Annual Financial Report

Town of Nunn

Nunn, Colorado

For the Year Ended December 31, 2018

Tim Chavies & Associates, Inc.

Certified Public Accountants
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Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF NUNN, COLORADO

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December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Nunn
Nunn, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nunn, State of 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nunn, State of 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 33-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Nunn, State of Colorado's basic financial statements. The budgetary comparisons on pages 40-42 and the local highway finance report on pages 43-44 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons and local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparisons and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
June 28, 2019

P.O. Box 171
Nunn, Colorado 80648
(970) 897-2385

Management's Discussion and Analysis
December 31, 2018

This section of Town of Nunn, State of Colorado's (the "Town") 2018 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2018. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section. When available, the Town has included comparative analysis of such data.

Financial Highlights

- The Town's assets plus deferred outflows exceeded its liabilities plus deferred inflows by $5,110,763 in 2018 compared to $4,958,198 in 2017 (net position), an increase of $152,565 or 3.08%.

- Total revenues for the governmental funds were $900,511 in 2018 compared to $744,441 in 2017, an increase of $156,070 or 20.96%. Total expenditures were $935,603 in 2018 compared to $633,332 in 2017, an increase of $302,271 or 47.73%.

- Total operating revenues for the proprietary funds were $172,061 in 2018 compared to $244,810 in 2017, a decrease of $72,749 or 29.72%. Total operating expenditures were $209,169 in 2018 compared to $217,695 in 2017, a decrease of $8,526 or 3.92%.

- The Town of Nunn added a Town of Nunn Police Department Fleet Garage to house the Nunn Police Department Vehicles. This provides improved safekeeping for the Police equipment as well as efficiency to the policing staff as this garage is within close proximity to the Nunn Police Office building.

- The Town of Nunn Public Works Department acquired a newer model of road grader for street maintenance along with the purchase of the retired Weld County Grader Shed to house the new road grader.

- The Town of Nunn completed improvements to the Town of Nunn east 4th Street railroad crossing for the anticipated traffic increase due to the future closure of railroad crossing at east bound County road 100.

Overview of the Financial Statements

The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being reported as net position. Over time, 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Governmental activities of the Town include the General Fund and Conservation Trust Fund. The Business-Type activities of the Town include the Water Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. 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. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains two governmental funds (General and Conservation Trust).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains one proprietary fund (Water).

The Town does not have any **Fiduciary Funds.**

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide, business-type activities and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

Government-Wide Financial Analysis

Condensed financial information from the **Statement of Net Position** at December 31, 2018:

Assets	Governmental Activities	Business-Type Activities	Total
Current assets	$ 1,043,622	$ (98,787)	$ 944,835
Noncurrent assets	657,384	4,059,466	4,716,850
Total Assets	1,701,006	3,960,679	5,661,685
Deferred Outflows	9,818	-	9,818
Liabilities			
Current liabilities	26,584	20,481	47,065
Noncurrent liabilities	12,330	333,577	345,907
Total Liabilities	38,914	354,058	392,972
Deferred Inflows	167,768	-	167,768
Net Position			
Net investment in capital assets	643,837	3,622,089	4,265,926
Restricted	54,699	90,072	144,771
Unrestricted	805,606	(105,540)	700,066
Total Net Position	$ 1,504,142	$ 3,606,621	$ 5,110,763

Net position increased by $152,565 in 2018. The increase was affected by the Town receiving an increase property and sales taxes and police department work.

Condensed financial information from the **Statement of Activities** at December 31, 2018:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 37,696	$ 172,061	$ 209,757
General Revenues:			
Taxes	380,236	-	380,236
Intergovernmental	77,769	-	77,769
Other	479,769	(745)	479,024
Contributions	-	-	-
Total Revenues	975,470	171,316	1,146,786
Expenses			
General government	(170,886)	-	(170,886)
Public safety	(358,710)	-	(358,710)
Public works	(207,904)	-	(207,904)
Health and welfare	(14,614)	-	(14,614)
Culture - recreation	(29,394)	-	(29,394)
Water	-	(212,713)	(212,713)
Total Expenses	(781,508)	(212,713)	(994,221)
Changes in net position	193,962	(41,397)	152,565
Net Position - beginning	1,310,180	3,648,018	4,958,198
Net Position - ending	$ 1,504,142	$ 3,606,621	$ 5,110,763

The change in net position of the Town increased $152,565 during 2018.

Financial Analysis of the Governmental Funds

Governmental funds: The Town's functions are reported in the General Fund and Conservation Trust Fund. The focus of these 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, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2018, the Town's governmental funds reported combined ending fund balances of $853,219, an increase of $33,500 in comparison with 2017. Approximately 93.59% of this total amount ($798,520) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

Capital Assets and Debt Administration

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 3,929	$ 29,656	$ 33,585
Water rights	-	977,500	977,500
Water system	-	3,827,703	3,827,703
Buildings and improvements	322,643	-	322,643
Land improvements	370,246	-	370,246
Machinery and equipment	423,903	19,346	443,249
Construction in progress	-	-	-
Total Capital Assets	1,120,721	4,854,205	5,974,926
Less: accumulated depreciation	(474,599)	(884,811)	(1,359,410)
Net Capital Assets	$ 646,122	$ 3,969,394	$ 4,615,516

Capital assets – net of depreciation increased $15,006 or 0.34% during 2018 due to capital outlay of $240,901 (assets acquired) less depreciation of $162,808 and sales of $4,036 (See Note 5 for further discussion).

Debt Administration

The Town has two outstanding debt obligations with the Colorado Water Resources and Power Development Authority. As of December 31, 2018, the debt was $346,735 compared to $359,763 in 2017, a decrease of $13,028 (See Note 7 for further discussion).

Economic Factors
The Town of Nunn experienced hail damage to some of the Town Buildings during 2018. Insurance repairs are expected to be completed throughout 2018 and 2019. The gymnasium was utilized by the Highland Recreation Association for youth basketball throughout the months of August 2018 to February 2019. The Nunn Community Center library continues to serve the community residents with the internet access for the Northern Plains Library District. The Nunn Community Center Share House continues to provide housing for the local outreach program for food and clothing.

Financial Contact
This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Town Clerk at 185 Lincoln Avenue, Nunn, Colorado 80648. Phone (970) 897-2385.

BASIC FINANCIAL STATEMENTS

TOWN OF NUNN, COLORADO

Statement of Net Position

Government-Wide

December 31, 2018

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash on hand and in checking	$ 452,581	$ -	**$ 452,581**
Cash on deposit - Weld County Treasurer	8,899	-	**8,899**
Cash in savings	2,778	-	**2,778**
Investments - Cash in Colotrust	248,232	12,319	**260,551**
Property taxes receivable	163,819	-	**163,819**
Accounts receivable	34,228	21,979	**56,207**
Prepaid items	-	-	**-**
Internal balances	133,085	(133,085)	**-**
Total Current Assets	1,043,622	(98,787)	**944,835**
Noncurrent Assets:			
Net pension asset	11,262	-	**11,262**
Restricted assets:			
Revenue bond operations and maintenance account	-	37,318	**37,318**
Revenue bond payment account	-	52,754	**52,754**
Total Restricted Assets	-	90,072	**90,072**
Capital Assets:			
Land improvements	370,246	-	**370,246**
Land	3,929	29,656	**33,585**
Water system	-	3,827,703	**3,827,703**
Machinery and equipment	423,903	19,346	**443,249**
Water rights	-	977,500	**977,500**
Buildings and improvements	322,643	-	**322,643**
Total Capital Assets	1,120,721	4,854,205	**5,974,926**
Less: accumulated depreciation	(474,599)	(884,811)	**(1,359,410)**
Net Capital Assets	646,122	3,969,394	**4,615,516**
Total Noncurrent Assets	657,384	4,059,466	**4,716,850**
Total Assets	1,701,006	3,960,679	**5,661,685**
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	9,818	-	**9,818**
LIABILITIES			
Current Liabilities:			
Accounts payable	20,116	6,753	**26,869**
Payroll taxes payable	6,468	-	**6,468**
Accrued interest payable	-	570	**570**
Current portion of long-term debt	-	13,158	**13,158**
Total Current Liabilities	26,584	20,481	**47,065**
Noncurrent Liabilities:			
Compensated absences	10,045	-	**10,045**
Capital lease obligations	2,285	-	**2,285**
Note payable - CWRPDA loan	-	346,735	**346,735**
Less: portion due within one year	-	(13,158)	**(13,158)**
Net pension liability	-	-	**-**
Total Noncurrent Liabilities	12,330	333,577	**345,907**
Total Liabilities	38,914	354,058	**392,972**
DEFERRED INFLOWS			
Unearned revenue - property taxes	163,819	-	**163,819**
Deferred inflows related to pensions	3,949	-	**3,949**
Total Deferred Inflows	167,768	-	**167,768**
NET POSITION			
Net investment in capital assets	643,837	3,622,089	**4,265,926**
Restricted for tabor	29,863	-	**29,863**
Restricted for parks and recreation	24,836	-	**24,836**
Restricted for revenue bond operations and maintenance	-	90,072	**90,072**
Unrestricted	805,606	(105,540)	**700,066**
Total Net Position	$ 1,504,142	$ 3,606,621	**$ 5,110,763**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Activities

Government-Wide

Year Ended December 31, 2018

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (170,886)	$ -	$ -	$ (170,886)	$ -	**$ (170,886)**
Public safety	(358,710)	-	-	(358,710)	-	**(358,710)**
Public works	(207,904)	37,696	-	(170,208)	-	**(170,208)**
Health and welfare	(14,614)	-	-	(14,614)	-	**(14,614)**
Culture and recreation	(29,394)	-	-	(29,394)	-	**(29,394)**
Total Governmental Activities	(781,508)	37,696	-	(743,812)	-	**(743,812)**
Business-Type Activities:						
Water fund	(212,713)	172,061	-	-	(40,652)	**(40,652)**
Total Business-Type Activities	(212,713)	172,061	-	-	(40,652)	**(40,652)**
Total Primary Government	$ (994,221)	$ 209,757	$ -	(743,812)	(40,652)	**(784,464)**
	General Revenues:					
	Taxes			380,236	-	**380,236**
	Licenses and permits			24,058	-	**24,058**
	Intergovernmental revenue			77,769	-	**77,769**
	Fines and forfeitures			368,393	-	**368,393**
	Miscellaneous income			7,064	-	**7,064**
	Sale of assets			13,638	(2,674)	**10,964**
	Grants			-	-	**-**
	Insurance proceeds			53,592	-	**53,592**
	Earnings on investments			5,295	1,929	**7,224**
	Transfers			-	-	**-**
	Contributions			-	-	**-**
	Pension net increase (decrease)			7,729	-	**7,729**
	Total General Revenues			937,774	(745)	**937,029**
	Change in Net Position			193,962	(41,397)	**152,565**
	Net Position-Beginning of Year			1,310,180	3,648,018	**4,958,198**
	Net Position-End of Year			$ 1,504,142	$ 3,606,621	**$ 5,110,763**

TOWN OF NUNN, COLORADO

Balance Sheet

Governmental Funds

December 31, 2018

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 452,581	$ -	**$ 452,581**
Cash on deposit - Weld County Treasurer	8,899	-	**8,899**
Cash in savings	2,778	-	**2,778**
Cash in Colotrust	223,396	24,836	**248,232**
Property taxes receivable	163,819	-	**163,819**
Accounts receivable	34,228	-	**34,228**
Prepaid items	-	-	**-**
Due from other funds	133,085	-	**133,085**
Total Current Assets	1,018,786	24,836	**1,043,622**
Total Assets	$ 1,018,786	$ 24,836	**$ 1,043,622**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 20,116	$ -	**$ 20,116**
Payroll taxes payable	6,468	-	**6,468**
Total Current Liabilities	26,584	-	**26,584**
Total Liabilities	26,584	-	**26,584**
DEFERRED INFLOWS			
Unearned revenue - property taxes	163,819	-	**163,819**
Total Liabilities & Deferred Inflows	190,403	-	**190,403**
FUND BALANCE			
Nonspendable - prepaid	-	-	**-**
Restricted	29,863	24,836	**54,699**
Committed	-	-	**-**
Assigned	-	-	**-**
Unassigned	798,520	-	**798,520**
Total Fund Balance	828,383	24,836	**853,219**
Total Fund Balance, Liabilities and Deferred Inflows	$ 1,018,786	$ 24,836	**$ 1,043,622**

Reconciliation of the Balance Sheet to the Statement of Net Position	
Total Governmental Fund Balance	**$ 853,219**
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 the funds:	
Capital assets	1,120,721
Less: accumulated depreciation	(474,599)
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Compensated absences	**(10,045)**
Capital lease obligations	**(2,285)**
Net pension liability and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position	**17,131**
Net Position of Governmental Activities	**$ 1,504,142**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2018

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 380,236	$ -	$ 380,236
Licenses and permits	24,058	-	24,058
Intergovernmental revenue	73,223	4,546	77,769
Charges for services	37,696	-	37,696
Fines and forfeitures	368,393	-	368,393
Miscellaneous revenues	7,064	-	7,064
Earnings on investments	4,834	461	5,295
Total Revenues	895,504	5,007	900,511
Expenditures:			
Current:			
General government	161,741	-	161,741
Public safety	318,823	-	318,823
Public works	178,124	-	178,124
Health and welfare	14,614	-	14,614
Culture and recreation	21,400	-	21,400
Capital outlay	240,901	-	240,901
Total Expenditures	935,603	-	935,603
Excess (Deficiency) of Revenues over Expenditures	(40,099)	5,007	(35,092)
Other Financing Sources (Uses):			
Sale of assets	15,000	-	15,000
Contributions	-	-	-
Loan proceeds	-	-	-
Insurance proceeds	53,592	-	53,592
Grants	-	-	-
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	68,592	-	68,592
Net Change in Fund Balance	28,493	5,007	33,500
Fund Balance - Beginning of Year	799,890	19,829	819,719
Fund Balance - End of Year	$ 828,383	$ 24,836	$ 853,219

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:	
Net Change in Fund Balance - Total Governmental Funds	$ 33,500
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets:	
Capital assets sold	(1,362)
Capital asset purchases capitalized	240,901
Depreciation expense	(84,691)
Loan proceeds provide current financial resources to the governmental fund and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement of net position:	
Loan proceeds	-
Capital lease payments	653
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position	7,729
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Change in compensated absences	(2,768)
Change in Net Position of Governmental Activities	$ 193,962

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Net Position

Proprietary Funds

Year Ended December 31, 2018

	Business-Type Activities	
	Water	Total
ASSETS		
Current Assets:		
Cash in Colotrust	$ 12,319	**$ 12,319**
Accounts receivable	21,979	**21,979**
Other receivables	-	-
Prepaid items	-	-
Total Current Assets	34,298	**34,298**
Noncurrent Assets:		
Restricted assets:		
Revenue bond operations and maintenance account	37,318	**37,318**
Revenue bond payment account	52,754	**52,754**
Total Noncurrent Assets	90,072	**90,072**
Capital Assets:		
Land	29,656	**29,656**
Water system	3,827,703	**3,827,703**
Machinery and equipment	19,346	**19,346**
Water rights	977,500	**977,500**
Construction in progress	-	-
Total Capital Assets	4,854,205	**4,854,205**
Less: Accumulated depreciation	(884,811)	**(884,811)**
Net Capital Assets	3,969,394	**3,969,394**
Total Assets	4,093,764	**4,093,764**
LIABILITIES		
Current Liabilities:		
Accounts payable	6,753	**6,753**
Accrued interest payable	570	**570**
Due to other funds	133,085	**133,085**
Current portion of long-term debt	13,158	**13,158**
Total Current Liabilities	153,566	**153,566**
Long Term Liabilities:		
Note payable - CWRPDA loan	346,735	**346,735**
Less: portion due within one year	(13,158)	**(13,158)**
Total Long Term Liabilities	333,577	**333,577**
Total Liabilities	487,143	**487,143**
NET POSITION		
Net investment in capital assets	3,622,089	**3,622,089**
Restricted for revenue bond operations and maintenance	90,072	**90,072**
Unrestricted:		
Designated for subsequent year's expenditures	-	-
Undesignated	(105,540)	**(105,540)**
Total Net Position	$ 3,606,621	**$ 3,606,621**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2018

	Business-Type Activities	
	Water	Total
Operating Revenues:		
Charges for services	$ 168,003	$ **168,003**
Other operating revenues	4,058	**4,058**
Total Operating Revenues	172,061	**172,061**
Operating Expenses:		
Administrative	34,662	**34,662**
System operations and maintenance	96,390	**96,390**
Depreciation	78,117	**78,117**
Total Operating Expenses	209,169	**209,169**
Operating Income (Loss)	(37,108)	**(37,108)**
Non-operating Revenues (Expenses)		
Earnings on investments	1,929	**1,929**
Interest expense	(3,544)	**(3,544)**
Sale of assets	(2,674)	**(2,674)**
Insurance proceeds	-	-
Grants	-	-
Total Non-operating Revenues (Expenses)	(4,289)	**(4,289)**
Income (Loss) before contributions	(41,397)	**(41,397)**
Contributions	-	-
Change in Net Position	(41,397)	**(41,397)**
Total Net Position - beginning of year	3,648,018	**3,648,018**
Total Net Position - end of year	$ 3,606,621	**$ 3,606,621**

See accompanying notes to the basic financial statements

TOWN OF NUNN, COLORADO

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2018

	Business-Type Activities	
	Water	Total
Cash Flows From Operating Activities:		
Cash received from customers	$ 168,256	$ **168,256**
Cash payments to employees	(29,658)	**(29,658)**
Cash payments to suppliers	(100,554)	**(100,554)**
Internal activity - payments to other funds	(21,472)	**(21,472)**
Net Cash flows From Operating Activities	16,572	**16,572**
Cash Flows From Non-capital Financing Activities:		
Operating transfers in	-	-
Operating transfers out	-	-
Insurance proceeds	-	-
Other non-operating revenue	-	-
Net Cash Flows from Non-capital Financing Activities	-	-
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	-	-
Disposition of capital assets		-
Contributions	-	-
Principal payments on long-term debt	(13,028)	**(13,028)**
Interest payments on long-term debt	(3,544)	**(3,544)**
Net Cash Flows from Capital and Related Financing Activities	(16,572)	**(16,572)**
Cash Flows From Investing Activities:		
Interest on investments	1,929	**1,929**
Net Cash Flows from Investing Activities	1,929	**1,929**
Net Increase (Decrease) in Cash and Cash Equivalents	1,929	**1,929**
Cash and Cash Equivalents - January 1	100,462	**100,462**
Cash and Cash Equivalents - December 31	$ 102,391	$ **102,391**
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating loss	$ (37,108)	$ **(37,108)**
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	78,117	**78,117**
Changes in assets and liabilities:		
Receivables	(3,805)	**(3,805)**
Prepaid expenses	-	-
Payables and other accrued expenses	840	**840**
Due to other funds	(21,472)	**(21,472)**
Net Cash Flows from Operating Activities	$ 16,572	$ **16,572**

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Nunn, Colorado, was incorporated in 1908, as a statutory town as defined by Colorado Revised Statutes. The statutes provide that the Mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, public works, health, recreation and water.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general-purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions.* This statement is the companion statement to GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* Statement No 75 enhances accountability and transparency through new and revised note disclosures and required supplementary information (RSI). The District has no OPEB plans, therefore, for year ended December 31, 2018 implementation had no impact to the District's financial statements.

GASB Statement No 85, *Omnibus 2017.* This statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurements and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District implemented this statement for year ended December 31, 2018 and had no impact to the District's financial statements.

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The Town reports the following major **Governmental Funds**:

- The **General Fund (major)** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. When both committed and unassigned resources are available for use, it is the District's policy to use the committed resources first, then the unassigned resources as they are needed.
- The **Conservation Trust Fund (major)** is a special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following major **Proprietary Fund**:

- **Water Fund (major)** is used to account for the water use fees and the expenses associated with providing water services to Town residents.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities and budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

The Town does not report any **Fiduciary Funds.**

Budgets and Budgetary Accounting

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with GAAP, except that for proprietary fund, bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Conservation Trust funds and as other supplemental information for the Water Fund. The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2018:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 864,596	$ 100,000	$ 964,596
Conservation Trust Fund	17,500	-	17,500
Business-Type:			
Water Fund	393,893	-	393,893
Total	**$ 1,275,989**	**$ 100,000**	**$ 1,375,989**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before August 25, the Weld County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

Designated for Subsequent Year's Expenditures

Designated fund balance/net position is the portion of the fund balance/net position that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employee' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time at their current rate of pay, there is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $10,045 at December 31, 2018. There is no accrual in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Town considers all highly liquid financial instruments with maturities of three months or less to be cash equivalents.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Investments

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. See Note 3 for further discussion.

Investments are reported in accordance with GASB Statement 72, as amended.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2018, no interest was capitalized. The Town's capitalization level is $1,000 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	10 to 50
Furniture and equipment	5 to 20
Utility systems	15 to 50
Land improvements	20 to 40

As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years. The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the retroactive approach).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Fund Equity / Net Position

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the Town's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the Town's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Net Position represents the difference between all other elements in a statement of financial position and is displayed in three components (1) net investment in capital assets; (2) restricted (distinguishing between major categories of restrictions), and (3) unrestricted.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution Amendment contains several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the Amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine its compliance.

The Amendment excludes from its provision enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 5, 1994, voters approved a referendum regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1993, also to be effective for all years thereafter.

On November 4, 2008, voters approved to allow the Town to maintain its operating mill levy at 13.810 mills in 2008 (for 2009 collection) and all years thereafter, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the years December 31, 2018.

The Amendment requires that emergency reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $29,863 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 452,581	$ -	$ 452,581
Cash with county treasurer	8,899	-	8,899
Cash in savings	2,778	-	2,778
Investments - Cash in ColoTrust	248,232	12,319	260,551
Restricted - Investments - Cash in ColoTrust	-	90,072	90,072
Total	**$ 712,490**	**$ 102,391**	**$ 814,881**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 8,999	$ -	$ 8,999
Bank accounts	455,259	-	455,259
Investments	248,232	102,391	350,623
Total	**$ 712,490**	**$ 102,391**	**$ 814,881**

Cash Deposits

As of December 31, 2018, the carrying amount of the Town's deposits was $455,259.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely coved by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

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

Investments
Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2018, the Town had the following investments:

	S&P	Investment Maturities in Years				
	Rating	Less than 1	1 to 5	6 to 10	More than 10	Total
ColoTrust	AAAm	$ 350,623	$ -	$ -	$ -	$ 350,623
Total		**$ 350,623**	**$ -**	**$ -**	**$ -**	**$ 350,623**

The Town's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligations to the Town. The Town's investment policy follows Colorado Revised Statues.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)
Investments (continued)
Concentration of Credit Risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2018.

Local Governmental Investment Pools, the Town had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST PRIME and COLOTRUST PLUS+. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. Both investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs for an asset or liability.

The Town's investment in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application.*

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Income

Investment income, is reported in the financial statements as follows:

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 5,295	$ 1,929	$ 7,224
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 5,295**	**$ 1,929**	**$ 7,224**

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2018, to be collected in the subsequent year, 2019, are accrued as a receivable as of December 31, 2018 and offset by deferred revenue account.

The Town's property tax calendar is as follows:

Lien Date	January 1, 2018
Levy Date	November 1, 2018
Tax bills mailed	January 1, 2019
First installment due	February 28, 2019
Second installment due	June 15, 2019
If paid in full, due	April 30, 2019
Tax sale – 2018 delinquent property tax	November 15, 2019

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2018:

	Beg Balance	Additions	Retirements	End Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	$ 3,929	$ -	$ -	$ 3,929
Depreciable Assets:				
Buildings and improvements	252,808	71,910	(2,075)	322,643
Land improvements	338,610	33,096	(1,460)	370,246
Machinery and equipment	317,534	135,895	(29,526)	423,903
Totals at Historical Cost	912,881	240,901	(33,061)	1,120,721
Less: Accumulated Depreciation for:				
Buildings and improvements	(146,873)	(11,397)	1,995	(156,275)
Land improvements	(100,256)	(22,367)	1,296	(121,327)
Machinery and equipment	(174,478)	(50,927)	28,408	(196,997)
Total Accumulated Depreciation	(421,607)	(84,691)	31,699	(474,599)
Governmental Activities Capital Assets - Net	$ 491,274	$ 156,210	$ (1,362)	$ 646,122

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 7,030
Public safety	39,887
Public works	29,780
Health and welfare	-
Culture and recreation	7,994
Total Depreciation Expense - Governmental Activities	$ 84,691

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2018:

	Beg Balance	Additions	Retirements	End Balance
Business-Type Activities				
Non-Depreciable Assets:				
Land	$ 29,656	$ -	$ -	$ 29,656
Water rights	977,500	-	-	977,500
Construction in progress	-	-	-	-
Depreciable Assets:				
Water system	3,831,699	-	(3,996)	3,827,703
Machinery and equipment	26,128	-	(6,782)	19,346
Totals at Historical Cost	4,864,983	-	(10,778)	4,854,205
Less: Accumulated Depreciation for:				
Water system	(790,298)	(77,261)	1,565	(865,994)
Machinery and equipment	(24,500)	(856)	6,539	(18,817)
Total Accumulated Depreciation	(814,798)	(78,117)	8,104	(884,811)
Business-Type Activities				
Capital Assets - Net	$ 4,050,185	$ (78,117)	$ (2,674)	$ 3,969,394

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 78,117
Total Depreciation Expense - Business-Type Activities	$ 78,117

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of inter-fund activities at December 31, 2018 and for the year end ended is as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	$ 133,085	$ -	$ -	$ -
Conservation Trust Fund	-	-	-	-
Total Governmental Activities	133,085	-	-	-
Business-Type Activities				
Water Fund	-	133,085	-	-
Total Business-Type Activities	-	133,085	-	-
Total	$ 133,085	$ 133,085	$ -	$ -

NOTE 7 – LONG-TERM DEBT

Note Payable – CWRPDA

On December 9, 2011, the Town executed a loan through the Drinking Water Revolving Fund Disadvantaged Communities Program with the Colorado Water Resources and Power Development Authority in the amount of $2,424,000 with $2,000,000 being in the form of Principal Forgiveness. The loan proceeds will be used for upgrades to the water system. The terms of the loan require a payment of $1,366 on November 1, 2012, which include interest from December 9, 2011. Beginning May 1, 2013, bi-annual payments of $8,296 are required, including interest at a 1.00% annual rate, with final payment due May 1, 2042. Both the principal and interest thereon are payable solely from net revenues (gross revenues less operations and maintenance expenses) of the water distribution system. The balance due as of December 31, 2018 is $346,735.

Changes in Long-Term Debt

	12/31/2017	Additions	Reductions	12/31/2018	Due Within One Year
DWRF 2011 loan payable	$ 359,763	$ -	$ 13,028	$ 346,735	$ 13,158
Total	$ 359,763	$ -	$ 13,028	$ 346,735	$ 13,158

NOTE 8 – DEBT SERVICE REQUIREMENTS

Summary of debt service requirements with principal and interest to maturity:

	CWRPDA Loan 2011		Annual
Payment Dates	Principal	Interest	Principal & Interest
2019	$ 13,158	$ 3,435	$ 16,593
2020	13,290	3,303	16,593
2021	13,423	3,170	16,593
2022	13,558	3,035	16,593
2023	13,694	2,899	16,593
2024-2028	70,557	12,408	82,965
2029-2033	74,165	8,800	82,965
2034-2038	77,958	5,007	82,965
2039-2042	56,932	1,144	58,076
Total	$ 346,735	$ 43,201	$ 389,936

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY

Restricted Assets and Net Position

Certain resources set aside for the repayment of Water Fund bonded debt are classified as "restricted" on the Statement of Net Position because their use is limited by applicable bond covenants. The "revenue bond operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the Town's operation that could adversely affect debt service payments. The "revenue bond payment" account is used to segregate resources accumulated for debt service payments as they come due.

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The Town's bond covenants require certain restrictions of the Water Fund net position. The restricted portions as of December 31, 2018:

Restricted for revenue bond operations and maintenance	$	37,318
Restricted for revenue bond payment		52,754
Total Restricted Net Position	$	90,072

The balance of the Town's restricted asset accounts as of December 31, 2018:

Restricted for revenue bond operations and maintenance	$	37,318
Restricted for revenue bond payment		52,754
Total Restricted Assets	$	90,072

Rate Maintenance

The Town is required to establish, maintain and enforce rates and charges for services rendered by the water distribution system to create revenue sufficient to pay maintenance and operations expenses of the system and to cover 1.10 times the annual debt service of the existing Water Fund revenue debt. The calculation for system payment requirements due in 2018 is computed as follows:

Net Revenues:		
Operating revenue	$	172,061
Earnings on investments		1,929
Total Revenues		173,990
Less: Operating expenses (excluding depreciation)		(131,052)
Net Revenues		42,938
Debt Service Requirements:		
Colorado Water Resources and Power Development Authority		16,593
Debt service requirements times 1.10	x	1.10
Total Debt Service Requirements		18,252
Deficit of Net Revenues over Requirements	$	24,686

The Town was in compliance with the debt service requirements in 2018.

NOTE 10 – CAPITAL LEASE OBLIGATIONS

The Town leases machinery and equipment under non-cancelable leases expiring at various dates through June 2022 which meet the criteria for capitalization. These capital leases are financed with General Fund and Water Fund resources.

NOTE 10 – CAPITAL LEASE OBLIGATIONS (CONTINUED)

The estimated value of the leased machinery and equipment at the inception of the leases net of accumulated depreciation amounted to $3,265. The related present value of the remaining obligations under the capital leases which amounts to $2,285, at December 31, 2018 and are included in the capital assets and long-term liabilities, accordingly.

Future required minimum obligations under capital leases are as follows:

Yead Ending December 31	Principal	Interest	Total
2019	$ 653	$ 32	$ 685
2020	653	32	685
2021	653	32	685
2022	326	16	342
2023	-	-	-
Total	$ 2,285	$ 112	$ 2,397

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. As of December 31, 2018, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 12 – CONTINGENCIES

In the opinion of the District's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the District's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2018.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

On July 1, 2016, the Town enrolled all full-time police officers of the Town in pension plans administered by the Fire and Police Pension Association of Colorado (FPPA), with the exception of the Chief of Police.

Plan Description

The Town enrolls all full-time police officers in pension plans (FPPA Plan) administered by the Fire and Police Pension Association of Colorado (FPPA), with the exception of the Chief of Police. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at: http:/www.fppaco.org.

The Statewide Defined Benefit Plan (SWDB), is a cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits for members and beneficiaries.

The Statewide Death and Disability Plan (SWD&D), is a plan similar to a self-insured employee welfare benefit plan where contributions to the plan are used for the payment of death and disability benefits.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits

Normal Retirement is 25 years of service and age 55. Vested Retirement is 5 years of service, payable at age 55. Early Retirement is 30 years of service or age 50, early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. All benefits are calculated on a 2.0% benefit for each year of service for the first 10 years, then a 2.5% benefit for each year of service there-after. The benefit is based on the average of the highest 3 years' base salary. Deferred Retirement is available to members who qualify for Normal or Vested Retirement and defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

Plan Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the FPPA Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statue or election of the membership. Contribution rates at December 31, 2018 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	10.00%	8.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	11.35%	9.35%

Member contributions to SWBD will increase 0.5% annually through 2022 to a total of 12.0% of base salary.

Contribution rates for members and employers of affiliated social security employers:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.00%	4.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	6.35%	5.35%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 10.0% of base salary.

*Effective January 1, 2017 through December 31, 2018 the Statewide Death and Disability Plan contribution rate increased from 2.6% to 2.7%.

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liability (Asset)

At December 31, 2018, the Town reported an asset of $11,262 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	$ 7,719	$ -	$ 7,719
Difference between expected and actual experiences	8,121	125	7,996
Assumption changes	1,697	-	1,697
Net difference between projected and actual earnings on pension plan investments	-	3,824	(3,824)
Total	$ 17,537	$ 3,949	$ 13,588

The $7,719 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Deferred Outflows/Inflows of Resources by Year to be recognized in Future

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2018	$ 1,334
2019	1,160
2020	(465)
2021	(1,068)
2022	1,197
Thereafter	3,711
Total	$ 5,869

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2017, using the following key actuarial assumptions:

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)
Actuarial Assumptions (continued)

Acturial method	Entry age normal
Amortization method	Level % if payroll, open
Amortization period	30 years
Long-term investment rate of return *	7.50%
Projected salary increases *	4.0% - 14.0%
Cost of living adjustments (COLA)	0.00%
Mortality	RP-2014 generational mortality table with blue collar adjustment, projected with Scale BB, 40% multiplier of off-duty mortality. Post-retirement: RP-2014 generational mortality table, with blue collar adjustment, projected with Scale BB.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year
* Includes inflation at	2.50%

Investments
The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Investments (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	9.25%
Equity long / short	9.0%	7.35%
Illiquid alternatives	24.0%	10.75%
Fixed income	15.0%	4.10%
Absolute return	9.0%	6.55%
Managed futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	100.0%	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the FPPA Plan's fiduciary net position is projected to be sufficient to pay benefits) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the FPPA Plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting Single Discount Rate is 7.50%.

Sensitivity to Single Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the Town's proportionate share of the net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher.

	1% Decrease **6.50%**	Current Rate **7.50%**	1% Increase **8.50%**
Pension Plan's Net Pension Liability / (Asset)	$ 12,261	$ (11,262)	$ (30,794)

Pension Plan Fiduciary Net Position

Detailed information about FPPA's plan fiduciary net position is available in the separately issued comprehensive annual financial report of the FPPA plan.

NOTE 14 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through June 28, 2019, the date on which the financial statements issued, and did not identify any events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF NUNN, COLORADO

Schedule of Revenues

*Budget to Actual - **General Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Taxes:					
General property taxes	$ 170,139	$ 170,139	**$ 169,130**	$ (1,009)	$ 122,078
Prior year property taxes	1,100	1,100	**1,336**	236	1,099
General sales taxes	55,000	55,000	**60,115**	5,115	80,313
Specific ownership taxes	9,000	9,000	**13,066**	4,066	9,587
General Use taxes	45,000	45,000	**87,682**	42,682	51,896
Other building use taxes	38,000	38,000	**31,820**	(6,180)	29,810
Franchise taxes	14,000	14,000	**16,161**	2,161	14,737
Interest on delinquent taxes	500	500	**926**	426	267
Cultivation excise tax	100,000	100,000	**-**	(100,000)	-
Total Taxes	432,739	432,739	**380,236**	(52,503)	309,787
Licenses and Permits:					
Business	1,200	1,200	**1,475**	275	1,144
Building permits	18,000	18,000	**18,778**	778	20,070
Dog licenses and other permits	600	600	**805**	205	465
Cultivation license	3,000	3,000	**3,000**	-	2,500
Total Licenses and Permits	22,800	22,800	**24,058**	1,258	24,179
Intergovernmental Revenues:					
Highway user's tax	35,000	35,000	**43,161**	8,161	33,623
Motor vehicle registration fees	3,300	3,300	**3,781**	481	3,298
Cigarette taxes	110	110	**635**	525	500
Severance tax	10,200	10,200	**12,573**	2,373	11,092
Weld county road and bridge apportionment	6,500	6,500	**13,073**	6,573	6,158
Total Intergovernmental Revenues	55,110	55,110	**73,223**	18,113	54,671
Charges for Services:					
Cemetery opening/closing fees	1,750	1,750	**620**	(1,130)	7,225
Zoning fees	500	500	**370**	(130)	745
Trash removal charges	36,500	36,500	**36,226**	(274)	35,671
Mowing and property cleaning	450	450	**480**	30	450
Total Charges for Services	39,200	39,200	**37,696**	(1,504)	44,091
Fines and Forfeitures:					
Court fines	165,000	165,000	**202,012**	37,012	197,194
Citation surcharge	53,000	53,000	**56,815**	3,815	49,645
VIN inspections	1,000	1,000	**1,720**	720	1,100
Certified VIN inspections	75,000	75,000	**107,846**	32,846	52,033
Total Fines and Forfeitures	294,000	294,000	**368,393**	74,393	299,972
Miscellaneous Revenues:					
Earnings on investments	1,500	1,500	**4,834**	3,334	2,591
Other income	6,450	6,450	**7,064**	614	9,150
Contributions	300	300	**-**	(300)	64,194
Insurance proceeds	-	-	**53,592**	53,592	12,150
Grants	-	-	**-**	-	23,542
Sale of assets	-	-	**15,000**	15,000	1,200
Total Miscellaneous Revenues	8,250	8,250	**80,490**	72,240	112,827
Total Revenues	$ 852,099	$ 852,099	**$ 964,096**	$ 111,997	$ 845,527

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
General Government:					
Legislative:					
Legal	$ 10,000	$ 10,000	$ **16,661**	$ (6,661)	$ 5,747
Publishing	1,500	1,500	**138**	1,362	642
Total Legislative	11,500	11,500	**16,799**	(5,299)	6,389
Judicial:					
Legal	10,000	10,000	**8,820**	1,180	7,323
Municipal judge	15,000	15,000	**8,750**	6,250	8,275
Miscellaneous	1,000	1,000	**1,285**	(285)	870
Total Judicial	26,000	26,000	**18,855**	7,145	16,468
Elections:					
Elections	-	-	**-**	-	-
Election supplies	2,500	2,500	**1,309**	1,191	-
Total Elections	2,500	2,500	**1,309**	1,191	-
Administration:					
Salaries	41,422	41,422	**42,522**	(1,100)	39,824
Health insurance	16,200	16,200	**11,724**	4,476	15,212
Payroll taxes	4,150	4,150	**3,258**	892	3,166
Workers' compensation	-	-	**-**	-	-
Conferences and training	2,500	2,500	**393**	2,107	647
Audit	7,500	7,500	**7,250**	250	7,250
Insurance and bonds	3,500	3,500	**755**	2,745	2,884
Telephone	1,500	1,500	**2,084**	(584)	1,204
Vehicle expense	250	250	**-**	250	-
Supplies	6,000	6,000	**7,218**	(1,218)	5,241
Postage	1,000	1,000	**671**	329	659
Office equipment	500	500	**758**	(258)	239
Computer support/maintenance	1,500	1,500	**98**	1,402	1,193
Bank service charges	5,000	5,000	**7,840**	(2,840)	5,291
Dues and subscriptions	1,200	1,200	**1,702**	(502)	815
Miscellaneous	-	-	**-**	-	200
Treasurer's fees	1,800	1,800	**1,715**	85	1,234
Capital outlay	3,200	3,200	**-**	3,200	-
Total Administration	97,222	97,222	**87,988**	9,234	85,059
Planning and Zoning:					
Planning	2,500	2,500	**-**	2,500	28
Engineering services	4,500	4,500	**8,132**	(3,632)	3,653
Total Planning and Zoning	7,000	7,000	**8,132**	(1,132)	3,681
Building:					
Salaries	8,000	8,000	**-**	8,000	960
Health insurance	1,800	1,800	**1,008**	792	588
Payroll taxes	-	-	**-**	-	76
Workers' compensation	1,000	1,000	**1,673**	(673)	-
Repairs and maintenance	7,000	7,000	**15,166**	(8,166)	6,288
Insurance and bonds	5,500	5,500	**5,290**	210	5,200
Utilities	6,000	6,000	**4,699**	1,301	3,647
Professional services	29,924	29,924	**822**	29,102	3,100
Capital outlay	7,000	7,000	**-**	7,000	19,035
Total Building	66,224	66,224	**28,658**	37,566	38,894
Total General Government	210,446	210,446	**161,741**	48,705	150,491

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Public Safety:					
Police:					
Salaries	$ 186,200	$ 186,200	**$ 192,659**	$ (6,459)	$ 141,943
Health insurance	11,000	11,000	**16,804**	(5,804)	3,817
Payroll taxes	18,000	18,000	**15,316**	2,684	12,857
Workers' compensation	6,000	6,000	**8,367**	(2,367)	15
Retirement	5,000	5,000	**7,719**	(2,719)	4,328
Police protection fees	5,400	5,400	**4,087**	1,313	7,294
Conferences and training	2,500	2,500	**926**	1,574	257
Court fees	300	300	**-**	300	50
Jail costs	500	500	**75**	425	375
Insurance and bonds	11,000	11,000	**16,922**	(5,922)	7,162
Telephone	10,000	10,000	**11,633**	(1,633)	8,115
Gas, oil and service	20,000	20,000	**16,198**	3,802	14,094
Supplies	15,000	15,000	**14,623**	377	15,364
Miscellaneous	-	-	**142**	(142)	23,483
Capital outlay	91,500	91,500	**94,710**	(3,210)	86,468
Total Police	382,400	382,400	**400,181**	(17,781)	325,622
Building Inspections:					
Professional services	20,000	20,000	**13,352**	6,648	13,087
Total Public Safety	402,400	402,400	**413,533**	(11,133)	338,709
Public Works:					
Highways and Streets:					
Salaries	47,500	47,500	**52,626**	(5,126)	41,810
Health insurance	9,500	9,500	**7,548**	1,952	4,399
Payroll taxes	3,300	3,300	**4,184**	(884)	3,324
Workers' compensation	3,200	3,200	**4,656**	(1,456)	1,675
Equipment maintenance	15,000	15,000	**6,368**	8,632	10,267
Insurance and bonds	7,000	7,000	**91**	6,909	5,030
Gas, oil and service	5,500	5,500	**5,429**	71	3,414
Tools	250	250	**266**	(16)	113
Supplies	2,500	2,500	**3,294**	(794)	2,522
Street lighting	10,000	10,000	**7,955**	2,045	7,642
Legal	-	-	**-**	-	-
Road base	50,000	50,000	**52,991**	(2,991)	6,741
Capital outlay	5,000	105,000	**137,744**	(32,744)	-
Total Highways and Streets	158,750	258,750	**283,152**	(24,402)	86,937
Sanitation:					
Trash removal	38,000	38,000	**32,716**	5,284	26,204
Total Sanitation	38,000	38,000	**32,716**	5,284	26,204
Total Public Works	196,750	296,750	**315,868**	(19,118)	113,141
Health and Welfare:					
Cemetery:					
Salaries	4,500	4,500	**6,053**	(1,553)	4,509
Health insurance	-	-	**7,404**	(7,404)	1,210
Payroll taxes	-	-	**481**	(481)	358
Workers' compensation	-	-	**-**	-	-
Insurance and bonds	10,000	10,000	**-**	10,000	6,200
Supplies	2,000	2,000	**676**	1,324	736
Capital outlay	-	-	**-**	-	-
Total Cemetery	16,500	16,500	**14,614**	1,886	13,013
Total Health and Welfare	16,500	16,500	**14,614**	1,886	13,013

(continued on next page)

TOWN OF NUNN, COLORADO

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Culture and Recreation:					
Parks:					
Salaries	$ 6,000	$ 6,000	**$ 6,586**	$ (586)	$ 5,315
Health insurance	-	-	**-**	-	-
Payroll taxes	-	-	**524**	(524)	422
Workers' compensation	-	-	**-**	-	-
Repairs and maintenance	3,000	3,000	**8,671**	(5,671)	2,090
Insurance and bonds	5,000	5,000	**-**	5,000	283
Gas, oil and service	500	500	**226**	274	-
Supplies	3,000	3,000	**2,199**	801	3,030
Lighting	1,500	1,500	**1,093**	407	938
Capital outlay	17,500	17,500	**8,447**	9,053	-
Total Parks	36,500	36,500	**27,746**	8,754	12,078
Recreation:					
Nunn harvest festival	1,500	1,500	**2,051**	(551)	750
Supplies	500	500	**50**	450	5,150
Total Recreation	2,000	2,000	**2,101**	(101)	5,900
Total Culture and Recreation	38,500	38,500	**29,847**	8,653	17,978
Total Expenditures	$ 864,596	$ 964,596	**$ 935,603**	$ 28,993	$ 633,332

TOWN OF NUNN, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **General Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Revenues:					
Taxes	$ 432,739	$ 432,739	**$ 380,236**	$ (52,503)	$ 309,787
Licenses and permits	22,800	22,800	**24,058**	1,258	24,179
Intergovernmental revenues	55,110	55,110	**73,223**	18,113	54,671
Charges for services	39,200	39,200	**37,696**	(1,504)	44,091
Fines and forfeitures	294,000	294,000	**368,393**	74,393	299,972
Miscellaneous revenues	8,250	8,250	**80,490**	72,240	112,827
Total Revenues	852,099	852,099	**964,096**	111,997	845,527
Transfers In:					
Conservation Trust Fund	17,500	17,500	**-**	(17,500)	-
Total Transfers In	17,500	17,500	**-**	(17,500)	-
Total Revenues and Transfers	869,599	869,599	**964,096**	94,497	845,527
Expenditures:					
General government	210,446	210,446	**161,741**	48,705	150,491
Public safety	402,400	402,400	**413,533**	(11,133)	338,709
Public works	196,750	296,750	**315,868**	(19,118)	113,141
Health and welfare	16,500	16,500	**14,614**	1,886	13,013
Culture and recreation	38,500	38,500	**29,847**	8,653	17,978
Total Expenditures	864,596	964,596	**935,603**	28,993	633,332
Excess (Deficit) of Revenues over Expenditures	$ 5,003	$ (94,997)	**28,493**	$ 65,504	$ 212,195
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**240,901**		
Capital assets sold			**(1,362)**		
Depreciation expense			**(84,691)**		
Capital lease obligations			**653**		
Compensated absences			**(2,768)**		
Net pension asset (liability)			**7,729**		
Net Change in Net Position			**$ 188,955**		

TOWN OF NUNN, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 4,500	$ 4,500	**$ 4,546**	$ 46	$ 4,380
Total Intergovernmental Revenue	4,500	4,500	**4,546**	46	4,380
Miscellaneous Revenues:					
Earnings on investments	150	150	**461**	311	194
Other revenue	-	-	-	-	-
Total Revenues	4,650	4,650	**5,007**	357	4,574
Expenditures:					
General Government:					
Culture and recreation	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Transfers Out:					
General Fund	17,500	17,500	-	17,500	-
Total Transfers Out	17,500	17,500	-	17,500	-
Total Expenditures and Transfers	17,500	17,500	-	17,500	-
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ (12,850)	$ (12,850)	**5,007**	$ 17,857	$ 4,574
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			-		
Depreciation expense			-		
Change in Net Position			**$ 5,007**		

TOWN OF NUNN, COLORADO

Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions

Fire and Police Pension Association of Colorado (FPPA)

For The Last 10 Years (to be built prospectively)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Town's proportion of the net pension liability (asset)	0.0000783%	0.0000807%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ (11,262)	$ 2,916	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's covered payroll	$ 45,787	$ 41,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-24.60%	7.06%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	106.30%	98.21%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	3,663	3,304	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(3,663)	(3,304)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	$ 45,787	$ 41,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	8.00%	8.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

OTHER SUPPLEMENTAL INFORMATION

TOWN OF NUNN, COLORADO

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Operating Revenues:					
Water sales	$ 185,000	$ 185,000	**$ 168,003**	$ (16,997)	$ 165,588
Tap fees	195,000	195,000	**-**	(195,000)	76,000
Penalty on utility billings	3,500	3,500	**3,851**	351	2,856
Return check charge	-	-	**30**	30	-
Miscellaneous income	-	-	**177**	177	366
Total Operating Revenues	383,500	383,500	**172,061**	(211,439)	244,810
Non-Operating Revenues:					
Earnings on investments	850	850	**1,929**	1,079	943
Sale of assets	-	-	**(2,674)**	(2,674)	-
Contributions from customers	-	-	**-**	-	108,000
Grants	10,000	10,000	**-**	(10,000)	-
Transfer from other funds	-	-	**-**	-	-
Total Non-Operating Revenues	10,850	10,850	**(745)**	(11,595)	108,943
Total Revenues	$ 394,350	$ 394,350	**$ 171,316**	$ (223,034)	$ 353,753

TOWN OF NUNN, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Operating Expenditures:					
Administrative					
Salaries	$ 17,500	$ 17,500	**$ 16,063**	$ 1,437	$ 15,324
Health insurance	1,500	1,500	**504**	996	504
Payroll taxes	-	-	**1,261**	(1,261)	1,203
Conferences and training	100	100	**-**	100	75
Audit	7,500	7,500	**7,250**	250	7,250
Legal	1,000	1,000	**-**	1,000	272
Telephone	2,200	2,200	**1,957**	243	2,012
Publishing	750	750	**-**	750	512
Vehicle expense	450	450	**115**	335	368
Supplies	500	500	**460**	40	162
Postage	2,400	2,400	**2,409**	(9)	1,994
Small equipment	250	250	**401**	(151)	181
Computer support/maintenance	3,000	3,000	**2,573**	427	2,399
Bank service charges	50	50	**19**	31	17
Dues and subscriptions	250	250	**804**	(554)	545
Utilities	1,000	1,000	**846**	154	449
Total Administrative	38,450	38,450	**34,662**	3,788	33,267
System Operation & Maintenance:					
Salaries	15,000	15,000	**13,595**	1,405	11,468
Health insurance	3,500	3,500	**-**	3,500	1,142
Payroll taxes	-	-	**1,067**	(1,067)	900
Workers' compensation	750	750	**837**	(87)	-
Conferences and training	1,000	1,000	**180**	820	882
Water sampling and testing	5,000	5,000	**3,241**	1,759	4,528
Drinking water program fee	150	150	**100**	50	100
Water treatment and distribution	53,000	53,000	**46,825**	6,175	42,470
Repairs and maintenance	53,200	53,200	**12,321**	40,879	19,616
Insurance and bonds	-	-	**-**	-	819
Gas, oil and service	750	750	**-**	750	-
Repairs and maintenance - equip	5,000	5,000	**81**	4,919	7,066
Supplies	1,500	1,500	**2,300**	(800)	929
Utilities	7,500	7,500	**5,694**	1,806	6,215
Water share assessments	5,000	5,000	**7,933**	(2,933)	6,935
Professional services	12,000	12,000	**2,216**	9,784	2,922
Total System Operation & Maintenance	163,350	163,350	**96,390**	66,960	105,992
Total Operating Expenditures	201,800	201,800	**131,052**	70,748	139,259
Non-Operating Expenditures:					
Capital Outlay	175,500	175,500	**-**	175,500	108,000
Debt Service:					
Principal	12,899	12,899	**13,028**	(129)	12,898
Interest	3,694	3,694	**3,544**	150	3,673
Total Non-Operating Expenditures	192,093	192,093	**16,572**	175,521	124,571
Total Expenditures	$ 393,893	$ 393,893	**$ 147,624**	$ 246,269	$ 263,830

TOWN OF NUNN, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Water Fund***

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

	2018				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2017** Actual
Revenues:					
Operating revenues	$ 383,500	$ 383,500	**$ 172,061**	$ (211,439)	$ 244,810
Non-operating revenues	10,850	10,850	**(745)**	(11,595)	108,943
Total Revenues	394,350	394,350	**171,316**	(223,034)	353,753
Expenditures:					
Administrative	38,450	38,450	**34,662**	3,788	33,267
System operation & maintenance	163,350	163,350	**96,390**	66,960	105,992
Non-operating expenditures	192,093	192,093	**16,572**	175,521	124,571
Total Expenditures	393,893	393,893	**147,624**	246,269	263,830
Excess (Deficiency) of Revenues over Expenditures	$ 457	$ 457	**23,692**	$ 23,235	$ 89,923
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		
Depreciation expense			**(78,117)**		
Long-term debt payments			**13,028**		
Net Change in Net Position			**$ (41,397)**		

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Nunn
	YEAR ENDING : December 2018
This Information From The Records Of (example - City of _ or County of _	Prepared By: Cathy Payne Phone:970-897-2385

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	189,346
3. Other local imposts (from page 2)	25,810
4. Miscellaneous local receipts (from page 2)	0
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.)	0
7. Total (1 through 6)	215,156
B. Private Contributions	
C. Receipts from State government (from page 2)	47,491
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	262,647

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	175,735
2. Maintenance:	60,037
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	26,875
d. Total (a. through c.)	26,875
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	262,647
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	262,647

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	262,647	262,647		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2018

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
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	25,810	g. Other Misc. Receipts	
6. Total (1. through 5.)	25,810	h. Other	
c. Total (a. + b.)	25,810	i. Total (a. through h.)	0
	(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	43,737	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	3,754	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,754	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	47,491	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		151,086	151,086
(4). System Enhancement & Operation		24,649	24,649
(5). Total Construction (1) + (2) + (3) + (4)	0	175,735	175,735
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	175,735	175,735
			(Carry forward to page 1)

Notes and Comments:

Specific Ownership	12,737	Road Base & Paving	52,991
County Road & Bridge	13,073	Road Grader & Equipment	98,094
	25,810		151,086
		Rail Road Crossing Repair	24,649

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE