TOWN OF NUCLA, COLORADO
FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S
REPORT
December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nucla, Colorado, as of and for the year ended December 31, 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

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Nucla, Colorado, as of December 31, 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.

Report on Summarized Comparative Information

I have previously audited the Town of Nucla's 2019 financial statements, and I expressed an unmodified audit opinion on those financial statements in my report dated September 10, 2020. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and pages 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Kelly Neal Scats, CPA, PC

September 30, 2021
Delta, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Nucla, we offer readers of the Town of Nucla's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020.

Financial Highlights

As of the close of the year, the Town had $379,389 in combined ending cash and investment balances compared to $530,860 in combined ending cash and investment balances for the previous year. The reason for this decrease is in part attributable to the increase in capital expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, emergency medical fund and the capital improvement fund, which are considered to be major funds. Data from the other governmental fund is also presented. Individual fund data for the nonmajor governmental fund is provided in the form of combining statements elsewhere in the report.

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's assets exceeded liabilities by $4,558,061 at the close of the year 2020.

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

Town of Nucla's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	$469,978	$310,281	$323,177	$217,390	793,155	527,671
Capital assets	1,238,154	1,329,353	2,695,720	2,823,104	3,933,874	4,152,457
Total assets	1,708,132	1,639,634	3,018,897	3,040,494	4,727,029	4,680,128
Long-term liabilities			43,231	33,201	43,231	33,201
Other liabilities	131,683	16,633	90,148	16,638	221,831	33,271
Deferred inflows	54,288	55,586			54,288	55,586
Net assets:						
Invested in capital assets, net of related debt	1,238,154	1,329,353	2,642,937	2,779,873	3,881,091	4,109,226
Restricted	254,463	181,962			254,463	181,962
Unrestricted	29,544	56,100	242,581	210,773	272,125	266,873
Total net assets	1,522,161	1,567,415	2,885,518	2,990,646	4,407,679	4,558,061

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

Town of Nucla's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services			418,828	452,713	418,828	452,713
Fees and fines	11,869	17,053			11,869	17,053
Operating grants	86,674	92,113			86,674	92,113
Capital grants	555,161	8,125	566,158	216,939	1,121,319	225,064
General revenues:						
Taxes:						
Property tax	63,781	64,069			63,781	64,069
Sales tax	287,209	344,996			287,209	344,996
Franchise tax	6,023	8,098			6,023	8,098
Severance tax	7,873	836			7,873	836
Other taxes		552				552
Donations	35	8			35	8
Miscellaneous	8,652	15,338			8,652	15,338
Earnings on investments	370	182	2,764	877	3,134	1,059
Total revenue	1,027,647	551,370	987,750	670,529	2,015,397	1,221,899
Expenses:						
General government	180,252	200,168			180,252	200,168
Public safety	58,690	63,989			58,690	63,989
Parks	80,517	89,211			80,517	89,211
Public works	91,224	112,890			91,224	112,890
Library	41,567	39,858			41,567	39,858
Utilities			566,137	565,401	566,137	565,401
Total expenses	452,250	506,116	566,137	565,401	1,018,387	1,071,517
Increase or (decrease) in net assets	575,397	45,254	421,613	105,128	997,010	150,382
Net assets - January 1	946,764	1,522,161	2,463,905	2,885,518	3,410,669	4,407,679
Net assets - December 31	1,522,161	1,567,415	2,885,518	2,990,646	4,407,679	4,558,061

Financial Analysis of the Town's Funds

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

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

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

General Fund Budgetary Highlights

The Town General Fund did not exceed the budget in expenditures for the year ended December 31, 2019.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business type activities as of December 31, 2020 amounts to $4,152,456 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and roads.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	18,500	18,500	40,703	40,703	59,203	59,203
Land improvements	364,089	342,052	49,418	43,336	413,507	385,388
Infrastructure	19,583	15,665			19,583	15,665
Transmission and distribution systems			1,498,729	1,420,490	1,498,729	1,420,490
Buildings	70,857	65,793	1,658	1,242	72,515	67,035
Equipment	18,967	21,633			18,967	21,633
Construction in Progress	746,158	865,710	1,105,212	1,317,332	1,851,370	2,183,042
Total	1,238,154	1,329,353	2,695,720	2,823,103	3,933,874	4,152,456

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

Long-term debt. At the end of the current fiscal year, the Town of Nucla had a $43,231 unsecured Note payable to the Colorado Department of Local Affairs.

Town of Nucla's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Note payable			52,783	43,231	52,783	43,231
Total	0	0	52,783	43,231	52,783	43,231

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

Economic Factors and Next Year's Budgets

The economic condition and outlook for the Town's General Fund in the upcoming year is positive. Sales tax increased by 20% for the year ended December 31, 2020. The Town's enterprise funds are falling short of operating and maintenance costs and we need to focus on replacing aging infrastructure. We were successful in obtaining a grant from the Colorado Department of Local Affairs for Main Street Improvements in the amount of $165,521, however, when applying for the grant we did not budget for the infrastructure underneath so an extension to begin and complete the project was granted. We made great progress towards completing the Rodeo Arena project as well as the Waste Water Treatment Facility project. The Town is looking forward to economic growth to sustain the sales tax supported governmental funds, and we will need to raise enterprise funds rates to prepare for future needs.

Requests for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF NUCLA, COLORADO

Statement of Net Position

December 31, 2020

		Governmental Activities	Business-type Activities	Total
ASSETS				
Cash and cash equivalents	$	194,952	184,437	379,389
Receivables, net				
Accounts		-	33,651	33,651
Sales tax		54,948		54,948
Property tax		55,586		55,586
Due from other governments		4,097	-	4,097
Due from (to) other funds		698	(698)	-
Capital assets				
(net of accumlutated depreciation)				
Land, right-of-way and easements		18,500	40,703	59,203
Land improvements		342,052	43,336	385,388
Infrastructure		15,665		15,665
Transmission and distribution systems			1,420,490	1,420,490
Buildings and improvements		65,793	1,243	67,036
Equipment		21,633	-	21,633
Construction in progress		865,710	1,317,332	2,183,042
Total assets		1,639,634	3,040,494	4,680,128
LIABILITIES				
Liabilities:				
Accounts payable		8,313	211	8,524
Accrued payroll taxes		3,600		3,600
Accrued payroll and vacation		4,720	5,684	10,404
Interest payable			722	722
Noncurrent liabilities				
Due within one year			10,030	10,030
Due in more than one year			33,201	33,201
Total liabilities		16,633	49,848	66,481
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property tax		55,586		55,586
Total deferred inflows of resources		55,586	-	55,586
NET POSITION				
Net investment in capital assets		1,329,353	2,779,873	4,109,226
Restricted for:				
Capital improvements		66,038		66,038
Emergency medical care		14,752		14,752
Other purposes		101,172		101,172
Unrestricted		56,100	210,773	266,873
Total net position	$	1,567,415	2,990,646	4,558,061

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

TOWN OF NUCLA, COLORADO
Statement of Activities
For the year ended December 31, 2020

		Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
GOVERNMENTAL ACTIVITIES:								
General government	$	200,168	13,334	6,974	-	(179,860)		(179,860)
Public safety		63,989	809	-	-	(63,180)		(63,180)
Public works		89,211	-	24,815	-	(64,396)		(64,396)
Parks		112,890	2,910	55,824	8,125	(46.031)		(46.031)
Library		39,858	-	4,500	-	(35.358)		(35.358)
Total governmental activities		506,116	17,053	92,113	8,125	(388,825)		(388,825)
BUSINESS-TYPE ACTIVITIES:								
Water		392,185	319,859				(72,326)	(72,326)
Sewer		173,216	132,854		216,939		176,577	176,577
Total business-type activities		565,401	452,713	-	216,939		104,251	104,251
Total	$	1,071,517	469,766	92,113	225,064	(388,825)	104,251	(284,574)

		Governmental Activities	Business-Type Activities	Total
General Revenues:				
Taxes				
Property taxes	$	64,069		64,069
Sales taxes		344,996		344,996
Franchise and occupational taxes		8,098		8,098
Severance taxes		836		836
Other taxes		552		552
Donations		8		8
Miscellaneous		15,338		15,338
Earnings on investments		182	877	1,059
Total general revenues and transfers		434,079	877	434,956
Change in net position		45,254	105,128	150,382
NET POSITION - JANUARY 1		1,522,161	2,885,518	4,407,679
NET POSITION - DECEMBER 31	$	1,567,415	2,990,646	4,558,061

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

FUND FINANCIAL STATEMENTS

TOWN OF NUCLA, COLORADO
Balance Sheet
Governmental Funds
December 31, 2020
(With comparative totals for December 31, 2019)

	General Fund	Capital Improvement Fund	Emergency Medical Care Fund	Other Governmental Funds	Total 2020	Total 2019
ASSETS						
Cash and cash equivalents	$ 57,464	52,301	1,015	84,172	194,952	307,724
Due from other funds	698				698	4,184
Receivables, net						
Sales tax	27,474	13,737	13,737		54,948	47,588
Property tax	55,586				55,586	54,288
Due from other governments	4,097				4,097	56,194
Total assets	$ 145,319	66,038	14,752	84,172	310,281	469,978
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 8,313				8,313	127,907
Accrued payroll taxes	3,600				3,600	
Accrued payroll and vacation	4,720				4,720	3,776
Total liabilities	16,633	-	-	-	16,633	131,683
Deferred inflows of resources						
Unavailable revenue						
Property tax	55,586				55,586	54,288
Total deferred inflows of resources	55,586	-	-	-	55,586	54,288
Fund Balances:						
Restricted for:						
Emergency	17,000				17,000	30,000
Capital improvement		66,038			66,038	124,858
Emergency medical care			14,752		14,752	12,910
Nonmajor special revenue funds				84,172	84,172	86,695
Assigned for:						
Subsequent year's expenditures	56,100				56,100	29,544
Unassigned:						
General fund					-	-
Total fund balances	73,100	66,038	14,752	84,172	238,062	284,007
Total liabilities, deferred inflows and fund balances	$ 145,319	66,038	14,752	84,172	310,281	469,978

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

TOWN OF NUCLA, COLORADO

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2020

Total fund balances for governmental funds		$ 238,062
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	18,500	
Land improvements, net of $237,122 accumulated depreciation	342,052	
Infrastructure, net of $103,857 accumulated depreciation	15,665	
Buildings and improvements, net of $122,933 accumulated depreciation	65,793	
Equipment, net of $452,224 accumulated depreciation	21,633	
Construction in progress	865,710	
Total capital assets		1,329,353
Total net position of governmental activities		$ 1,567,415

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

TOWN OF NUCLA, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2020
(With comparative totals for the year ended December 31, 2019)

		General Fund	Capital Improvement Fund	Emergency Medical Care Fund	Other Governmental Funds	Total Governmental Funds 2020	Total Governmental Funds 2019
REVENUES							
Taxes	$	265,096	78,571	78,571		422,238	364,886
Licenses and permits		6,295				6,295	3,326
Intergovernmental							
Federal		13,184				13,184	1,265
State		32,242	8,125		7,239	47,606	592,529
County		-	-		40,000	40,000	48,041
Miscellaneous		25,288	101	2	47	25,438	13,822
Public safety		809				809	3,778
Total revenues		342,914	86,797	78,573	47,286	555,570	1,027,647
EXPENDITURES							
Current:							
General government		105,597	16,164	76,731		198,492	178,576
Public safety		63,989				63,989	58,690
Public works		77,108				77,108	54,426
Parks		68,898			-	68,898	41,307
Library		37,061				37,061	38,769
Capital outlay:							
Equipment		-	21,945			21,945	6,866
Land improvements		5,175	128,847		-	134,022	737,914
Total expenditures		357,828	166,956	76,731	-	601,515	1,116,548
Excess (deficit) of revenues over expenditures		(14,914)	(80,159)	1,842	47,286	(45,945)	(88,901)
OTHER FINANCING SOURCES (USES)							
Operating transfers in		28,470	21,339			49,809	46,503
Operating transfers out					(49,809)	(49,809)	(46,503)
Total other financing sources (uses)		28,470	21,339	-	(49,809)	-	-
Net change in fund balances		13,556	(58,820)	1,842	(2,523)	(45,945)	(88,901)
FUND BALANCES, JANUARY 1		59,544	124,858	12,910	86,695	284,007	372,908
FUND BLANCES, DECEMBER 31	$	73,100	66,038	14,752	84,172	238,062	284,007

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

TOWN OF NUCLA, COLORADO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2020

Net change in fund balances - total governmental funds	$	(45,945)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($155,967) exceeded depreciation - ($60,568) and the net book amount for equipment traded in - ($4,200)		91,199
Change in net position of governmental activities	$	45,254

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

TOWN OF NUCLA, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2020 and 2019

		Business-type Activities Enterprise Funds					
		Water Fund		Sewer Fund		Total	
		2020	2019	2020	2019	2020	2019
ASSETS							
Current assets:							
Cash and cash equivalents	$	49,583	90,218	134,854	132,918	184,437	223,136
Due from other funds					3,009	-	3,009
Accounts receivable, net of allowance for uncollectibles		23,040	21,193	10,611	8,418	33,651	29,611
Due from other governments					74,614	-	74,614
Total current assets		72,623	111,411	145,465	218,959	218,088	330,370
Property, plant and equipment - net of depreciation							
Land, right-of-way and easements		36,094	36,094	4,609	4,609	40,703	40,703
Land improvements and storage reservoirs		43,336	49,418			43,336	49,418
Transmission and distribution systems		831,229	873,875	589,261	624,854	1,420,490	1,498,729
Buildings and improvements		1,243	1,658	-	-	1,243	1,658
Equipment		-	-	-	-	-	-
Construction in progress				1,317,332	1,105,212	1,317,332	1,105,212
Total property plant and equipment - net		911,902	961,045	1,911,202	1,734,675	2,823,104	2,695,720
Total assets		984,525	1,072,456	2,056,667	1,953,634	3,041,192	3,026,090
LIABILITIES							
Current liabilities:							
Accounts payable		20	523	191	72,612	211	73,135
Accrued payroll and vacation		2,978	3,661	2,706	2,918	5,684	6,579
Due to other funds		457	5,455	241	1,738	698	7,193
Interest payable		722	882			722	882
Long term debt due in one year:							
Note payable		10,030	9,552			10,030	9,552
Total current liabilities		14,207	20,073	3,138	77,268	17,345	97,341
Long Term Debt							
Note payable		43,231	52,783			43,231	52,783
Less amounts due in one year		(10,030)	(9,552)			(10,030)	(9,552)
Total net long term debt		33,201	43,231	-	-	33,201	43,231
Total liabilities		47,408	63,304	3,138	77,268	50,546	140,572
NET POSITION							
Net investment in capital assets		868,671	908,262	1,911,202	1,734,675	2,779,873	2,642,937
Unrestricted		68,446	100,890	142,327	141,691	210,773	242,581
Total net position	$	937,117	1,009,152	2,053,529	1,876,366	2,990,646	2,885,518

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

TOWN OF NUCLA, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the years ended December 31, 2020 and 2019

		Business-type Activities Enterprise Funds					
		Water Fund		Sewer Fund		Total	
		2020	2019	2020	2019	2020	2019
OPERATING REVENUES							
Charges for services	$	281,779	262,298	129,808	122,332	411,587	384,630
Meter improvements		9,103	9,140			9,103	9,140
Raw water		21,005	19,952			21,005	19,952
Tap fees		4,000	-	2,000		6,000	-
Land lease		1,250	1,250			1,250	1,250
Water lease		1,520	1,520			1,520	1,520
Miscellaneous income		1,202	373	1,046	1,963	2,248	2,336
Total operating revenues		319,859	294,533	132,854	124,295	452,713	418,828
OPERATING EXPENSES							
Operations and maintenance		340,561	331,259	137,623	139,682	478,184	470,941
Depreciation		49,144	56,655	35,593	35,599	84,737	92,254
Total operating expenses		389,705	387,914	173,216	175,281	562,921	563,195
Operating income (loss)		(69,846)	(93,381)	(40,362)	(50,986)	(110,208)	(144,367)
NON-OPERATING REVENUES (EXPENSES)							
Interest income		291	932	586	1,832	877	2,764
Interest expense		(2,480)	(2,942)			(2,480)	(2,942)
Federal grant				216,939	566,158	216,939	566,158
Net nonoperating revenues (expenses)		(2,189)	(2,010)	217,525	567,990	215,336	565,980
Change in net position		(72,035)	(95,391)	177,163	517,004	105,128	421,613
TOTAL NET POSITION, JANUARY 1		1,009,152	1,104,543	1,876,366	1,359,362	2,885,518	2,463,905
TOTAL NET POSITION, DECEMBER 31	$	937,117	1,009,152	2,053,529	1,876,366	2,990,646	2,885,518

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

TOWN OF NUCLA, COLORADO
Statement of Cash Flows
Proprietary Funds
For the years ended December 31, 2020 and 2019

		Business-type Activities Enterprise Funds			
		Water Fund		Sewer Fund	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	$	318,012	298,797	130,661	125,198
Interfund borrowing		(4,998)	3,353	1,516	(2,878)
Payments to suppliers		(281,902)	(254,018)	(163,180)	(20,318)
Payments to employees		(59,845)	(78,673)	(47,076)	(66,479)
Net cash provided by (used in) operating activities		(28,733)	(30,541)	(78,079)	35,523
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets		-	-	(212,119)	(585,562)
Federal grant		-	-	291,548	504,860
Principal paid on long-term debt		(9,552)	(9,098)		
Interest paid on long-term debt		(2,641)	(3,093)		
Net cash provided by (used in) capital and related financing activities		(12,193)	(12,191)	79,429	(80,702)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments		291	932	586	1,832
Net cash provided by (used in) investing activities		291	932	586	1,832
Net increase (decrease) in cash and cash equivalents		(40,635)	(41,800)	1,936	(43,347)
CASH AND CASH EQUIVALENTS, JANUARY 1		90,218	132,018	132,918	176,265
CASH AND CASH EQUIVALENTS, DECEMBER 31	$	49,583	90,218	134,854	132,918
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$	(69,846)	(71,626)	(40,362)	(14,830)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation		49,144	76,577	35,593	36,099
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable		(1,847)	(4,140)	(2,193)	(2,512)
Increase (decrease) in accounts payable		(503)	14,726	(72,421)	6,698
Increase (decrease) in due from other funds		(4,998)		1,516	
Increase (decrease) in accrued payroll and vacation		(683)	(981)	(212)	(1,159)
Net cash provided by (used in) operating activities	$	(28,733)	14,556	(78,079)	24,296

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

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

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

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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

The Town reports the following major governmental funds:

General Fund. This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

The Town reports the following major enterprise funds:

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY

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

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

Property taxes. Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion.

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

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

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

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

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

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

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

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

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

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

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

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

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

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

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgets:

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

Originally adopted budgeted expenditures, amendments and the final, amended budgeted expenditures for the year ended December 31, 2020 are as follows:

		ORIGINAL BUDGET	AMENDMENT	FINAL BUDGET
General Fund	$	510,787		510,787
Captial Improvement Fund		349,499		349,499
Emergency Medical Care Fund		60,597		60,597
Nonmajor governmental funds		131,036		131,036
Water Fund		394,860		394,860
Sewer Fund		701,223		701,223
	$	2,148,002		2,148,002

For the year ended December 31, 2020 the Town spent amounts in excess of the amounts budgeted in the Emergency Medical Fund which may be a violation of Colorado State law.

2 – DEPOSITS & INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least be equal to 102% of the aggregate uninsured deposits.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for deposits allows funds to be placed in any account that is guaranteed by the Federal Deposit Insurance Corporation with remaining amounts collateralized by securities pledged by the financial institution. As of December 31, 2020, none of the Town's bank balances of $336,461 were exposed to custodial credit risk as $250,000 was insured and $86,461 was collateralized by securities pledged by financial institutions.

INVESTMENTS

At December 31, 2020, the Town had the following investments:

Description	Weighted Maturity	Fair Value
Colotrust Plus+	N/A	$133,268

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

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The Town's general investment policy is to apply the prudent-person rule: Prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2020, the Town's investment in Colotrust Plus+ was rated AAAm by Standard & Poor's.

2 – DEPOSITS & INVESTMENTS (continued)

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

3 – ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2020, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 – JOINT VENTURE

Mustang Water Authority

The Town is a participant with another municipality in a joint venture to operate the Mustang Water Authority, a water treatment facility. The Authority is governed by a board consisting of five representatives, with the municipalities appointing two representatives each and the four appointed representatives appointing the remaining representative. The Town is obligated by contract to purchase the treatment of 60 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, at rates set by the Authority. The Town paid the Authority $174,000 for treated water for the year ended December 31, 2020.

6 – SHORT-TERM DEBT

During the year ended December 31, 2020, the Town had no short term debt transactions.

7 – LONG-TERM LIABILITIES

A. Town of Nucla Note Payable from Enterprise Fund

Note payable from the Water Fund includes:

$ 93,750 Note payable, 2014, to Colorado Department of Local Affairs due in annual installments of $12,192 from 2015 to 2024 including interest at 5% per annum	$ 43,231

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

	PRINCIPAL	INTEREST
2021	10,030	2,162
2022	10,532	1,660
2023	11,058	1,133
2024	11,611	581
	$ 43,231	5,536

B. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	BALANCE BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE END OF YEAR	DUE WITHIN ONE YEAR
Business-type activities:					
Note payable	$ 52,783		9,552	43,231	10,030

C. Capitalized interest and interest charged to expense

For the year ended December 31, 2020, no interest in the major enterprise funds was capitalized and $2,480 was charged to expense in the Water Fund.

8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances for advances and transfers on operating expense at December 31, 2020 are as follows:

FUND	INTERFUND RECEIVABLE	PAYABLE
General Fund	$ 698	
Water Fund		457
Sewer Fund		241
TOTAL	$ 698	698

The Water & Sewer Funds reimbursed the General Fund for the above advances in 2020.

FUND	TRANSFERS IN	OUT
General Fund	$ 28,470	
Capital Improvement Fund	21,339	
Other Governmental Funds		49,809
TOTAL	$ 49,809	49,809

9 – PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for 285 members participating in the Property & Casualty Pool and in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. The Town continues to carry commercial insurance for employee health and accident benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10 – TAX, SPENDING AND DEBT LIMITATIONS

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

11 - CONTINGENT LIABILITIES

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

12 – SUBSEQUENT EVENT

The Town received $89,731 in 2021 of American Rescue Plan Act funds through the State of Colorado. The Town plans to use the money for a water main distribution line.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General property taxes	$ 54,288	52,208	(2,080)	54,945
Specific ownership taxes	7,800	7,975	175	8,693
Penalty and interest on delinquent property taxes	100	1,818	1,718	143
Senior Vet Exemption		2,068	2,068	
Sales tax	110,000	157,141	47,141	127,050
Use tax	25,000	30,713	5,713	33,109
Franchise tax equivalents	6,000	8,098	2,098	6,023
Severance tax	7,700	836	(6,864)	7,873
Motor vehicle fees	3,200	4,239	1,039	3,586
Total taxes	214,088	265,096	51,008	241,422
Licenses and permits				
General:				
Business license	1,600	1,650	50	1,790
Animal license	135	400	265	310
Building permits	800	3,420	2,620	1,101
Special events	100		(100)	125
ATV permits	550	375	(175)	
Liquor license	200	300	100	
Right of way permits		150	150	
Total licenses and permits	3,385	6,295	2,910	3,326
Intergovernmental				
Federal shared revenues:				
Mineral lease	965	99	(866)	965
Library grants	4,800	4,500	(300)	300
Department of Wildlife		8,585	8,585	
State shared revenues:				
Highway users tax	25,000	24,815	(185)	33,855
Cigarette taxes	300	552	252	
Arena grants			-	484,173
Department of local affairs - municode		6,875	6,875	
Main street grant	165,000		(165,000)	
County shared revenues:				
Road & Bridge			-	3,374
Total intergovernmental	196,065	45,426	(150,639)	522,667
Miscellaneous				
Sale of equipment		14,313	14,313	
Arena Reservations	500		(500)	
Park reservations	100	200	100	200
FPCC reservations	3,000	2,710	(290)	3,965
Library donations	100	8	(92)	35
Miscellaneous	3,000	5,225	2,225	8,652
Tower lease	600	2,800	2,200	600
Interest income	50	32	(18)	72
Total miscellaneous	7,350	25,288	17,938	13,524
Public safety:				
Traffic fines/Miscellaneous fines	150	359	209	192
Animal fines	100	450	350	
Total public safety	250	809	559	192
Total revenues	421,138	342,914	(78,224)	781,131

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

		2020			2019
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
General government					
Current					
Salaries	$	20,000	22,594	(2,594)	16,275
Payroll taxes		6,500	1,747	4,753	6,343
Employee benefits		12,100	(504)	12,604	8,684
Payroll expense		220	212	8	
Building inspector		5,000	2,638	2,362	1,991
Hoof & Paw		700		700	
Insurance		2,000	1,981	19	3,316
Printing and publishing		1,600	2,926	(1,326)	1,676
Dues and membership fees		1,250	2,038	(788)	1,702
Office supplies		1,500	192	1,308	2,417
Postage		325	210	115	325
Treasurer's fees		1,300	1,122	178	1,102
Miscellaneous		500	1,366	(866)	3,031
Non-profit donations			8,355	(8,355)	
Auditing		14,000	13,000	1,000	13,391
Legal fees		12,000	28,693	(16,693)	18,046
Professional fees - main street project			9,800	(9,800)	
Repairs and maintenance		250	45	205	90
Training		200		200	161
Community projects				-	700
Supplies				-	371
Utilities		4,300	3,143	1,157	4,199
Mayor/Trustee expense		650	468	182	647
Technology		1,500	1,756	(256)	1,793
Fuel		50		50	
Equipment rental			827	(827)	
Election		2,000	1,655	345	434
Economic development		1,000	1,333	(333)	7,000
Code enforcement		21,000		21,000	
		109,945	105,597	4,348	93,694

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

		2020			2019
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Public safety					
Current:					
Salaries	$	2,640	2,420	220	2,420
Payroll taxes		185	119	66	155
Code enforcement		2,983	6,934	(3,951)	
Supplies		500	225	275	407
Miscellaneous		100	76	24	17
Insurance		250	833	(583)	2,705
Contract services		53,000	53,382	(382)	52,986
Total public safety		59,658	63,989	(4,331)	58,690
Public works					
Current:					
Salaries		25,000	31,723	(6,723)	23,069
Payroll taxes		2,600	2,367	233	1,736
Employee benefits		6,500	6,748	(248)	6,238
Supplies		5,000	9,911	(4,911)	5,180
Utilities		5,100	4,816	284	9,720
Fuel		2,000	2,245	(245)	1,638
Insurance		3,000	2,919	81	2,705
Equipment repairs		5,000	8,764	(3,764)	3,093
Street repair		5,000	435	4,565	
Main Street Grant		165,000		165,000	
Miscellaneous				-	800
Street Lighting		6,200	7,180	(980)	
Training		500		500	247
Total public works		230,900	77,108	153,792	54,426
Parks					
Current:					
Salaries		22,000	24,792	(2,792)	17,268
Payroll taxes		2,000	2,002	(2)	1,348
Employee Benefits		3,000	1,225	1,775	
Supplies		17,200	11,140	6,060	1,696
Insurance		3,000	3,007	(7)	2,783
Cleanup day		7,784	4,815	2,969	
Repairs and maintenance		4,000	5,454	(1,454)	8,298
Utilities		3,000	7,634	(4,634)	6,988
Fuel		1,650	820	830	1,245
Rifle range			3,511	(3,511)	1,681
Portable Toilets		2,100	4,498	(2,398)	
Equipment rental		500		500	
		66,234	68,898	(2,664)	41,307

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
General Fund
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	2020			2019
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Library				
Current:				
Salaries	$ 19,500	17,879	1,621	17,552
Payroll taxes	1,700	1,341	359	1,443
Utilities	3,800	3,361	439	3,294
Supplies	1,750	1,408	342	2,578
Insurance	2,000	1,790	210	3,142
Books	4,000	651	3,349	2,706
Training	300		300	250
Postage	850	1,760	(910)	840
Publishing	29		29	
Summer/Christmas reading	500	217	283	40
Grants	300		300	
Miscellaneous	521		521	117
Equipment rental	50	1,343	(1,293)	1,114
Repairs and maintentance	1,250	1,184	66	
Inter Library Services	500	1,647	(1,147)	1,873
Professional fees	-		-	320
Library grant expenditures - Dept. of Education	4,500	4,480	20	3,500
Total current	41,550	37,061	4,489	38,769
Contingency			-	
Total general fund expenditures	510,787	357,828	152,959	777,118
Excess (deficiency) of revenues over expenditures	(89,649)	(14,914)	74,735	4,013
OTHER FINANCING SOURCES (USES)				
Operating transfers in		28,470	28,470	13,503
Net change in fund balances	(89,649)	13,556	103,205	17,516
FUND BALANCES, JANUARY 1		59,544	59,544	42,028
FUND BALANCES, DECEMBER 31	$ (89,649)	73,100	162,749	59,544

TOWN OF NUCLA, COLORADO

Budgetary Comparison Schedule

Capital Improvement Fund

For the year ended December 31, 2020

(With comparative actual amounts for the year ended December 31, 2019)

		2020			2019
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES					
Taxes					
Sales tax	$	55,000	78,571	23,571	63,525
Intergovernmental					
State grants		145,500	8,125	(137,375)	66,321
County grants				-	4,667
Miscellaneous					
Interest income		350	101	(249)	243
Total revenues		200,850	86,797	(114,053)	134,756
EXPENDITURES					
Current:					
General government		7,999	16,164	(8,165)	28,671
Capital outlay:					
Equipment		40,000	21,945	18,055	5,250
Land improvements		220,000	119,552	100,448	249,298
Library		3,500		3,500	
Library equipment		3,000		3,000	
Parks			5,175	(5,175)	
Rifle Range		20,000	4,120	15,880	
Streets		45,000		45,000	
Community		5,000		5,000	
Miscellaneous		5,000		5,000	
Total expenditures		349,499	166,956	172,543	283,219
Excess (deficiency) of revenues over expenditures		(148,649)	(80,159)	68,490	(148,463)
OTHER FINANCING SOURCES					
Operating transfers in			21,339	21,339	33,000
Net change in fund balances		(148,649)	(58,820)	89,829	(115,463)
FUND BALANCES, JANUARY 1			124,858	124,858	240,321
FUND BALANCES, DECEMBER 31	$	(148,649)	66,038	214,687	124,858

TOWN OF NUCLA, COLORADO
Budgetary Comparison Schedule
Emergency Medical Care Fund
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

		2020			2019
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES					
Taxes					
Sales tax	$	55,000	78,571	23,571	63,525
Miscellaneous					
Interest income		3	2	(1)	5
Total revenues		55,003	78,573	23,570	63,530
EXPENDITURES					
Current:					
General government		60,597	76,731	(16,134)	56,211
Total expenditures		60,597	76,731	(16,134)	56,211
Excess (deficiency) of revenues over expenditures		(5,594)	1,842	7,436	7,319
FUND BALANCES, JANUARY 1			12,910	12,910	5,591
FUND BALANCES, DECEMBER 31	$	(5,594)	14,752	20,346	12,910

SUPPLEMENTARY INFORMATION

TOWN OF NUCLA, COLORADO
Combining Balance Sheet
Nonmajor Special Revenue Funds - Conservation Trust & Montrose County Project
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	Conservation Trust Fund	Montrose County Project Fund	Total 2020	Total 2019
ASSETS				
Cash and cash equivalents	$ 26,427	57,745	84,172	86,695
Total assets	$ 26,427	57,745	84,172	86,695
LIABILITIES				
Accounts payable	$		-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Conservation trust	26,427		26,427	24,342
Capital projects		57,745	57,745	62,353
Total fund equity	26,427	57,745	84,172	86,695
Total liabilities and fund equity	$ 26,427	57,745	84,172	86,695

TOWN OF NUCLA, COLORADO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds - Conservation Trust Fund & Montrose County Project
For the year ended December 31, 2020
(With comparative actual amounts for the year ended December 31, 2019)

	Conservation Trust Fund		Montrose County Project		Total Non-Major Governmental Funds	
	Original & Final Budget	Actual	Original & Final Budget	Actual	Actual 2020	Actual 2019
REVENUES						
Intergovernmental						
Lottery	6,000	7,239			7,239	8,180
County grant			40,000	40,000	40,000	40,000
Miscelleneous						
Interest income	29	21	6	26	47	50
Total revenues	6,029	7,260	40,006	40,026	47,286	48,230
EXPENDITURES						
Current:						
Parks	6,687				-	
Capital outlay:						
Land improvements	22,000		95,343		-	
Community Non Profit Donations			7,000			
Total expenditures	28,687	-	102,343	-	-	-
	28,687					
Excess (deficiency) of revenues over expenditures	(22,658)	7,260	(62,337)	40,026	47,286	48,230
OTHER FINANCING SOURCES (USES)						
Operating transfers out		(5,175)		(44,634)	(49,809)	(46,503)
Net change in fund balances	(22,658)	2,085	(62,337)	(4,608)	(2,523)	1,727
FUND BALANCES, JANUARY 1	22,658	24,342	62,343	62,353	86,695	84,968
FUND BALANCES, DECEMBER 31 $	-	26,427	6	57,745	84,172	86,695

TOWN OF NUCLA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
WATER FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2020 with comparative actual amounts
for the year ended December 31, 2019

	2020			2019
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Charges for services $	267,000	281,779	14,779	262,298
Meter improvements	8,400	9,103	703	9,140
Raw water	19,400	21,005	1,605	19,952
Tap fees		4,000	4,000	
Interest income	120	291	171	932
Miscellaneous		1,202	1,202	373
Land lease	1,250	1,250	-	1,250
MWA Water Rights lease	1,520	1,520		1,520
TOTAL REVEUNES $	297,690	320,150	22,460	295,465
EXPENDITURES				
Operations and maintenance:				
Salaries $	90,000	59,162	30,838	77,435
Payroll taxes	8,500	4,563	3,937	5,969
Employee benefits	26,500	23,931	2,569	21,452
Payroll Expense	220			
Treated water	174,000	174,000	-	174,000
Repairs and maintenance	19,000	25,768	(6,768)	15,238
Supplies	17,000	21,162	(4,162)	14,000
Postage	3,600	3,829	(229)	3,605
Utilities	2,900	4,483	(1,583)	2,265
Water testing	2,600	969	1,631	2,184
Water assessments	4,700	4,218	482	4,134
Fire Hydrant replacement	10,000		10,000	
Meter Improvements loan	12,190		12,190	
Training	500	85	415	466
Publishing	500		500	138
Line locates	150	210	(60)	6
Fuel	3,000	862	2,138	2,410
Insurance	4,500	4,337	163	2,704
Professional fees	2,500	3,919	(1,419)	1,638
Rental equipment	2,000	983	1,017	430
Dues and subscriptions	400	275	125	275
Economic development	2,500	4,165	(1,665)	
Technology support	2,000	2,658	(658)	
Miscellaneous expense		982	(982)	2,910
Total operations and maintenance	389,260	340,561	48,479	331,259
Capital outlay:				
Water Tank Repairs	5,600			
Total capital outlay	5,600	-	-	-
Debt service:				
Principal		9,552	(9,552)	9,098
Interest		2,480	(2,480)	2,942
Total debt service	-	12,032	(12,032)	12,040
TOTAL EXPENDITURES $	394,860	352,593	36,447	343,299

TOWN OF NUCLA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
SEWER FUND - BUDGET BASIS OF ACCOUNTING
For the year ended December 31, 2020 with comparative actual amounts
for the year ended December 31, 2019

		2020			2019
		Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES					
Charges for services	$	120,000	129,808	9,808	122,332
Sewer tap fees			2,000	2,000	
Interest income		60	586	526	1,832
Federal and state grants		454,450	216,939	(237,511)	566,158
Miscellaneous		830	1,046	216	1,963
TOTAL REVEUNES	$	575,340	350,379	(224,961)	692,285
EXPENDITURES					
Operations and maintenance:					
Salaries	$	82,000	46,864	35,136	64,632
Payroll taxes		8,203	3,573	4,630	5,110
Employee benefits		25,000	21,339	3,661	20,073
Payroll expense		220			
Line locates		250	45	205	186
Repairs and maintenance		35,000	13,975	21,025	17,293
Supplies		4,500	9,549	(5,049)	2,325
Dues & subscriptions		500		500	
Postage		100	52	48	16
Utilities		22,000	17,826	4,174	17,681
Sewer testing		5,000	5,917	(917)	3,333
Fuel		3,000	984	2,016	2,187
Publishing		1,000	87	913	631
Insurance		4,500	4,360	140	2,705
Professional fees		30,000	8,961	21,039	
Rental equipment		500	318	182	
Permits & licenses		1,500		1,500	1,501
Training		1,000		1,000	
Economic development		2,500	1,583	917	
Technology		3,000		3,000	
WWTP loan repayment		20,000			
Miscellaneous expense			2,190	(2,190)	2,009
Total operations and maintenance		249,773	137,623	91,930	139,682
Capital improvements		454,450	212,119	242,331	585,562
TOTAL EXPENDITURES	$	704,223	349,742	334,261	725,244

SUPPLEMENTARY INFORMATION

Local Highway Finance Report

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Nucla, Colorado
	YEAR ENDING : December 2020
This Information From The Records Of: Town of Nucla, Colorado	Prepared By: Tod DeZeeuw, CPA Phone: 970-249-1091

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	85,601
3. Other local imposts (from page 2)	8,029
4. Miscellaneous local receipts (from page 2)	84
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)	93,714
B. Private Contributions	
C. Receipts from State government (from page 2)	29,158
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	122,872

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	48,328
3. Road and street services:	
a. Traffic control operations	14,869
b. Snow and ice removal	11,153
c. Other	
d. Total (a. through c.)	26,022
4. General administration & miscellaneous	6,041
5. Highway law enforcement and safety	42,481
6. Total (1 through 5)	122,872
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)	122,872

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
	122,872	122,872		0

Notes and Comments:

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	84
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	8,029	g. Other Misc. Receipts	
6. Total (1. through 5.)	8,029	h. Other	
c. Total (a. + b.)	8,029	i. Total (a. through h.)	84
	(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	24,815	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	4,343	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.)	4,343	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	29,158	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	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:

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