing the Rodeo Arena project as well as the Waste Water Treatment Plant upgrade project. The Town is looking forward to economic growth to sustain the sales tax supported governmental funds.

Requests for Information

This financial report is designed to provide a general overview of the Town of Nucla's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Town of Nucla, P. O. Box 219, Nucla, Colorado 81424-0219.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF NUCLA, COLORADO
Statement of Net Position
December 31, 2018

		Governmental Activities	Business-type Activities	Total
ASSETS				
Cash and cash equivalents	$	368,487	308,283	676,770
Receivables, net				
Accounts		-	34,778	34,778
Sales tax		18,332		18,332
Property tax		54,831		54,831
Due from other governments		3,456	13,315	16,771
Due from (to) other funds		3,709	(3,709)	-
Capital assets				
(net of accumlutated depreciation)				
Land, right-of-way and easements		18,500	40,703	59,203
Land improvements		376,213	55,500	431,713
Infrastructure		23,501		23,501
Transmission and distribution systems			1,584,486	1,584,486
Buildings and improvements		75,922	2,075	77,997
Equipment		47,840	-	47,840
Construction in progress		31,880	519,650	551,530
Total assets		1,022,671	2,555,081	3,577,752
LIABILITIES				
Liabilities:				
Accounts payable		17,334	18,597	35,931
Accrued payroll taxes		-		-
Accrued payroll and vacation		3,742	9,664	13,406
Interest payable			1,034	1,034
Noncurrent liabilities				
Due within one year			9,098	9,098
Due in more than one year			52,783	52,783
Total liabilities		21,076	91,176	112,252
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property tax		54,831		54,831
Total deferred inflows of resources		54,831	-	54,831
NET POSITION				
Net investment in capital assets		573,856	2,140,533	2,714,389
Restricted for:				
Capital improvements		240,321		240,321
Emergency medical care		5,591		5,591
Other purposes		95,468		95,468
Unrestricted		31,528	323,372	354,900
Total net position	$	946,764	2,463,905	3,410,669

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO

Statement of Activities

For the year ended December 31, 2018

	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
GOVERNMENTAL ACTIVITIES:							
General government	$ 186,211	3,890	826	-	(181.495)		(181.495)
Public safety	58,908	4,587	-	-	(54,321)		(54,321)
Public works	89,938	-	55,763	-	(34.175)		(34.175)
Parks	105,626	4,050	40,118	-	(61.458)		(61.458)
Library	42,354	-	3,500	-	(38.854)		(38.854)
Total governmental activities	483,037	12,527	100,207	-	(370,303)		(370,303)
BUSINESS-TYPE ACTIVITIES:							
Water	367,440	344,759				(22.681)	(22.681)
Sewer	167,100	123,843		414,364		371,107	371,107
Total business-type activities	534,540	468,602	-	414,364		348.426	348.426
Total	$ 1,017,577	481,129	100,207	414,364	(370,303)	348.426	(21,877)
General Revenues:							
Taxes							
Property taxes					$ 60,087		60,087
Sales taxes					216,413		216,413
Franchise and occupational taxes					5,564		5,564
Severance taxes					5,529		5,529
Donations					7,105		7,105
Miscellaneous					16,091		16,091
Earnings on investments					474	2,472	2,946
Total general revenues and transfers					311,263	2,472	313,735
Change in net position					(59,040)	350,898	291,858
NET POSITION - JANUARY 1					1,005,804	2,113,007	3,118,811
NET POSITION - DECEMBER 31					$ 946,764	2,463,905	3,410,669

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF NUCLA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2018
(With comparative totals for December 31, 2017)

		General Fund	Capital Improvement Fund	Emergency Medical Care Fund	Other Governmental Funds	Total 2018	Total 2017
ASSETS							
Cash and cash equivalents	$	39,390	243,121	1,008	84,968	368,487	376,059
Due from other funds		3,709				3,709	7,363
Receivables, net							
Sales tax		9,166	4,583	4,583		18,332	30,910
Property tax		54,831				54,831	54,417
Due from other governments		3,456				3,456	5,005
Total assets	$	110,552	247,704	5,591	84,968	448,815	473,754
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other governments	$					-	-
Accounts payable		9,951	7,383			17,334	5,699
Accrued payroll taxes						-	4,906
Accrued payroll and vacation		3,742				3,742	2,067
Due to other funds						-	7,363
Total liabilities		13,693	7,383	-	-	21,076	20,035
Deferred inflows of resources							
Unavailable revenue							
Property tax		54,831				54,831	54,417
Total deferred inflows of resources		54,831	-	-	-	54,831	54,417
Fund Balances:							
Restricted for:							
Emergency		10,500				10,500	10,500
Capital improvement			240,321			240,321	264,137
Emergency medical care				5,591		5,591	11,882
Nonmajor special revenue funds					84,968	84,968	51,869
Assigned for:							
Subsequent year's expenditures		27,608				27,608	60,914
Unassigned:							
General fund		3,920				3,920	-
Total fund balances		42,028	240,321	5,591	84,968	372,908	399,302
Total liabilities, deferred inflows and fund balances	$	110,552	247,704	5,591	84,968	448,815	473,754

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2018

Total fund balances for governmental funds		$ 372,908
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	18,500	
Land improvements, net of $164,855 accumulated depreciation	376,213	
Infrastructure, net of $96,021 accumulated depreciation	23,501	
Buildings and improvements, net of $112,804 accumulated depreciation	75,922	
Equipment, net of $449,191 accumulated depreciation	47,840	
Construction in progress	31,880	
Total capital assets		573,856
Total net position of governmental activities		$ 946,764

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2018
(With comparative totals for the year ended December 31, 2017)

	General Fund	Capital Improvement Fund	Emergency Medical Care Fund	Other Governmental Funds	Total Governmental Funds 2018	Total Governmental Funds 2017
REVENUES						
Taxes	$ 192,479	47,557	47,557		287,593	288,423
Licenses and permits	3,290				3,290	2,862
Intergovernmental						
Federal	26,326				26,326	4,929
State	33,763			7,118	40,881	34,374
County				33,000	33,000	33,000
Miscellaneous	20,921	7,359	5	35	28,320	12,988
Public safety	4,587				4,587	4,989
Total revenues	281,366	54,916	47,562	40,153	423,997	381,565
EXPENDITURES						
Current:						
General government	75,130	55,875	53,853		184,858	145,254
Public safety	58,908				58,908	58,563
Public works	50,890				50,890	43,638
Parks	59,129			7,054	66,183	46,325
Library	39,556				39,556	33,779
Capital outlay:						
Equipment		7,766			7,766	-
Land improvements	27,139	15,091		-	42,230	16,293
Total expenditures	310,752	78,732	53,853	7,054	450,391	343,852
Excess (deficit) of revenues over expenditures	(29,386)	(23,816)	(6,291)	33,099	(26,394)	37,713
FUND BALANCES, JANUARY 1	71,414	264,137	11,882	51,869	399,302	361,589
FUND BLANCES, DECEMBER 31	$ 42,028	240,321	5,591	84,968	372,908	399,302

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2018

Net change in fund balances - total governmental funds	$	(26,394)
The change in net position reported for governmental activities in the statement of activities is 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 depreciation expense. This is the amount by which depreciation - ($82,642) exceeded capital outlays - ($49,996) in the current period.		(32,646)
Change in net position of governmental activities	$	(59,040)

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2018 and 2017

		Business-type Activities Enterprise Funds					
		Water Fund		Sewer Fund		Total	
		2018	2017	2018	2017	2018	2017
ASSETS							
Current assets:							
Cash and cash equivalents	$	132,018	129,255	176,265	154,517	308,283	283,772
Accounts receivable, net of allowance for uncollectibles		25,457	25,772	9,321	11,697	34,778	37,469
Due from other governments				13,315	34,779	13,315	34,779
Total current assets		157,475	155,027	198,901	200,993	356,376	356,020
Property, plant and equipment - net of depreciation							
Land, right-of-way and easements		36,094	36,094	4,609	4,609	40,703	40,703
Land improvements and storage reservoirs		55,500	61,582			55,500	61,582
Transmission and distribution systems		924,032	975,080	660,454	696,228	1,584,486	1,671,308
Buildings and improvements		2,075	2,490	-	-	2,075	2,490
Equipment		-	-	-	317	-	317
Construction in progress				519,650	95,507	519,650	95,507
Total property plant and equipment - net		1,017,701	1,075,246	1,184,713	796,661	2,202,414	1,871,907
Total assets		1,175,176	1,230,273	1,383,614	997,654	2,558,790	2,227,927
LIABILITIES							
Current liabilities:							
Accounts payable		717	30,183	17,880	9,482	18,597	39,665
Accrued payroll and vacation		4,899	1,990	4,765	1,541	9,664	3,531
Due to other funds		2,102		1,607		3,709	
Interest payable		1,034	1,179			1,034	1,179
Long term debt due in one year:							
Note payable		9,098	8,664			9,098	8,664
Total current liabilities		17,850	42,016	24,252	11,023	42,102	53,039
Long Term Debt							
Note payable		61,881	70,545			61,881	70,545
Less amounts due in one year		(9,098)	(8,664)			(9,098)	(8,664)
Total net long term debt		52,783	61,881	-	-	52,783	61,881
Total liabilities		70,633	103,897	24,252	11,023	94,885	114,920
NET POSITION							
Net investment in capital assets		955,820	1,004,701	1,184,713	796,661	2,140,533	1,801,362
Unrestricted		148,723	121,675	174,649	189,970	323,372	311,645
Total net position	$	1,104,543	1,126,376	1,359,362	986,631	2,463,905	2,113,007

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the years ended December 31, 2018 and 2017

		Business-type Activities Enterprise Funds					
		Water Fund		Sewer Fund		Total	
		2018	2017	2018	2017	2018	2017
OPERATING REVENUES							
Charges for services	$	309,043	257,423	123,127	123,275	432,170	380,698
Meter improvements		9,248	8,877			9,248	8,877
Raw water		19,113	17,408			19,113	17,408
Tap fees		4,000	-			4,000	-
Land lease		1,250	2,610			1,250	2,610
Water lease		1,520				1,520	-
Miscellaneous income		585	111	716	53	1,301	164
Total operating revenues		344,759	286,429	123,843	123,328	468,602	409,757
OPERATING EXPENSES							
Operations and maintenance		306,512	281,478	131,008	102,059	437,520	383,537
Depreciation		57,546	76,577	36,092	36,099	93,638	112,676
Total operating expenses		364,058	358,055	167,100	138,158	531,158	496,213
Operating income (loss)		(19,299)	(71,626)	(43,257)	(14,830)	(62,556)	(86,456)
NON-OPERATING REVENUES (EXPENSES)							
Interest income		848	482	1,624	866	2,472	1,348
Interest expense		(3,382)	(3,802)			(3,382)	(3,802)
Federal grant				414,364	70,362	414,364	70,362
Net nonoperating revenues (expenses)		(2,534)	(3,320)	415,988	71,228	413,454	67,908
Change in net position		(21,833)	(74,946)	372,731	56,398	350,898	(18,548)
TOTAL NET POSITION, JANUARY 1		1,126,376	1,201,322	986,631	930,233	2,113,007	2,131,555
TOTAL NET POSITION, DECEMBER 31	$	1,104,543	1,126,376	1,359,362	986,631	2,463,905	2,113,007

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the years ended December 31, 2018 and 2017

		Business-type Activities Enterprise Funds					
		Water Fund		Sewer Fund		Total	
		2018	2017	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	$	345,074	282,289	126,219	120,816	471,293	422,807
Interfund borrowing		2,102		1,607		3,709	
Payments to suppliers		(277,327)	(216,440)	(71,812)	(54,471)	(349,139)	(318,947)
Payments to employees		(55,742)	(51,293)	(47,574)	(42,049)	(103,316)	(83,854)
Net cash provided by (used in) operating activities		14,107	14,556	8,440	24,296	22,547	20,006
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets		-	-	(424,144)	(70,361)	(424,144)	-
Federal grant		-	-	435,828	60,727	435,828	-
Principal paid on long-term debt		(8,664)	(8,252)			(8,664)	(7,859)
Interest paid on long-term debt		(3,528)	(3,940)			(3,528)	(4,332)
Net cash provided by (used in) capital and related financing activities		(12,192)	(12,192)	11,684	(9,634)	(508)	(12,191)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments		848	482	1,624	866	2,472	1,100
Net cash provided by (used in) investing activities		848	482	1,624	866	2,472	1,100
Net increase (decrease) in cash and cash equivalents		2,763	2,846	21,748	15,528	24,511	8,915
CASH AND CASH EQUIVALENTS, JANUARY 1		129,255	126,409	154,517	138,989	283,772	291,604
CASH AND CASH EQUIVALENTS, DECEMBER 31	$	132,018	129,255	176,265	154,517	308,283	300,519
Reconciliation of operating income to net cash provided by (used in) operating activities:							
Operating income (loss)	$	(19,299)	(71,626)	(43,257)	(14,830)	(62,556)	(92,206)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation		57,546	76,577	36,092	36,099	93,638	118,499
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		315	(4,140)	2,376	(2,512)	2,691	(4,422)
Increase (decrease) in accounts payable		(29,466)	14,726	8,398	6,698	(21,068)	(5,004)
Increase (decrease) in due from other funds		2,102		1,607			
Increase (decrease) in accrued payroll and vacation		2,909	(981)	3,224	(1,159)	6,133	3,139
Net cash provided by (used in) operating activities	$	14,107	14,556	8,440	24,296	18,838	20,006

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The Town of Nucla, Colorado is incorporated as a statutory Town under the laws of the State of Colorado with a Mayor-Town Board form of government. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by general accepted accounting principles, these financial statements present the Town of Nucla, Colorado, a primary government. Based on criteria set forth by GASB, there are no component units for which the Town is financial accountable.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Funds are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 they are needed.

Fund Financial Statements: The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The Town does not have *fiduciary* fund types.

The Town reports the following major governmental funds:

General Fund. This 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 another fund.

Capital Improvement Fund. This fund accounts for the 1% sales tax dedicated to the construction and maintenance of the Town's various capital projects.

Emergency Medical Care Fund. This fund accounts for the 1% sales tax received and is restricted for the use of public general medical services.

The Town reports the following major enterprise funds:

Water Fund. This fund accounts for the operation, maintenance, and development of water services.

Sewer Fund. This fund accounts for the operation, maintenance, and development of sewer services.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating fund transfers. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY

Deposits and investments - The cash balances of all funds are in separate financial institution accounts.

Cash and cash equivalents - The Town considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property taxes. Property taxes are levied on December 22 and attach 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, net of an estimated uncollectible portion.

Restricted assets. Restricted assets in governmental and enterprise funds include assets restricted by various covenants of bonds issued by the Town, including bond and interest funds, reserve funds, unexpended proceeds of bond issues, if applicable. Restricted assets in the non-major governmental funds generally include assets restricted by grantors.

Capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of the unexpended bond proceeds. Depreciation is calculated using the straight-line method over the estimated useful lives, and a full year of depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Infrastructure	15 years
Equipment	5 - 7 years
Transmission and distribution lines and meters	40 years
Reservoirs and storage facilities	20 years
Buildings	30 years
Land improvements	15-20 years

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

Long-term debt - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts and deferred amounts on refunding associated with issuing bonds of proprietary-type funds or bonds issued or refunded after December 31, 2005 for governmental activities are deferred and amortized over the life of the bond issues.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated absences - The liability for compensated absences reported in the government-wide, governmental fund and proprietary fund statements consist of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts are recorded for employees who currently are eligible to receive termination payments. The Town's policies do not allow for payment to employees who are expected to become eligible in the future, to receive sick leave payments upon termination.

Deferred Inflows 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(s) and so will not be recognized as an inflow for resources (revenue) until that time. The Town has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net invesment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position is externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Board of Trustees, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, or ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in other governmental funds are presented as unassigned.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

For the classification of fund and net asset balances, the Town considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Comparative data/reclassifications - Comparative total data for the prior year have been presented in the governmental fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

E. BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgets:

a. Budgets are required by state law for all governmental and proprietary funds.
b. During September, the proposed budget is submitted to the Town Board for the fiscal year commencing the following January 1.
c. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
d. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the Town budgets for capital outlays, transfers to and from reserve funds, bond principal and interest payments, and does not budget for depreciation.
e. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the Town Board. Within the fund level control basis, management may transfer appropriations without Board approval. Revisions to the budget were made throughout the year. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
f. Appropriations lapse at the end of each year, and the Town Board may adopt supplemental appropriations during the year. The Town Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town's director or the revenue estimates must be changed by the Town Board adopting supplemental appropriations.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

Originally adopted budgeted expenditures, amendments and the final, amended budgeted expenditures for the year ended December 31, 2018 are as follows:

	ORIGINAL BUDGET	AMENDMENT	FINAL BUDGET
General Fund	$ 1,077,834		1,077,834
Captial Improvement Fund	317,652		317,652
Emergency Medical Care Fund	52,972		52,972
Nonmajor governmental funds	91,220		91,220
Water Fund	408,783		408,703
Sewer Fund	1,452,454		1,452,454
	$ 3,400,915		3,400,915

For the year ended December 31, 2018 the Town spent amounts in excess of the amounts budgeted in the Emergency Medical Fund which may be a violation of Colorado State law.

2 – DEPOSITS & 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 at least be equal to 102% of the aggregate uninsured deposits.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for deposits allows funds to be placed in any account that is guaranteed by the Federal Deposit Insurance Corporation with remaining amounts collateralized by securities pledged by the financial institution. As of December 31, 2018, none of the Town's bank balances of $625,930 were exposed to custodial credit risk as $312,337 was insured and $313,593 was collateralized by securities pledged by financial institutions.

INVESTMENTS

At December 31, 2018, the Town had the following investments:

Description	Weighted Maturity	Fair Value
Colotrust Plus+	N/A	$108,878

Interest rate risk. The Town does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including 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 general investment policy is to apply the prudent-person rule: Prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2018, the Town's investment in Colotrust Plus+ was rated AAAm by Standard & Poor's.

2 – DEPOSITS & INVESTMENTS (continued)

Concentration of credit risk. Investments must be in accordance with Colorado statutes and the Town does not have an investment policy that limits the amount of investments in any single type of investment.

3 – ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2018, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 – JOINT VENTURE

Mustang Water Authority

The Town is a participant with another municipality in a joint venture to operate the Mustang Water Authority, a water treatment facility. The Authority is governed by a board consisting of five representatives, with the municipalities appointing two representatives each and the four appointed representatives appointing the remaining representative. The Town is obligated by contract to purchase the treatment of 60 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, at rates set by the Authority. The Town paid the Authority $174,000 for treated water for the year ended December 31, 2018.

5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Governmental activities:				
Capital assets not being depreciated:				
Land $	18,500			18,500
Construction in progress		31,880		31,880
	18,500	31,880	-	50,380
Capital assets being depreciated:				
Land improvements	541,068			541,068
Infrastructure - Road Network	119,522			119,522
Buildings	178,376	10,350		188,726
Equipment	489,265	7,766		497,031
Total capital assets being depreciated	1,328,231	18,116	-	1,346,347
Less accumulated depreciation for:				
Land improvements	130,190	34,665		164,855
Infrastructure - Road Network	92,103	3,918		96,021
Buildings	107,739	5,065		112,804
Equipment	410,197	38,994		449,191
Total accumulated depreciation	740,229	82,642	-	822,871
Total capital assets being depreicated, net	588,002	(64,526)	-	523,476
Governmental activity capital assets, net $	606,502	(32,646)	-	573,856

5 - CAPITAL ASSETS (continued)

Capital asset activity for the year ended December 31, 2018, was as follows:

		BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Business-type activities:					
Capital assets not being depreciated:					
Land	$	40,703			40,703
Construction in progress		95,507	424,143		519,650
		136,210	424,143	-	560,353
Capital assets being depreciated:					
Transmission & distribution systems		2,442,801			2,442,801
Sewer plant & lines		1,651,876			1,651,876
Buildings & improvements		15,004			15,004
Land improvments		356,419			356,419
Equipment		174,450			174,450
Total capital assets being depreciated		4,640,550	-	-	4,640,550
Less accumulated depreciation for:					
Transmission & distribution systems		1,467,721	51,048		1,518,769
Sewer plant & lines		955,648	35,775		991,423
Buildings & improvments		12,514	416		12,930
Land improvements		294,837	6,082		300,919
Equipment		174,133	317		174,450
Total accumulated depreciation		2,904,853	93,638	-	2,998,491
Total capital assets being depreicated, net		1,735,697	(93,638)	-	1,642,059
Business-type activity capital assets, net	$	1,871,907	330,505	-	2,202,412

Depreciation expense was charged to funcitons/programs of the Town as follows:

		Governmental Activities		Business Activities
General Government	$	1,353	Water	57,546
Library		2,798	Sewer	36,092
Parks		39,443		
Public works, including depreciation of general infrastructure		39,048		
Total depreciation	$	82,642		93,638

6 – SHORT-TERM DEBT

During the year ended December 31, 2018, the Town had no short term debt transactions.

7 – LONG-TERM LIABILITIES

A. Town of Nucla Note Payable from Enterprise Fund

Note payable from the Water Fund includes:

$ 93,750 Note payable, 2014, to Colorado Department of Local Affairs due in annual installments of $12,192 from 2015 to 2024 including interest at 5% per annum	$ 61,881

Principal and interest payment requirements on the Town's Note payable from the Water Fund are as follows:

	PRINCIPAL	INTEREST
2019	9,098	3,094
2020	9,552	2,639
2021	10,030	2,162
2022	10,532	1,660
2023	11,058	1,133
2024	11,611	581
	$ 61,881	11,269

B. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows:

	BALANCE BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE END OF YEAR	DUE WITHIN ONE YEAR
Business-type activities:					
Note payable	$ 70,545		8,664	61,881	9,098

C. Capitalized interest and interest charged to expense

For the year ended December 31, 2018, no interest in the major enterprise funds was capitalized and $3,382 was charged to expense in the Water Fund.

8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances for advances on operating expense at December 31, 2018 are as follows:

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	$ 3,709	
Water Fund		2,102
Sewer Fund		1,607
TOTAL	$ 3,709	3,709

The Water & Sewer Funds reimbursed the General Fund for the above advances in 2019.

9 – PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for 272 members participating in the Property & Casualty Pool and 144 members in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. The Town continues to carry commercial insurance for employee health and accident benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10 – TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. In 1995, the Town obtained voter approval to collect and retain all revenues including property taxes beginning in fiscal year 1994 without limitation under the Section. The Town believes it is in compliance with the requirements of the Section. However, the Town has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section have been funded in the General Fund.

11 - CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. Town management is not aware of any such expenses that would not be allowed.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General property taxes	$ 54,417	52,137	(2,280)	52,928
Specific ownership taxes	6,500	7,735	1,235	7,551
Penalty and interest on delinquent property taxes	100	215	115	195
Sales tax	90,000	95,115	5,115	96,636
Use tax	22,000	26,184	4,184	22,307
Franchise tax equivalents	5,500	5,564	64	5,761
Severance tax/MVSA	8,000	5,529	(2,471)	6,409
Total taxes	186,517	192,479	5,962	191,787
Licenses and permits				
General:				
Business license	1,000	1,639	639	2,230
Animal license	100	155	55	55
Building permits	500	797	297	477
Special events/ATV permits	100	135	35	100
ATV permits	750	564	(186)	
Total licenses and permits	2,450	3,290	840	2,862
Intergovernmental				
Federal shared revenues:				
Mineral lease	1,200	826	(374)	1,232
Library grants	5,500	3,500	(2,000)	3,697
Department of the Interior (BLM)		22,000	22,000	
State shared revenues:			-	
Highway users tax	20,000	33,763	13,763	27,457
Park grants	100,000		(100,000)	
FPCC grants	50,000		(50,000)	
Arena grants	640,000		(640,000)	
Total intergovernmental	816,700	60,089	(756,611)	32,386
Miscellaneous				
Arena project donations		7,000	7,000	
Park reservations	350	250	(100)	2,725
FPCC reservations	1,500	3,800	2,300	
Library donations	250	105	(145)	1,256
Miscellaneous	500	9,091	8,591	4,194
Office rental	600	600	-	600
Interest income	50	75	25	70
Total miscellaneous	3,250	20,921	17,671	8,845
Public safety:				
Traffic fines/Miscellaneous fines	1,350	1,232	234	1,584
Motor vehicle fees		3,355	3,405	3,405
Total public safety	1,350	4,587	3,639	4,989
Total Revenues	1,010,267	281,366	(728,499)	240,869

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

		2018			2017
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
General government					
Current					
Salaries	$	20,619	12,630	7,989	13,970
Payroll taxes		2,000	2,208	(208)	2,034
Employee benefits		4,500	4,788	(288)	5,849
Building inspector		1,500	120	1,380	
Insurance		2,538	2,903	(365)	2,356
Travel		375		375	773
Printing and publishing		1,000	1,304	(304)	1,829
Dues and membership fees		2,500	2,478	22	2,679
Office supplies		750	2,741	(1,991)	1,983
Postage		500	52	448	41
Treasurer's fees		1,200	1,092	108	1,062
Miscellaneous		950	5,046	(4,096)	5,007
Auditing		14,000	13,501	499	13,479
Legal fees		3,000	15,593	(12,593)	5,657
Repairs and maintenance		500	515	(15)	125
Training		375	773	(398)	289
Community projects		1,000	664	336	1,169
Supplies		750		750	
Utilities		2,500	3,950	(1,450)	2,603
Mayor/Trustee expense		750	1,209	(459)	
Technology		1,000	2,080	(1,080)	758
Fuel		250	51	199	
Equipment rental		250	100	150	67
Election		1,500	1,332	168	
Economic development		3,000		3,000	
Code enforcement		20,000		20,000	
				-	
Total general government		87,307	75,130	12,177	61,730

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

		2018			2017
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Public safety					
Current:					
Salaries	$	2,640	2,640	-	2,640
Payroll taxes		250	185	65	252
Supplies		-	156	(156)	214
Miscellaneous		-	56	(56)	37
Insurance		2,538	2,903	(365)	2,452
Contract services		52,968	52,968	-	52,968
Total public safety		58,396	58,908	(512)	58,563
Public works					
Current:					
Salaries		23,000	21,703	1,297	21,650
Payroll taxes		2,500	1,570	930	1,611
Employee benefits		3,000	591	2,409	1,558
Supplies		3,500	6,596	(3,096)	3,069
Utilities		9,700	11,568	(1,868)	8,842
Fuel		1,900	1,604	296	1,775
Insurance		2,538	2,917	(379)	2,452
Equipment repairs		3,500	4,108	(608)	2,416
Miscellaneous		250	23	227	265
Training		150	210	(60)	
Total public works		50,038	50,890	(852)	43,638
Parks					
Current:					
Salaries		8,000	16,381	(8,381)	8,427
Payroll taxes		900	651	249	771
Employee benefits		2,500		2,500	
Supplies		5,000	14,378	(9,378)	1,714
Insurance		2,538	2,903	(365)	2,452
Repairs and maintenance		13,000	6,926	6,074	13,038
Utilities		5,000	14,778	(9,778)	6,680
Fuel		1,000	1,595	(595)	1,210
Miscellaneous		750	1,517	(767)	322
Equipment rental		250		250	
		38,938	59,129	(20,191)	34,614

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Library				
Current:				
Salaries	$ 18,167	17,062	1,105	14,776
Payroll taxes	1,000	1,295	(295)	1,127
Utilities	4,000	3,723	277	3,414
Supplies	1,200	2,512	(1,312)	680
Insurance	2,538	3,003	(465)	2,352
Books	3,500	2,876	624	3,019
Training	300		300	100
Postage	800		800	800
Advertising	50		50	50
Summer reading	700	711	(11)	152
Miscellaneous	100		100	90
Equipment Maintenance	1,350	1,733	(383)	1,713
Inter Library Services	1,500	2,947	(1,447)	1,647
Professional fees	650	194	456	359
Library grant expenditures	6,800	3,500	3,300	3,500
Total current	42,655	39,556	3,099	33,779
Contingency	10,500		10,500	
Total general fund expenditures	1,077,834	310,752	767,082	232,324
Excess (deficiency) of revenues over expenditures	(67,567)	(29,386)	38,181	8,545
FUND BALANCES, JANUARY 1	67,567	71,414	3,847	62,869
FUND BALANCES, DECEMBER 31	$ -	42,028	42,028	71,414

TOWN OF NUCLA, COLORADO

Budgetary Comparison Schedule
Capital Improvement Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

		2018			2017
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES					
Taxes					
Sales tax	$	48,000	47,557	(443)	48,318
Miscellaneous					
Miscellaneous			7,000	7,000	3,724
Investment income		350	359	9	381
Total revenues		48,350	54,916	6,566	52,423
EXPENDITURES					
Current:					
General government		10,000	55,875	(45,875)	38,284
Capital outlay:					
Equipment		53,652	7,766	45,886	
Land improvements		204,000	15,091	188,909	16,293
Streets		50,000		50,000	
Total expenditures		317,652	78,732	238,920	54,577
Excess (deficiency) of revenues over expenditures		(269,302)	(23,816)	245,486	(2,154)
FUND BALANCES, JANUARY 1		269,302	264,137	(5,165)	266,291
FUND BALANCES, DECEMBER 31	$	-	240,321	240,321	264,137

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
Emergency Medical Care Fund
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

		2018			2017
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES					
Taxes					
Sales tax	$	45,000	47,557	2,557	48,318
Miscellaneous					
Investment income		5	5	-	4
Total revenues		45,005	47,562	2,557	48,322
EXPENDITURES					
Current:					
General government		52,972	53,853	(881)	45,240
Total expenditures		52,972	53,853	(881)	45,240
Excess (deficiency) of revenues over expenditures		(7,967)	(6,291)	1,676	3,082
FUND BALANCES, JANUARY 1		8,967	11,882	2,915	8,800
FUND BALANCES, DECEMBER 31	$	1,000	5,591	4,591	11,882

SUPPLEMENTARY INFORMATION

TOWN OF NUCLA, COLORADO
Combining Balance Sheet
Nonmajor Special Revenue Funds - Conservation Trust & Montrose County Project
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	Conservation Trust Fund	Montrose County Project Fund	Total 2018	Total 2017
ASSETS				
Cash and cash equivalents	$ 22,631	62,337	84,968	23,629
Total assets	$ 22,631	62,337	84,968	23,629
LIABILITIES				
Accounts payable	$		-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Conservation trust	22,631		22,631	23,629
Capital projects		62,337	62,337	
Total fund equity	22,631	62,337	84,968	23,629
Total liabilities and fund equity	$ 22,631	62,337	84,968	23,629

TOWN OF NUCLA, COLORADO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds - Conservation Trust Fund & Montrose County Project
For the year ended December 31, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	Conservation Trust Fund		Montrose County Project		Total Non-Major Governmental Funds	
	Original & Final Budget	Actual	Original & Final Budget	Actual	Actual 2018	Actual 2017
REVENUES						
Intergovernmental						
Lottery	6,800	7,118			7,118	6,917
County grant			33,000	33,000	33,000	33,000
Miscelleneous						
Investment income	23	35			35	34
Total revenues	6,823	7,153	33,000	33,000	40,153	39,951
EXPENDITURES						
Current:						
Parks	10,220	7,054			7,054	11,711
Capital outlay:						
Land improvements	20,000		61,000		-	
Total expenditures	30,220	7,054	61,000	-	7,054	11,711
Excess (deficiency) of revenues over expenditures	(23,397)	99	(28,000)	33,000	33,099	28,240
FUND BALANCES, JANUARY 1	23,912	22,532	28,000	29,337	51,869	23,629
FUND BALANCES, DECEMBER 31	$ 515	22,631	-	62,337	84,968	51,869

TOWN OF NUCLA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET

WATER FUND - BUDGET BASIS OF ACCOUNTING

For the year ended December 31, 2018 with comparative actual amounts for the year ended December 31, 2017

		2018			2017
		Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES					
Charges for services	$	255,000	309,043	54,043	257,423
Meter improvements		8,000	9,248	1,248	8,877
Raw water		16,000	19,113	3,113	17,408
Tap fees		2,000	4,000	2,000	
Interest income		85	848	763	482
Miscellaneous		1,000	585	(415)	111
Land lease			1,250	1,250	2,610
Water lease		2,750	1,520	(1,230)	
TOTAL REVEUNES	$	284,835	345,607	60,772	286,911
EXPENDITURES					
Operations and maintenance:					
Salaries	$	86,095	58,651	27,444	50,312
Payroll taxes		8,400	4,432	3,968	4,012
Employee benefits		25,000	16,561	8,439	15,778
Treated water		174,000	174,000	-	174,000
Repairs and maintenance		25,000	13,887	11,113	7,565
Supplies		18,000	8,603	9,397	8,004
Postage		5,000	2,670	2,330	2,709
Utilities		7,000	4,181	2,819	2,690
Water testing		5,000	5,170	(170)	2,888
Water assessments		5,000	4,134	866	3,774
Training		3,000	238	2,762	1,094
Publishing		500	162	338	382
Line locates		250		250	64
Fuel		2,000	2,249	(249)	1,507
Insurance		2,538	3,003	(465)	2,637
Professional fees		1,000		1,000	66
Rental equipment		1,500	360	1,140	486
Dues and subscriptions		2,500	275	2,225	590
Miscellaneous expense		1,000	7,936	(6,936)	2,920
Total operations and maintenance		372,783	306,512	66,271	281,478
Capital outlay:					
Meter replacement project		13,000		13,000	
Codification project		10,000		10,000	
Total capital outlay		23,000	-	23,000	-
Debt service:					
Principal		8,700	8,664	36	8,252
Interest		4,300	3,382	918	3,802
Total debt service		13,000	12,046	954	12,054
TOTAL EXPENDITURES	$	408,783	318,558	90,225	293,532

TOWN OF NUCLA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
SEWER FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2018 with comparative actual amounts
for the year ended December 31, 2017

		2018			2017
		Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES					
Charges for services	$	120,000	123,127	3,127	126,331
Interest income		60	1,624	1,564	709
Federal grant		1,150,000	414,364	(735,636)	25,145
Miscellaneous		100	716	616	1,262
TOTAL REVEUNES	$	1,270,160	539,831	(730,329)	153,447
EXPENDITURES					
Operations and maintenance:					
Salaries	$	69,216	50,798	18,418	38,770
Payroll taxes		6,450	3,625	2,825	2,886
Employee benefits		18,000	15,156	2,844	8,980
Line locates		500	216	284	50
Repairs and maintenance		50,000	20,253	29,747	20,418
Supplies		30,000	2,493	27,507	2,305
Dues & subscriptions		1,500		1,500	
Postage		2,000	59	1,941	1,097
Utilities		25,000	18,794	6,206	18,333
Sewer testing		25,000	2,694	22,306	3,088
Fuel		2,500	2,215	285	867
Publishing		500		500	52
Insurance		2,538	3,003	(465)	2,686
Professional fees		50,000	9,846	40,154	6,660
Rental equipment		250		250	125
Permits & licenses		10,000		10,000	430
Training		5,000	356	4,644	494
Miscellaneous expense		4,000	1,500	2,500	391
Total operations and maintenance		302,454	131,008	171,446	107,632
Capital improvements		1,150,000	424,144	725,856	25,145
TOTAL EXPENDITURES	$	1,452,454	555,152	897,302	132,777

SUPPLEMENTARY INFORMATION

Local Highway Finance Report

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	$	59,088.00
3. Other local imposts: *from A.3. 'Total' below)*	$	7,759.00
4. Miscellaneous local receipts: *(from A.4. 'Total' below)*	$	1,232.00
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:	$	68,079.00

B. Private Contributions	$	0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	$	0.00
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	7,759.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	7,759.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	$	0.00
b. Traffic fines & Penalities:	$	1,232.00
c. Parking Garage Fees:	$	0.00

Total: *(a through h) carried to 'Misc local receipts' above)*	$	1,232.00

C. Receipts from State Government
Please no commas or dollar signs for the input

1. Highway User Taxes:	$	33,490.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	3,411.00
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	36,901.00

D. Receipts from Federal Government
Please no commas or dollar signs for the input

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

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	7,986.00
2. Maintenance:	$	31,122.00
3. Road and street services		
a. Traffic control operations:	$	9,576.00
b. Snow and ice removal:	$	7,182.00
c. Other:	$	0.00
4. General administration & miscellaneous	$	4,138.00

c. Other:	$	0.00
4. General administration & miscellaneous	$	4,138.00
5. Highway law enforcement and safety	$	44,976.00
Total: (A.1-5)	$	104,980.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00
Total Disbursements: (A+B+C+D)	$	104,980.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	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

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	$	7,986.00	$	7,986.00
5. Total Construction:					$	7,986.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*					$	7,986.00

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	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

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 104,980.00	$ 104,980.00	$ 0.00	$ 0.00

Notes & Comments:
undefined

Please enter your name: undefined

Please provide a telephone number where you may be reached: undefined