TOWN OF NATURITA, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TOWN OF NATURITA, COLORADO
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This management's discussion and analysis (MD&A) of the Town of Naturita financial statements provides an overview of the Town's financial activities for the fiscal year ended December 31, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *supplementary information*. The basic financial statements include two types of information on the same statement that present different views of the Town:

- *Government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.

- *Fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the Town as a whole and include all assets, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in it. The Town's net position – the difference of assets, liabilities, and deferred inflows - are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base and the condition of the infrastructure, are needed to assess the overall health of the Town.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant funds - not the Town as a whole. The Town's major governmental funds include the General Fund, the Conservation Trust Fund, and the Lodging Tax Fund. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental funds – The Town's activities are reported in three governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds financial statements provide a detailed short-term view of the Town's general government operations, cultural and recreational services, and the basic services they provide. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is provided in reconciliations following the fund financial statements.

THE TOWN AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the Town as a whole. Following is a summary of the Town's net position for the fiscal years 2019 and 2020.

	2019			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 618,439	$ 569,608	$1,188,047	$ 791,490	$ 710,771	$1,502,261
Capital assets	1,325,206	1,334,817	2,660,023	1,361,530	1,293,083	2,654,613
Total assets	1,943,645	1,904,425	3,848,070	2,153,020	2,003,854	4,156,874
Long-term liabilities	-	81,017	81,017	-	71,901	71,901
Other liabilities	21,888	46,123	68,011	21,083	45,297	66,380
Deferred inflows	41,490	-	41,490	44,534	-	44,534
Total liabities/deferred inflows	63,378	127,140	190,518	65,617	120,198	185,815
Net Position:						
Net Investment in capital assets	1,325,206	1,253,800	2,579,006	1,361,530	1,218,182	2,579,712
Restricted for marketing & promotion	59,730	-	59,730	50,062	-	50,062
Restricted for emergencies	15,511	-	15,511	54,195	-	54,195
Unrestricted	479,820	523,485	1,003,305	821,616	665,474	1,287,090
Total net position	$ 1,880,267	$ 1,777,285	$3,657,552	$ 2,087,403	$ 1,883,656	$3,971,059

The Town shows a positive balance in net position. The most significant items on the statement of net position are the capital assets and these are described in more depth in *Note D* to the financial statements.

Statement of Activities

The perspective of the Statement of Activities is of the Town as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2019 and 2020.

	2019			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
REVENUES:						
Program revenues:						
Charges for Services	$ 34,386	$ 463,238	$ 497,624	$ 20,748	$ 500,766	$ 521,514
Grants and Contributions	73,014	-	73,014	37,767	-	37,767
General revenues						
Taxes	417,689	-	417,689	591,403	-	591,403
Interest, other revenue, transfers	1,175	656	1,831	354	410	764
Total revenues	526,264	463,894	990,158	650,272	501,176	1,151,448
EXPENSES:						
General government	220,307	-	220,307	209,588	-	209,588
Public Safety	81,359	-	81,359	71,871	-	71,871
Public Works	105,004	-	105,004	115,651	-	115,651
Culture and recreation	42,652	-	42,652	46,026	-	46,026
Utility operations	-	352,469	352,469	-	394,805	394,805
Total expenses	449,322	352,469	801,791	443,136	394,805	837,941
Increase (decrease) in net position	76,942	111,425	188,367	207,136	106,371	315,507
Net position January 1	1,803,325	1,665,860	3,469,185	1,880,267	1,777,285	3,657,552
Net position December 31	$ 1,880,267	$ 1,777,285	$3,657,552	$ 2,087,403	$ 1,883,656	$3,971,059

The Town's primary sources of revenue are from taxes and utility fees. These revenues are used to pay the cost of the general government and the cost of the utility activity expenses.

The Town operated at an increase in net position for governmental activities in 2019 and 2020; the primary increase in 2019 was due to increased sales tax and marijuana tax.

The Town's primary sources of revenue are from taxes and utility fees. These revenues are used to pay the cost of the general government and the cost of the utility activity expenses.

The Town reported an increase in net position for business-type activities in 2019 as well as an increase in 2020. A Capital Improvement Plan and Rate Study was completed by Element Engineers in September of 2018. Several grants and loans will be needed to help construct and improve its water and wastewater treatments systems. The Town increased rates in April 2014 and in 2015 to cover operating costs. No increase was implemented in 2016, 2017 or 2018. However, on January 1, 2019 a $10 increase in sewer rates and a $5 increase in water rates was implemented.

THE TOWN'S FUNDS

The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The fund level financial statements are reported on the modified accrual basis of accounting for governmental funds.

At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans, if any, are presented as a revenue item while outflows for capital outlay and debt service payments, if any, are presented as an expenditure item, as these items represent current period financial resources and uses.

For the year ended 12/31/2020, governmental fund balances were increased by $170,691. This is due to a $124,009 revenue increase compared to 2019, but only a $73,090 increase in our expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2020. Much of the Town's activities during 2020 were driven by enforcing our Town Ordinances. We hired a code enforcement officer to help with this endeavor. The Town also had many real estate transactions and building permits were up slightly. We had a lot of turnover on our town board of trustees as well as staff. Much time and effort went to retraining. The staff and board were involved with planning and implementing several grants for our new playground, perimeter trail, and water line replacement. We began grass roots efforts to open our old water treatment plant as a park with fishing, swimming, and picnicking. The Town implemented a discounted rate for summer water usage in order to beautify Naturita again. We purchased a used Caterpillar Road grader, and Montrose County donated a 2015 Ram 1500 pickup for our code enforcement vehicle. We spent a considerable amount of time when we were offered some property to be donated to the town by a citizen, dispelling rumors about a river walk trail. Unfortunately, the public outcry was more powerful than our persuasion and the offer was taken off the table. The Public Works department worked closely with the CO Department of Public Health and Environment after we were issued a Cease and Desist Notice of Violation for past reports not turned in. We applied to the International Dark Sky organization to be a dark sky community. Of course, COVID-19 was a major factor in the Town's operations for 2020. This was largely due to reactionary efforts to comply and wait for restrictions not imposed by the Town. Naturita did not suffer from any economic disasters, nor did we change normal operating hours or method of Town Board meetings except for the initial shut down in March and again in November when most of the staff tested positive. The Town participated in the Affordable Housing committee as a stakeholder as well as the San Miguel River Partnership.

General Fund Resources (Inflows)

The Town's final actual revenues in the amount of $629,175 were more than budget expectations of $528,794 by $100,381 primarily because of increased sales taxes due to the influx of travelers in our town during COVID-19.

General Fund Charges to Appropriations (Outflows)

The Town's final actual expenditures of $454,222 were $25,596 less than the final appropriated balance of $479,818. The projects we had budgeted did not get accomplished because of personnel changes. The major purchase of a road grader was less than we were quoted.

UTILITY FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2019.

Utility Fund Resources (Inflows)

The Town's final actual revenues in the amount of $501,176 were under budget expectations of $1,177,578 by $676,402 due to a delay in CDBG Grant funding for a major water line replacement.

Utility Fund Charges to Appropriations (Outflows)

The Town's final actual budgetary basis expenditures of $359,186 were $737,219 less than the final appropriated budget of $1,096,405. This is due to construction being delayed on the major water line replacement, personnel changes for projects that were planned and trying to build our fund for a new waste water treatment plant.

CONSERVATION TRUST FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2020.

Conservation Trust Fund Resources (Inflows)

The Town's final actual revenues in the amount of $5,406 were under budget expectations of $41,334 by $35,928 due to a GOCO grant being delayed in funding to leverage it for a Park Perimeter Trail Grant.

Conservation Trust Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $-0- were $50,000 less than the final appropriated balance of $50,000 due to the delay in the GOCO grant and using partner cash match from the General Fund for initial expenditures.

LODGING FUND BUDGETARY HIGHLIGHTS

The Town's procedures in establishing budgetary data reflected in the financial statements are summarized in *Note A* of the financial statements. No amended budgets were adopted by the Town during fiscal year 2020.

Lodging Tax Fund Resources (Inflows)

The Town's final actual revenues in the amount of $15,691 were higher than budget expectations of $15,083 by $608 due to a busy year for the local hotels because of the influx of travelers escaping major cities.

Lodging Tax Fund Charges to Appropriations (Outflows)

The Town's final expenditures of $25,359 were $10,659 more than the final appropriated balance of $14,700 as two unexpected Lodging Fund requests for funding were presented.

CAPITAL ASSETS

At the end of 2020, the Town had a total of $1,855,023 invested in net capital assets of governmental activities. The amount of capital assets for business-type activities totaled $1,293,081 after accumulated depreciation, a decrease of $41,735 over 2019. There were no retirements in 2020 in the business-type activities; there were no retirements in governmental activities. *See Note D, Capital Assets.*

LONG-TERM DEBT

During 2012, the Town entered into a loan to assist in the renovation of the Town's sewer system. The loan was for $700,000 with $500,000 forgiven at closing. The remaining balance on the loan at December 31, 2020 was $74,901. *See Note E, Long-term Liabilities.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The General Fund 2021 Budget anticipates that revenues will increase as the Town received American Rescue Plan funding. Sales tax continues to increase due to construction in the area.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the:

Town of Naturita
Attn: Kathy Cooper, Town
Treasurer PO Box 505
Naturita CO 81422
Tel: (970) 865-2286
Fax: (970) 865-2815
E-mail: tnaturita@nntcwireless.com

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

[illegible] Pondview Place
[illegible], CO [illegible]

[illegible]

Independent Auditor's Report

To the Town Council
Town of Naturita
Naturita, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Naturita, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Naturita, Colorado, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Naturita, Colorado's financial statements as a whole. The Utility Enterprise Fund budgetary comparison schedule and the Local Highway Finance Report are supplementary information for purposes of additional analysis and are not a required part of the financial statements.

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

Hamblin and Associates

Golden, Colorado
June 17, 2021

TOWN OF NATURITA, COLORADO

STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and Investments	$ 713,846	$ 664,806	$ 1,378,652
Receivables:			
Accounts	11,438	45,965	57,403
Property taxes	44,534	-	44,534
Intergovernmental	21,672	-	21,672
Total Current Assets	791,490	710,771	1,502,261
Capital assets (net of accumulated depreciation):			
Total Noncurrent Assets	1,361,530	1,293,083	2,654,613
Total Assets	2,153,020	2,003,854	4,156,874
LIABILITIES			
Current Liabilities			
Accounts payable	21,083	-	21,083
Customer deposits	-	45,297	45,297
Total current liabilities	21,083	45,297	66,380
Long-term liabilities:			
Note payable due within one year	-	6,177	6,177
Note payable due after one year	-	68,724	68,724
Total Liabilities	21,083	120,198	141,281
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	44,534	-	44,534
Total deferred inflows of resources	44,534	-	44,534
NET POSITION			
Net investment in capital assets	1,361,530	1,218,182	2,579,712
Restricted for marketing and promotion	50,062	-	50,062
Restricted for emergency reserves	54,195	-	54,195
Unrestricted	621,616	665,474	1,287,090
Total Net Position	$ 2,087,403	$ 1,883,656	$ 3,971,059

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

TOWN OF NATURITA, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Functions/Programs							
Governmental activities							
General government	$ 209,588	$ 13,221	$ -	$ -	$ (196,367)	$ -	$ (196,367)
Public safety	71,871	2,937	-	-	(68,934)	-	(68,934)
Public works	81,234	-	-	-	(81,234)	-	(81,234)
Culture and recreation	46,026	4,590	5,360	32,407	(3,669)	-	(3,669)
Capital outlay	34,417	-	-	-	(34,417)	-	(34,417)
Total governmental activities	443,136	20,748	5,360	32,407	(384,621)	-	(384,621)
Business-type activities							
Utility fund	394,805	500,766	-	-	-	105,961	105,961
Total government	$ 837,941	$ 521,514	$ 5,360	$ 32,407	$ (384,621)	105,961	$ (278,660)
GENERAL REVENUES:							
Property taxes					41,629	-	41,629
Other taxes					549,774	-	549,774
Investment earnings					354	410	764
Total general revenues					591,757	410	592,167
Change in net position					207,136	106,371	313,507
Net position - Beginning of Year					1,880,267	1,777,285	3,657,552
Net position - End of Year					$ 2,087,403	$ 1,883,656	$ 3,971,059

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

TOWN OF NATURITA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	General Fund	Lodging Tax Fund	Conservation Trust Fund	Total
ASSETS				
Cash and investments	$ 609,589	$ 50,062	$ 54,195	$ 713,846
Property taxes receivable	44,534	-	-	44,534
Accounts receivable	11,438	-	-	11,438
Intergovernmental receivable	21,672	-	-	21,672
TOTAL ASSETS	687,233	50,062	54,195	791,490
LIABILITIES				
Accounts payable	21,083	-	-	21,083
TOTAL LIABILITIES	21,083	-	-	21,083
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	44,534	-	-	44,534
FUND BALANCES				
Restricted for marketing and promotion	-	50,062	-	50,062
Restricted for conservation	-	-	54,195	54,195
Restricted for emergencies	14,400	-	-	14,400
Unassigned	607,216	-	-	607,216
TOTAL FUND BALANCE	621,616	50,062	54,195	725,873
TOTAL LIABILITIES, and DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 687,233	$ 50,062	$ 54,195	$ 791,490

Total fund balance per above	$ 725,873
Amounts reported for governmental activies 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	1,855,023
Accumulated Depreciation	(493,493)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$ 2,087,403

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

TOWN OF NATURITA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	General Fund	Lodging Tax Fund	Conservation Trust Fund	Total
Revenues				
Taxes				
General property	$ 41,629	$ -	$ -	$ 41,629
Specific ownership	6,187	-	-	6,187
Sales and use	495,275	15,643	-	510,918
Severance	2,360	-	-	2,360
Licenses and permits	8,725	-	-	8,725
Intergovernmental	24,949	-	5,360	30,309
Grants	42,263	-	-	42,263
Fines and forfeitures	2,937	-	-	2,937
Interest	354	-	-	354
Miscellaneous	4,496	48	46	4,590
Total revenues	629,175	15,691	5,406	650,272
Expenditures				
Current				
General government	235,225	25,359	-	260,584
Public safety	88,589	-	-	88,589
Public works	42,028	-	-	42,028
Culture and recreation	53,963	-	-	53,963
Capital outlay	34,417	-	-	34,417
Total expenditures	454,222	25,359	-	479,581
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	174,953	(9,668)	5,406	170,691
FUND BALANCES - Beginning	446,663	59,730	48,790	555,183
FUND BALANCES - Ending	621,616	$ 50,062	$ 54,196	$ 725,874

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances per above	170,691
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	87,118
Depreciation expense	(50,673)
Change in net position of governmental activities	207,136

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL

For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues				
Taxes				
General property	50,010	50,010	41,629	$ (8,381)
Specific ownership	5,700	5,700	6,187	487
Sales and use	270,000	270,000	495,275	225,275
Severance	15,000	15,000	2,360	(12,640)
Licenses and permits	8,940	8,940	8,725	(215)
Intergovernmental	62,268	62,268	24,949	(37,319)
Grants	40,000	40,000	42,263	2,263
Fines and forfeitures	6,200	6,200	2,937	(3,263)
Interest	-	-	354	354
Miscellaneous	2,900	2,900	4,496	1,596
Capital Improvement	67,776	67,776	-	(67,776)
Total revenues	528,794	528,794	629,175	100,381
Expenditures				
Current				
General government	165,150	165,150	235,225	(70,075)
Public safety	81,118	81,118	88,589	(7,471)
Public works	108,400	108,400	42,028	66,372
Culture and recreation	66,150	66,150	53,963	12,187
Capital outlay	59,000	59,000	34,417	24,583
Total expenditures	479,818	479,818	454,222	25,596
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	48,976	48,976	174,953	74,785
Fund Balances - Beginning of Year	446,663	446,663	446,663	-
Fund Balances - End of Year	$ 495,639	$ 495,639	$ 621,616	$ 74,785

See the accompanying Independent Auditor's Report.

TOWN OF NATURITA, COLORADO

LODGING TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues				
Taxes				
Sales and use	$ 15,000	$ 15,000	$ 15,643	$ 643
Interest	83	83	48	-35
Total revenues	15,083	15,083	15,691	608
EXPENDITURES				
Current - general government	14,700	14,700	25,359	(10,659)
Total expenditures	14,700	14,700	25,359	(10,659)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	383	383	(9,668)	(10,051)
Fund balance beginning of year	59,730	59,730	59,730	-
Fund balance end of year	60,113	60,113	50,062	(10,051)

See the accompanying Independent Auditor's Report.

TOWN OF NATURITA, COLORADO

CONSERVATION TRUST SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues				
Intergovernmental	$ 6,260	$ 6,260	$ 5,360	$ (900)
Contingency (park grant match)	35,000	35,000	-	(35,000)
Miscellaneous	74	74	46	(28)
Total revenues	41,334	41,334	5,406	(35,928)
Expenditures				
Current				
Culture and recreation	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,666)	(8,666)	5,406	14,072
Fund balance beginning of year	6,191	54,196	48,790	(5,406)
Fund balance end of year	(2,475)	45,530	54,196	8,666

See the accompanying Independent Auditor's Report.

TOWN OF NATURITA, COLORADO

STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2020

	Utility Enterprise Fund
ASSETS	
Current Assets	
Cash and investments	$ 664,806
Accounts receivable, net	45,965
Total Current Assets	710,771
Non-current Assets	
Capital assets:	
Property, plant and equipment	3,650,022
Accumulated depreciation	(2,356,939)
Total Non-current Assets	1,293,083
Total assets	2,003,854
LIABILITIES AND NET POSITION	
Liabilities	
Current Liabilities	
Customer deposits	45,297
Current portion of long-term debt	6,177
Total Current Liabilities	51,474
Long-term note payable, less current portion	68,724
Total liabilities	120,198
Net position	
Net investment in capital assets	1,218,182
Unrestricted	665,474
Total net position	$ 1,883,656

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

TOWN OF NATURITA, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND

For the Year Ended December 31, 2020

		Utility Enterprise Fund
Operating revenues		
Charges for services	$	500,766
Operating expenses		
Personnel		68,659
Operating expenses		134,937
Purchased services		115,957
Other services		4,950
Equipment expenses		5,417
Depreciation		64,194
Total operating expenses		394,144
Operating income (loss)		106,622
Nonoperating revenues (expenses)		
Interest income		410
Interest expense		(661)
Total nonoperating revenues (expenses)		(251)
Change in net position		106,371
Net position at beginning of year		1,777,285
Net position at end of year	$	1,883,656

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

TOWN OF NATURITA, COLORADO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Utility Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	$ 503,921
Cash paid to suppliers	(280,587)
Cash paid to employees	(68,689)
Net cash provided (used) by operating activities	154,645
Cash flows from capital and related financing activities:	
Additions to capital assets	(22,459)
Loan Principal Payments	(6,116)
Loan interest payments and fiscal charges	(661)
Net cash (used) by noncapital financing activities	(29,236)
Cash flows from investing activities:	
Interest received	410
Net increase in cash	125,409
Cash - Beginning of year	539,397
Cash - End of year	$ 664,806
Reconciliation of net operating income (Loss) to net cash provided (used) by operating activities:	
Net operating income (loss)	$ 106,622
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	64,194
(Increase) Decrease in:	
Accounts receivable	(557)
Increase (decrease) in:	
Accounts payable	(3,909)
Interfund	(15,417)
Customer deposits	3,712
Total adjustments	48,023
Net cash provided (used) by operating activities	$ 154,645

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Town of Naturita, Colorado was formed in September 1950. The governing body of the Town is an elected seven-member Board of Trustees, headed by a Mayor.

The Town's financial statements include the accounts and operations of all Town functions including, but not limited to, public safety, street construction and maintenance, water and sanitation, culture and general administration as provided by the Town charter.

The accounting policies of the Town of Naturita conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principals.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements summarize information of the governmental and business-type activities of the Town. Governmental activities, which are generally financed by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from Business-type activities, which are financed in whole or in part by fees and charges made to external parties.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

Government-Wide and Proprietary Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, liabilities, deferred inflows, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

The General Fund is the general operating fund of the Town. It accounts for all activities of the general government except those required to be accounted for in another fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Lodging Tax Fund is a special revenue fund that accounts for lodging tax revenues, which must be expended on advertising and marketing local tourism, as required by C.R.S. 30-11-107.5.

The Conservation Trust Fund is a special revenue fund that accounts for the proceeds of lottery funds received from the State of Colorado.

The Town reports the following major proprietary fund:

The Utility Fund accounts for all activities associated with providing water and sewer services to customers within the water and sewer service area.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity has not been eliminated in the fund financial statements, if any.

Amounts reported as program revenues include:

1. Charges to customers for goods and services

2. Operating grants and contributions

3. Capital grants and contributions

Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include operating expenses, purchased services, other charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Equity and Fund Balances

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints. Note that not all of these classifications may be used in a given year.

• Non-spendable fund balance - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

• Restricted fund balance - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

• Committed fund balance - The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.

• Assigned fund balance - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.

• Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted assets first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

5. Assets, Liabilities, and Net Position

Cash and Investments

Cash includes amounts in demand deposits.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued

Colorado State Statutes limit the local governments to the following types of investments:

- Obligations of the United States or obligations unconditionally guaranteed by the United States
- Bonds of the State of Colorado and its political subdivisions
- Certain obligations secured by mortgages
- Bankers acceptances
- Commercial paper
- State investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts

Interfund Receivables and Payables

Receivables and payables classified as "due from other funds" or "·due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statement as "internal balances".

Property Taxes

Property taxes as set by the Board of Trustees are collected by the County Treasurer. The County Treasurer remits property taxes collected to the Town by the 10th day of the month following collection. Property taxes receivable represent 2020 taxes collectible in 2021 and are also shown as deferred inflows. Following are details of the property tax calendar:

Levy date:	December 22 (prior year)
Lien date	January I (current year)
First 1/2 installment due:	February 28
Second 1/2 installment due:	June 15
If paid in full:	April 30

Accounts Receivable

The Town considers accounts receivable for the Utility fund to be fully collectible because the Town can place liens on individual properties. Therefore, the associated allowance for doubtful accounts is zero.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town has elected to apply the standards related to infrastructure assets prospectively. Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are valued at their estimated fair value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable.

Capital assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

	Estimated lives
Building and improvements	40 years
Utility plant and system	15 to 50 years
Equipment	3 to 10 years
Infrastructure	40 years

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Contraband Seizures

The Town received no seizure funds in 2020.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual appropriated expenditure budgets are adopted for all governmental funds on the modified accrual basis of accounting. An annual appropriation budget is also adopted for the proprietary fund on the accrual basis modified to include capital expenditures and debt service principal payments and to exclude depreciation. The budget is prepared by the Town Clerk. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar follow:

October 15	Statutory deadline for submission of proposed budget to Board of Trustees
December 15	Statutory deadline for certification of all mill levies to the Board of County Commissioners
December 22	Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

On or before December 31, the Board of Trustees enacts an ordinance appropriating the budgets for the ensuing fiscal year. The Board of Trustees may amend the appropriation at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the Board of Trustees is at the fund level, the Town prepares a line item budget by department and cost center for control at the line item level. Budget reallocation between funds requires the Board of Trustees approval through a supplemental appropriation.

Excess of Expenditures Over Appropriations

Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated. The Town's Lodging Tax Fund expenditures exceeded the board approved appropriations for 2020.

NOTE C: – CASH AND INVESTMENTS

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the aggregate amount of public funds held which exceed the amount insured by federal deposit insurance. Deposits must be made in financial institutions in the State of Colorado.

The composition of all cash and investments held by the Town at December 31, 2020 is as follows:

Cash on hand	$ 731
Insured by FDIC	250,000
Collateralized as noted above	1,122,646
Total	1,373,377
Plus reconciling items	5,236
Total cash and investments	$ 2,751,989

NOTE D: – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not depreciated:				
Land	$ 147,215	$ 2,038	$ -	$ 149,253
Construction in Progress	75,000	26,385	-	101,385
Total capital assets, not depreciated	222,215	28,423	-	250,638
Capital assets, being depreciated:				
Buildings	238,481	-	-	238,481
Equipment	173,252	58,575	16,944	214,883
Infrastructure	1,151,021	-	-	1,151,021
Total capital assets depreciated	1,562,754	58,575	16,944	1,604,385
Less, accumlated depreciation:				
Buildings	171,566	4,248	-	175,815
Equipment	137,208	17,245	16,944	137,509
Infrastructure	150,989	29,180	-	180,169
Total Accumulated Depreciation	459,763	50,673	16,944	493,493
Total capital assets depreciated, net	1,102,990	7,902	-	1,110,892
Govt activities captial assets, net	$ 1,325,205	$ 36,325	$ -	$ 1,361,530

NOTE D: – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities		
Public safety	$	619
Public works		47,432
Culture and recreation		2,523
Total depreciation expense - governmental activities	$	50,573

Business-type Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	$ 67,870	$ -	$ -	$ 67,870
Water Shares	10,000	-	-	10,000
Total capital assets, not being depreciated	77,870	-	-	77,870
Capital assets, being depreciated				
Buildings and Systems	3,546,745	-	5,475	3,541,270
Equipment	46,680	22,459	38,257	30,883
Total assets, being depreciated	3,593,425	22,459	43,732	3,572,153
Less, accumulated depreciation				
Buildings and Systems	2,295,311	59,766	5,475	2,349,602
Equipment	41,168	4,428	38,257	7,339
Total accumulated depreciation	2,336,479	64,194	43,732	2,356,941
Total capital assets being depreciated	1,256,946	(41,735)	-	1,215,212
Business activities captial assets, net	$ 1,334,816	$ (41,735)	$ -	$ 1,293,081

NOTE E: - LONG-TERM LIABILITIES

Business-type Activities - The following summarizes the changes in the Town's business-type long-term debt activities for the year ended December 31, 2020:

	Balance 12/31/2019	Additions	Reduction	Balance 12/31/2020	Due Within One Year
Business-type Activities					
CWRPDA Sewer Loan	$ 81,017	$ -	$ 6,116	$ 74,901	$ 6,177

Sewer Plant Loan

Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest there on at the rate of 1.0% per annum. The full amount of the loan of $200,000 was required to be recorded at closing, with the undistributed funds recorded as a grant receivable. Not all of the available loan was needed and an adjustment of $69,936 was made to the loan during 2014. Principal and interest are payable May 1 and November 1, with the final payment due May 1, 2032. The loan matures as follows:

	Principal	Interest	Total	Balance 31-Dec
2021	$ 6,177	$ 734	$ 6,911	$ 68,723
2022	6,239	672	6,911	62,484
2023	6,302	609	6,911	56,182
2024	6,365	546	6,911	49,817
2025	6,429	482	6,911	43,388
2026-2030	33,124	1,431	34,555	10,264
2031-2032	10,264	103	10,366	-
	$ 74,901	$ 4,576	$ 79,477	

The Town has the option to prepay the loan, in whole or in part, upon prior written notice. The Town has pledged the net revenues of the wastewater treatment system. The loan agreement requires the Town to maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses and to meet a rate covenant. The calculations to verify these requirements have been defined by CWRPDA.

NOTE E: LONG-TERM DEBT (Continued)

The operation and maintenance reserve calculation is that current assets minus current liabilities needs to be greater than the result of operating expenses less depreciation times .25. For 2020

Current assets	$710,771
Current liabilities	60,713
	$650,058
Operating exp - depreciation	330,610
times .25	$82,653

Therefore, the operation and maintenance reserve requirement is met.

The rate covenant calculation is that total system revenues less operating expenses (without depreciation) divided by annual debt service needs to be greater than or equal to 1.10. For 2020 the calculation is:

2021 Debt Service (principal & interest)	6,911
Multiply by 1.1	7,602
Total revenue	501,175
Total operating expense	394,804
Less depreciation	64,194
	330,610
Net revenues (Total revenue less total expense) (not including depreciation)	170,565

The Town passed an ordinance during 2014 to increase rates over the next five years to allow continued compliance with this requirement. Rates were raised in 2015 and again in 2019.

NOTE F - TAX, SPENDING AND DEBT LIMITATIONS

In November of 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments. TABOR is complex and subject to interpretation. The Town believes it is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices. The amendment also requires 3% emergency reserve to be set up on all Town expenditures covered by the amendment. The Town has set this required emergency reserve for all amendment expenditures in the General Fund Balance under Restricted for emergencies.

NOTE G - RISK MANAGEMENT

The Town is one of several local governments which are members of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. Coverage is provided through pooling of self-insured losses and the purchase of stop-loss insurance coverage. CIRSA is governed by a seven-member board elected by and from its members. The governing board is autonomous as to budgeting and fiscal matters.

CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town is exposed to various risks of loss related to workers compensation and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage.

The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To address such risks, the Town is a participant in the public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $500,000 per claim or occurrence for property damage, $600,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2020. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, reestimation of losses for those years and funds, and credits or distributions from surplus for those years and funds. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The board of directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency. For 2020, the Town's deductible for property and liability claims per occurrence is $1,000 for each. The auto liability deductible and the auto physical damage deductible are both $1,000 per occurrence.

The Town carries no deductible for workers Compensation coverage. CIRSA's coverage for workers' compensation claims are the Colorado statutory limits of $500,000 per occurrence and $1,000,000 for employer liability.

NOTE G - RISK MANAGEMENT (continued)

The Town also carries accident medical insurance coverage through CIRSA. This provides a medical coverage for a minor injury a volunteer receives when serving the Town in a volunteer capacity such as a community service worker, volunteer trail work, or volunteer coaching for recreation. Coverage is $15,000 per occurrence with a $25 deductible.

The Town's 2020 contributions to CIRSA were $13,229.

NOTE H - INTERFUND BALANCES AND TRANSFERS

No interfund transfers were made and no interfund balances are due in 2020.

NOTE I - DEFINED CONTRIBUTION PLAN

In October 2018 the Town started providing retirement benefits for all full-time employees through a defined contribution plan administered by the Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Under the defined contribution plan, the Town has agreed to pay $150 per month into the plan for qualifying employees. Employees are eligible to participate in the plan following one year of employment. The plan provides retirement benefits based upon the employee's vested account. A participant becomes 100% vested upon completion of five years of covered service. Amounts forfeited by employees who leave employment before they become fully vested are divided up among the remaining participants in the plan. Under the plan, employees direct the investment of the contributions among several investment options available through an outside plan administrator.

For the year ended December 31, 2020, the Town contributed $6,375 to the plan.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated potential subsequent event disclosures through the date of availability of financial statements for issuance. Beginning in 2020, there was a worldwide pandemic from the Coronavirus. It is clear that there will be potential short and long-term effects from local to global economies. It is unclear what these effects will be for the Town at the date of the auditor's report.

SUPPLEMENTARY INFORMATION

TOWN OF NATURITA, COLORADO

UTILITY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	2020			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Revenues				
Charges for services	$ 492,500	$ 492,500	500,680	$ (8,180)
Grant proceeds	684,328	684,328	-	684,328
Other	750	750	496	254
Total revenues	1,177,578	1,177,578	501,176	676,402
Expenditures				
Personal services	132,800	118,600	68,689	49,911
Operating expenses	159,125	159,125	134,937	24,188
Purchased services	116,000	117,650	115,957	1,693
Other charges	5,240	11,300	4,950	6,350
Interest and principal	13,405	13,405	6,777	6,628
Capital outlay	600,000	600,000	27,876	572,124
Contingency	76,325	76,325	-	76,325
Total expenditures	1,102,895	1,096,405	359,186	737,219
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES	$ 74,683	$ 81,173	$ 141,990	$ 60,817
RECONCILIATION TO GAAP BASIS:				
Add: Loan principal payments			6,116	
Add: Capital asset additions			22,459	
Deduct: Depreciation			(64,194)	
CHANGE IN NET POSITION - GAAP BASIS			$ 106,371	

See the accompanying Independent Auditor's Report.

STATE REQUIRED REPORT SECTION

The public report burden for this information collection is estimated to average 180 hours annually | Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County:	Town of Naturita
	YEAR ENDING : December 2020	
This Information From The Records Of (example - City of _ or County of _	Prepared By: 970-865-2286	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	0
4. Miscellaneous local receipts (from page 2)	2,189
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)	2,189
B. Private Contributions	
C. Receipts from State government (from page 2)	22,599
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	24,788

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	3,254
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	120
c. Other	78
d. Total (a. through c.)	198
4. General administration & miscellaneous	
5. Highway law enforcement and safety	52,968
6. Total (1 through 5)	56,420
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)	56,420

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
	24,788	56,420		(31,632)

Notes and Comments:

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LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2020

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	2,189
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		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	2,189
	(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	20,016	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	2,583	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.)	2,583	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	22,599	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			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: