

**CITY OF CRAIG**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

## TABLE OF C O N T E N T S

Independent Auditors' Report	A1 – A2
Management's Discussion and Analysis	B1 – B7
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	C1
Statement of Activities	C2
FUND FINANCIAL STATEMENTS	
<u>Government Funds</u>	
Governmental Funds - Balance Sheet	C3
Reconciliation of the Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
<u>Proprietary Funds</u>	
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	C8
Statement of Cash Flows – Proprietary Funds	C9
NOTES TO THE BASIC FINANCIAL STATEMENTS	D1- D13
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	E1
Schedule of Expenditures – Budget and Actual – General Fund	E2

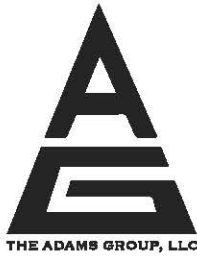
## TABLE OF C O N T E N T S - (CONTINUED)

### SUPPLEMENTARY INFORMATION

Combining Balance Sheet-Non-major Governmental Funds	F1
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances- Non-major Governmental Funds	F2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – ACET Fund	F3
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	F4
Schedule of Revenues, Expenditures, and Changes in Net Position – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Proprietary Funds	
Water Fund	F5
Wastewater Fund	F6
Sanitation Fund	F7
Comparative Statement of Net Position – Medical Benefit Fund	F8
Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual – Medical Benefit Fund	F9
Statement of Cash Flows – Medical Benefit Fund	F10

### OTHER SUPPLEMENTARY INFORATION – STATE COMPLIANCE

Local Highway Finance Report	G1-G2
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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of Craig  
Craig, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Craig, Colorado, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City'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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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, each major fund and the aggregate remaining fund information of the City of Craig as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages B1 to B7 and E1 to E2 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 City's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison information and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

June 13, 2019  
Denver, Colorado

*The Adorno Group, LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF CRAIG**  
**Management's Discussion and Analysis (MD&A)**  
**DECEMBER 31, 2018**

**INTRODUCTION**

Our discussion and analysis of the City of Craig financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018. It should be read in conjunction with the City's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; and GASB Statement No. 37, *Basic Financial Statement – and Management Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and No. 34, issued in June 2001.

**FINANCIAL HIGHLIGHTS**

- ❑ The City's General Fund and the business-type activities were able to maintain or increase fund reserves.
- ❑ Total net position was \$45,625,002 at December 31, 2018 which was up by \$2,934,334 from December 31, 2017.
- ❑ The City was able to maintain the same level of services and increase revenues while expenses remained relatively unchanged.
- ❑ The increase in revenues was driven by a sales tax rate increase which was approved by the citizens of the City in November of 2017 with an effective date of July 1, 2018.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. Other supplementary information is also included at the end of the report.

**Government-Wide Financial Statements.**

The government-wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector companies.

The statement of net position presents information on all of the City's assets and liabilities. The difference between the assets and liabilities is report as net position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The statement of activities presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, park and recreation, public safety and public works. The business-type activities of the City include water, wastewater and solid waste.

**Fund Financial Statements.** Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than fund types.

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. A major fund should generally meet both of the following Criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e. governmental or enterprise funds) and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

The City adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains two different types of proprietary funds, enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater and solid waste operations. The City uses an internal service fund to account for its medical benefits insurance program.

The City adopts an annual appropriated budget for all of its proprietary funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

**Notes to the Financial Statements.** The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the governmental-wide and fund financial statements.

### **Financial Analysis of the City as a Whole**

As noted earlier, net position may serve over time as a useful indicator a government's financial position. In the case of the City of Craig, assets exceeded liabilities by \$45,625,002 at the close of the most recent fiscal year.

#### **Net Position**

By far the largest portion of the City's net position (76.23%) reflect its investment in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets in reported net of related debt, it should be noted that 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.



**Figure 1**  
**City of Craig**  
**Net Position**  
**(in thousands)**

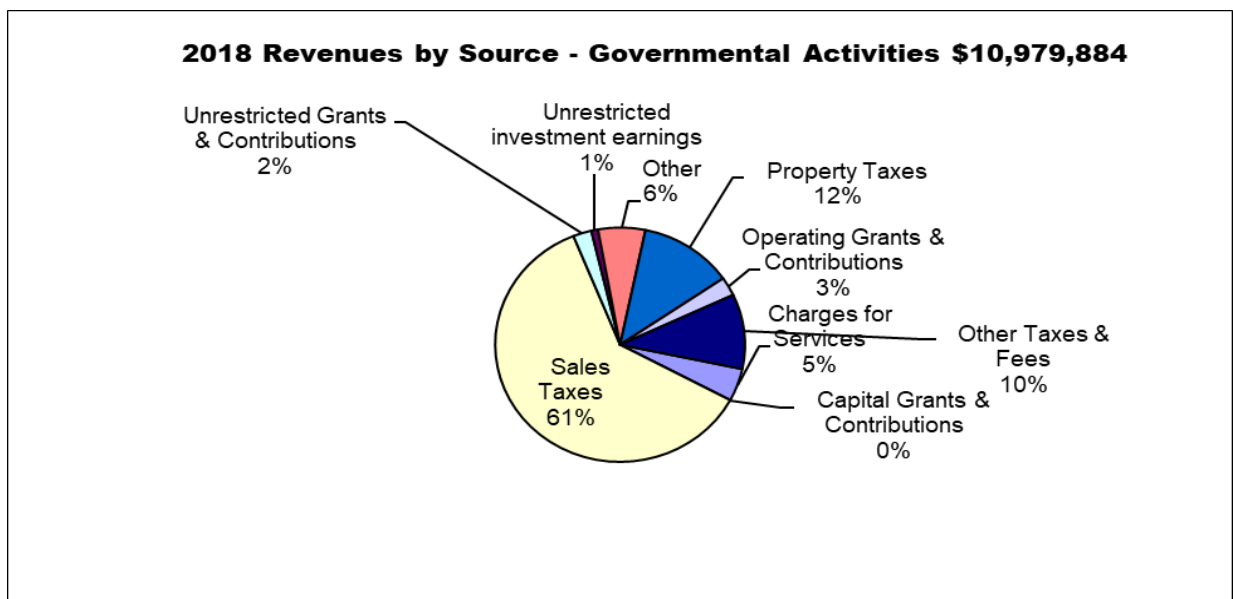
	Governmental Activities		Business-type Activities		Total		Total % Change
	2017	2018	2017	2018	2017	2018	
Current & other assets	7,596	8,663	6,918	7,724	14,514	16,387	12.90%
Capital assets	11,913	12,587	21,907	22,190	33,820	34,777	2.83%
<b>Total Assets</b>	<b>19,509</b>	<b>21,250</b>	<b>28,825</b>	<b>29,914</b>	<b>48,334</b>	<b>51,164</b>	<b>5.86%</b>
Other liabilities	662	665	624	461	1,286	1,126	-12.44%
Long-term liabilities	11	12	3,006	3,067	3,017	3,079	2.06%
<b>Total Liabilities</b>	<b>673</b>	<b>677</b>	<b>3,630</b>	<b>3,528</b>	<b>4,303</b>	<b>4,205</b>	<b>-2.28%</b>
Deferred Inflows of Resources:							
Unavailable property tax	1,340	1,335	0	0	1,340	1,335	-0.37%
<b>Net Position:</b>							
Net investment in capital assets	11,890	12,575	18,610	19,124	30,500	31,699	3.93%
Restricted	255	288	0	0	255	288	12.94%
Unrestricted	5,351	6,375	6,585	7,262	11,936	13,637	14.25%
<b>Total Net Position</b>	<b>17,496</b>	<b>19,238</b>	<b>25,195</b>	<b>26,386</b>	<b>42,691</b>	<b>45,624</b>	<b>6.87%</b>

A portion of the City's net position (only 0.60%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$13,637,666 may be used to meet the City's ongoing obligations to its citizens and creditors.

#### CHANGES IN NET POSITION

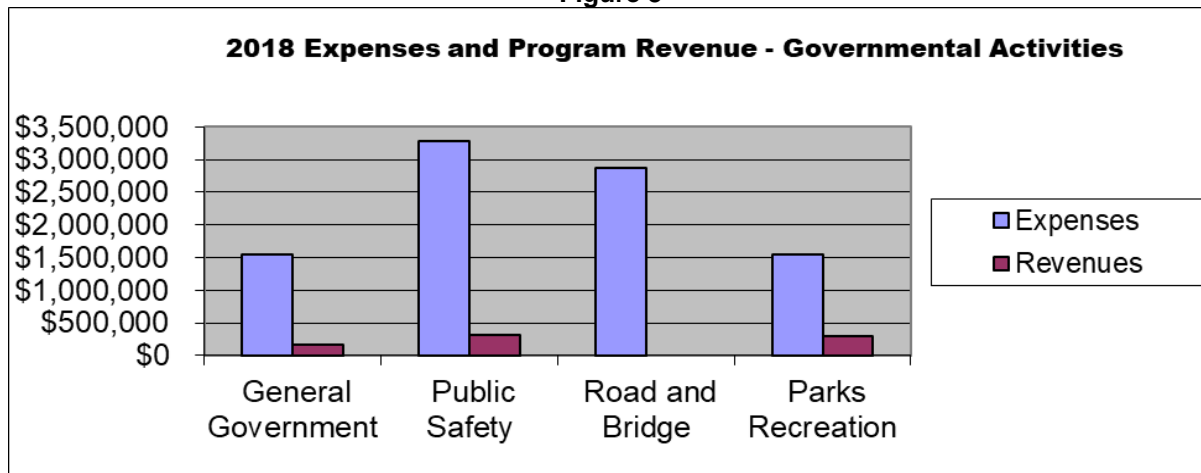
Sales taxes accounts for approximately 61% of all revenues for the governmental activities.

**Figure 2**



The program revenue for governmental activities offsets only a small share of the cost of services. The total cost of governmental activities increased by 2.8%. (See Figure 4.)

**Figure 3**



The City's governmental activities revenues increased by 27.9%. (See Figure 4.)

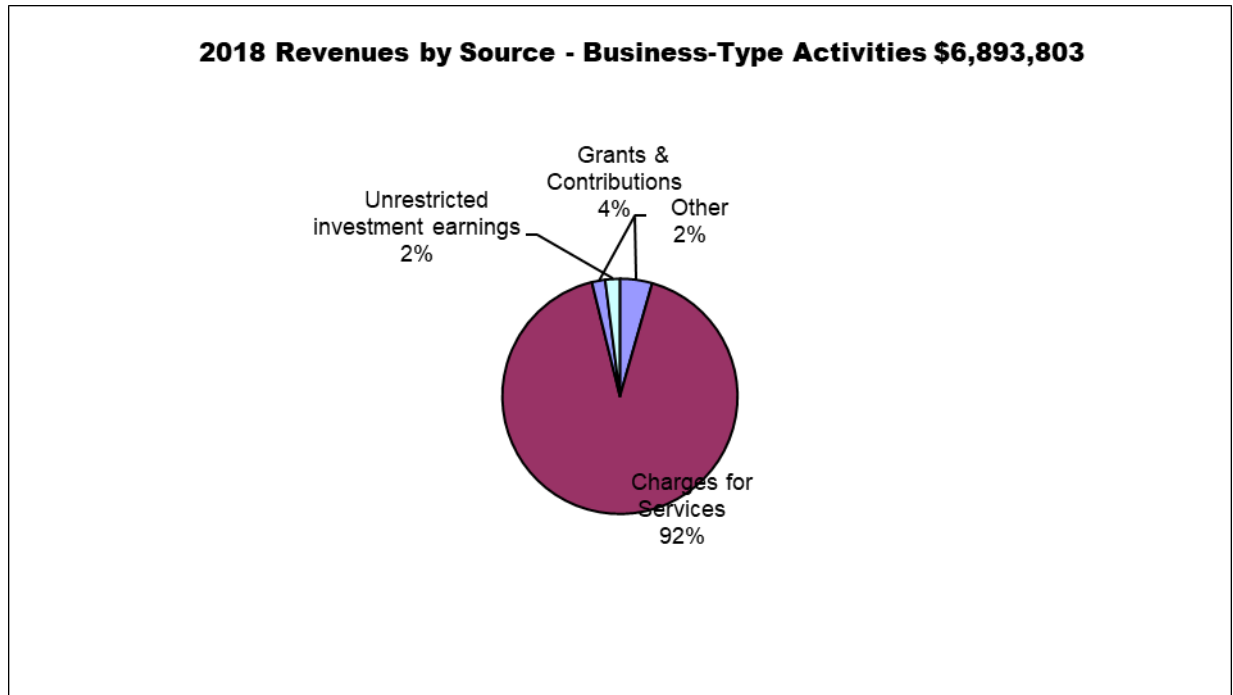
**Figure 4**  
(in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2017	2018	2017	2018	2017	2018	
<b>Revenues</b>							
Program Revenues							
Charges for Services	381	495	6,319	6,324	6,700	6,819	1.78%
Operating Grants & Contributions	159	284	0	260	159	544	242.14%
Capital Grants & Contributions	92	0	20	45	112	45	-59.82%
General Revenues							
Sales Taxes	4,865	6,704	0	0	4,865	6,704	37.80%
Property Taxes	1,399	1,335	0	0	1,399	1,335	-4.57%
Other Taxes & Fees	1,002	1,134	0	0	1,002	1,134	13.17%
Unrestricted investment earnings	52	96	62	139	114	235	106.14%
Other	637	696	132	126	769	822	6.89%
<b>Total Revenues</b>	<b>8,587</b>	<b>10,744</b>	<b>6,533</b>	<b>6,894</b>	<b>15,120</b>	<b>17,638</b>	<b>16.65%</b>
<b>Expenses</b>							
General Government	1,454	1,550	0	0	1,454	1,550	6.60%
Public Safety	3,180	3,274	0	0	3,180	3,274	2.96%
Road & Bridge	3,052	2,632	0	0	3,052	2,632	-13.76%
Parks & Recreation	1,300	1,544	0	0	1,300	1,544	18.77%
Water	0	0	2,732	2,762	2,732	2,762	1.10%
Wastewater	0	0	1,322	1,570	1,322	1,570	18.76%
Solid Waste	0	0	1,267	1,370	1,267	1,370	8.13%
<b>Total Expenses</b>	<b>8,986</b>	<b>9,000</b>	<b>5,321</b>	<b>5,702</b>	<b>14,307</b>	<b>14,702</b>	<b>2.76%</b>
<b>Increase in net position</b>	<b>(399)</b>	<b>1,744</b>	<b>1,212</b>	<b>1,192</b>	<b>813</b>	<b>2,936</b>	<b>261.13%</b>
<b>Net position - Beginning</b>	<b>17,894</b>	<b>17,495</b>	<b>23,982</b>	<b>25,194</b>	<b>41,876</b>	<b>42,689</b>	<b>1.94%</b>
<b>Net Position - Ending</b>	<b>17,495</b>	<b>19,239</b>	<b>25,194</b>	<b>26,386</b>	<b>42,689</b>	<b>45,625</b>	<b>6.88%</b>

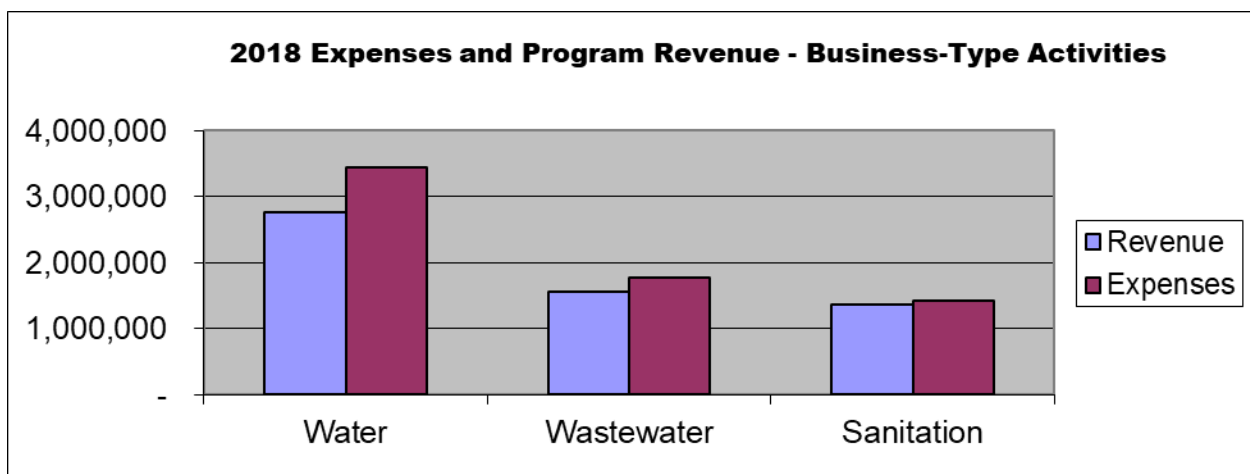
The City's total revenues were \$17,636,862. Charges for services account for 38.1% of all revenues.

- **Governmental Activities.** Governmental activities increased the City's net position by \$1,742,696.
- **Business-type Activities.** Business-type activities increased the City's net position by \$1,191,638.

**Figure 5**



**Figure 6**



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the general fund was \$5,302,454, while the total fund balance equaled \$5,590,823.

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

Net Position of the Water, Wastewater and Solid Waste Fund at the end of the year amount to \$18,651,965, \$5,655,388 and \$2,320,407, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's Business-type activities.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The City's investments in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$34,777,923 (net of accumulated depreciation). The investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways and bridges.

**Figure 7**  
**Capital Assets**  
**(thousands)**

	Governmental Activities		Business-type Activities		Total		Total % Change
	2017	2018	2017	2018	2017	2018	
LAND	1,310	1,310	1,719	1,719	3,029	3,029	0.00%
BUILDINGS/IMPROVEMENTS	46,527	47,270	37,576	38,149	84,103	85,419	1.56%
MACHINERY AND EQUIPMENT	6,555	6,731	4,675	4,928	11,230	11,659	3.82%
WORK IN PROGRESS	0	156	0	285	0	441	0.00%
TOTALS AT HISTORICAL COST	54,392	55,467	43,970	45,081	98,362	100,548	2.22%
TOTAL ACCUM. DEPRECIATION	(42,478)	(42,879)	(22,063)	(22,891)	(64,541)	(65,770)	1.90%
NET CAPITAL ASSETS	11,914	12,588	21,907	22,190	33,821	34,778	2.83%

## BUDGETARY HIGHLIGHTS

- In general, all anticipated revenues were realized and actual expenses being less than their budgets, resulted in better outcome than originally anticipated.

## Long-Term Debt

**Figure 8**  
**City of Craig**  
**Outstanding Debt**  
**(thousands)**

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Note Payable - Roof	23	0	0	0	23	0
Note Payable - Revize	0	12	0	0	0	12
Note Payable Colorado Water	0	0	3,297	0	3,297	0
Series 2018 Bonds	0	0	0	3,067	0	3,067
	<u>23</u>	<u>12</u>	<u>3,297</u>	<u>3,067</u>	<u>3,320</u>	<u>3,079</u>

## ECONOMIC FACTORS

- The local economic climate continues to remain flat in 2018.
- The sales tax increase provided a substantial increase in revenues in 2018.
- When budgeting for 2019, the City took into consideration the local economy and has been able to continue to provide the same level of services.

These and other factors were considered when the City prepared its 2019 budget.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 300 West 4<sup>th</sup> Street, City of Craig, Colorado, 81625.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF CRAIG**  
**STATEMENT OF NET POSITION**  
**December 31, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,036,380	\$ 6,982,407	\$ 13,018,787
Receivables, net of allowance for uncollectibles:			
Property tax	1,334,700	-	1,334,700
Accounts	1,037,359	640,803	1,678,162
Internal balances	241,627	(241,627)	-
Prepaid expense	164	-	164
Inventory	12,674	342,064	354,738
Capital assets not being depreciated	1,465,370	2,004,151	3,469,521
Capital assets, net of accumulated depreciation	11,122,190	20,186,212	31,308,402
Total assets	<u>21,250,464</u>	<u>29,914,010</u>	<u>51,164,474</u>
<b>LIABILITIES</b>			
Accounts payable	130,716	248,757	379,473
Accrued payroll	157,793	70,221	228,014
Accrued interest payable	-	38,078	38,078
Long-term liabilities:			
Due within one year	5,200	301,836	307,036
Due in more than one year	383,186	2,868,985	3,252,171
Total liabilities	<u>676,895</u>	<u>3,527,877</u>	<u>4,204,772</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	1,334,700	-	1,334,700
Total deferred Inflows of Resources			
<b>NET POSITION</b>			
Net investment in capital assets	12,199,174	19,123,707	31,322,881
Restricted for TABOR			
Emergency reserves	288,369	-	288,369
Unrestricted	6,751,326	7,262,426	14,013,752
Total net position	<u>\$ 19,238,869</u>	<u>\$ 26,386,133</u>	<u>\$ 45,625,002</u>

The accompanying notes are an integral part of these financials statements.

**CITY OF CRAIG**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes to Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,550,222	\$ 164,238	\$ -	\$ -	\$ (1,385,984)	\$ -	\$ (1,385,984)
Public safety	3,274,551	41,164	283,756	-	(2,949,631)	-	(2,949,631)
Road and bridge	2,631,790	-	-	-	(2,631,790)	-	(2,631,790)
Parks and recreation	1,543,800	289,931	-	-	(1,253,869)	-	(1,253,869)
Total government activities	\$ 9,000,363	\$ 495,333	\$ 283,756	\$ -	\$ (8,221,274)	\$ -	\$ (8,221,274)
Business-type activities							
Water	2,761,621	3,151,972	260,000	31,000	-	681,351	681,351
Wastewater	1,569,957	1,753,396	-	14,340	-	197,779	197,779
Sanitation	1,370,587	1,418,065	-	-	-	47,478	47,478
Total business-type activities	5,702,165	6,323,433	260,000	45,340	-	926,608	926,608
	\$ 14,702,528	\$ 6,818,766	\$ 543,756	\$ 45,340	\$ (8,221,274)	\$ 926,608	\$ (7,294,666)
General revenues							
Taxes							
Sales and use tax					6,704,058	-	6,704,058
Property tax, levied for general purposes					1,335,057	-	1,335,057
Specific ownership tax					122,939	-	122,939
Franchise tax					296,314	-	296,314
Severance tax					238,620	-	238,620
Transportation tax					433,659	-	433,659
Other taxes					41,979	-	41,979
Mineral lease revenue					299,664	-	299,664
Investment earnings					95,733	138,999	234,732
Grants and contributions not restricted to specific programs					261,540	-	261,540
Miscellaneous					134,407	126,031	260,438
Total general revenues, special items, and transfers					9,963,970	265,030	10,229,000
Change in net position					1,742,696	1,191,638	2,934,334
Net position - Beginning					17,496,173	25,194,495	42,690,668
Net position - Ending					\$ 19,238,869	\$ 26,386,133	\$ 45,625,002

The accompanying notes are an integral part of these financials statements.



**CITY OF CRAIG, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2018**

	<u>General</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,846,403	\$ 841,002	\$ 5,687,405
Receivables, net			
Property tax	1,194,175	140,525	1,334,700
Accounts	1,003,302	2,221	1,005,523
Prepaid expenses	164	-	164
Inventories	12,674	-	12,674
Total assets	<u>\$ 7,056,718</u>	<u>\$ 983,748</u>	<u>\$ 8,040,466</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 113,927	\$ 1,709	\$ 115,636
Accrued payroll	157,793	-	157,793
Total liabilities	<u>271,720</u>	<u>1,709</u>	<u>273,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax	1,194,175	140,525	1,334,700
Total deferred inflows of resources	<u>1,194,175</u>	<u>140,525</u>	<u>1,334,700</u>
<b>FUND BALANCES</b>			
Nonspendable	12,838	-	12,838
Restricted for			
TABOR emergency reserve	288,369	-	288,369
Assigned to			
Public safety	-	181,583	181,583
Capital projects	-	659,931	659,931
Unassigned	5,289,616	-	5,289,616
Total fund balances	<u>5,590,823</u>	<u>841,514</u>	<u>6,432,337</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 7,056,718</u>	<u>\$ 983,748</u>	<u>\$ 8,040,466</u>

The accompanying notes are an integral part of these financials statements.

**CITY OF CRAIG, COLORADO  
RECONCILIATION OF THE BALANCE SHEET TO THE,  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Total Fund Balances of Governmental Funds	\$ 6,432,337
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	55,466,651	
Accumulated depreciation	<u>(42,879,091)</u>	12,587,560

Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences		(376,086)
Debt for the acquisition of fixed assets		(12,300)

Internal service funds are used by management for medical benefits. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

607,358

Net Position of Governmental Activities	<u><u>\$ 19,238,869</u></u>
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**CITY OF CRAIG, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2018**

	<u>General</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 8,986,366	\$ 154,002	\$ 9,140,368
Licenses and permits	164,238	-	164,238
Intergovernmental revenue	683,800	193,418	877,218
Charges for services	289,931	-	289,931
Fines and forfeitures	41,164	-	41,164
Investment earnings	84,007	11,726	95,733
Miscellaneous	122,260	12,147	134,407
Total revenues	<u>10,371,766</u>	<u>371,293</u>	<u>10,743,059</u>
<b>EXPENDITURES</b>			
Current			
General government	1,331,358	2,813	1,334,171
Judicial	90,223	-	90,223
Public safety	3,115,912	43,464	3,159,376
Road and bridge	2,189,160	-	2,189,160
Community development	142,393	-	142,393
Parks and recreation	1,402,968	-	1,402,968
Capital outlay	1,019,572	364,776	1,384,348
Total expenditures	<u>9,291,586</u>	<u>411,053</u>	<u>9,702,639</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,080,180	(39,760)	1,040,420
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	236,825	236,825
Transfers out	(236,825)	-	(236,825)
Total other financing sources (uses)	<u>(236,825)</u>	<u>236,825</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	843,355	197,065	1,040,420
<b>FUND BALANCES - BEGINNING</b>	<u>4,747,468</u>	<u>644,449</u>	<u>5,391,917</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 5,590,823</u>	<u>\$ 841,514</u>	<u>\$ 6,432,337</u>

The accompanying notes are an integral part of these financials statements.

**CITY OF CRAIG, COLORADO  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net Changes in Fund Balances of Governmental Funds	\$ 1,040,420
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Amounts reported for governmental activities in the statement of net position are 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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year.

Capital outlay	1,384,348	
Depreciation expense	<u>( 710,138)</u>	674,210

Payments of debt principal are considered changes in long-term liabilities. These are the principal payments during the year.	28,150
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Proceeds of long-term debt	\$ (17,500)
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Changes in accrued compensated absences are considered changes in long-term liabilities. This is the change in compensated absences during the year.	(29,249)
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Internal service funds are used by management for medical benefits. The net income of certain activities of the internal service fund are reported with governmental activities on the Statement of Activities.	<u>46,665</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,742,696</u></u>
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**CITY OF CRAIG, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2018**

	<b>Enterprise Funds</b>				
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Sanitation Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Assets</b>					
Current assets					
Cash and Cash equivalents	\$ 3,756,773	\$ 1,618,986	\$ 1,606,648	\$ 6,982,407	\$ 348,975
Receivables, net of allowance for uncollectibles	292,143	173,539	175,121	640,803	31,836
Due from other funds	-	2,390	-	2,390	-
Inventory	296,912	45,152	-	342,064	-
Total current assets	4,345,828	1,840,067	1,781,769	7,967,664	380,811
Non-current assets					
Non-depreciable capital assets	1,746,321	257,830	-	2,004,151	-
Depreciable capital assets, net	15,924,406	3,630,455	631,351	20,186,212	-
Total non-current assets	17,670,727	3,888,285	631,351	22,190,363	-
Total Assets	22,016,555	5,728,352	2,413,120	30,158,027	380,811
<b>Liabilities</b>					
Current liabilities					
Accounts payable	180,794	28,718	39,245	248,757	15,080
Accrued payroll	29,871	21,962	18,388	70,221	-
Accrued interest payable	38,078	-	-	38,078	-
Due to other funds	2,390	-	-	2,390	-
Compensated absences	46,801	22,284	35,080	104,165	-
Notes payable - current	301,836	-	-	301,836	-
Total current liabilities	599,770	72,964	92,713	765,447	15,080
Long-term liabilities					
Notes payable non-current	2,764,820	-	-	2,764,820	-
Total Liabilities	3,364,590	72,964	92,713	3,530,267	15,080
<b>NET POSITION</b>					
Net invested in capital assets	14,604,071	3,888,285	631,351	19,123,707	-
Unrestricted	4,047,894	1,767,103	1,689,056	7,504,053	365,731
Total Net Position	\$18,651,965	\$ 5,655,388	\$ 2,320,407	\$26,627,760	\$ 365,731
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(241,627)	
<b>Net Position of Business Type Activities</b>				<u>\$26,386,133</u>	

The accompanying notes are an integral part of these financials statements.

**CITY OF CRAIG, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2018**

	<b>Enterprise Funds</b>				<b>Internal Service Fund</b>
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Sanitation Fund</b>	<b>Total</b>	
Operating Revenues					
Charges for services	\$ 3,151,972	\$ 1,753,396	\$ 1,418,065	\$ 6,323,433	\$ 2,047,555
Intergovernmental	260,000	-	-	260,000	-
Miscellaneous	72,850	33,423	19,758	126,031	31,836
Total Operating Revenues	<u>3,484,822</u>	<u>1,786,819</u>	<u>1,437,823</u>	<u>6,709,464</u>	<u>2,079,391</u>
Operating Expenses					
Salaries	693,285	552,020	439,719	1,685,024	-
Employee benefits	357,464	253,294	223,421	834,179	39,055
Depreciation	553,970	233,748	130,543	918,261	-
Repairs and maintenance	390,586	222,171	36,254	649,011	-
Utilities	211,636	141,799	6,327	359,762	-
Landfill fees	-	-	359,899	359,899	-
Chemicals	132,344	12,321	-	144,665	-
Insurance and bonds	59,138	28,211	19,889	107,238	1,974,959
Supplies	44,701	29,337	126,618	200,656	-
Other purchased services	157,792	97,056	23,935	278,783	-
Miscellaneous	-	-	3,982	3,982	-
Total Operating Expenses	<u>2,600,916</u>	<u>1,569,957</u>	<u>1,370,587</u>	<u>5,541,460</u>	<u>2,014,014</u>
Operating Income	<u>883,906</u>	<u>216,862</u>	<u>67,236</u>	<u>1,168,004</u>	<u>65,377</u>
Non-operating Revenues (Expenses)					
Investment earnings	72,867	30,262	35,870	138,999	71
Interest expense	(119,762)	-	-	(119,762)	-
Lease fees	(59,726)	-	-	(59,726)	-
Total Non-operating Revenues	<u>(106,621)</u>	<u>30,262</u>	<u>35,870</u>	<u>(40,489)</u>	<u>71</u>
Income Before Contributions and Transfers	777,285	247,124	103,106	1,127,515	65,448
Capital Contributions (tap fees)	31,000	14,340	-	45,340	-
Change in Net Position	<u>808,285</u>	<u>261,464</u>	<u>103,106</u>	<u>1,172,855</u>	<u>65,448</u>
Total Net Position - Beginning	<u>17,843,680</u>	<u>5,393,924</u>	<u>2,217,301</u>	<u>25,454,905</u>	<u>300,283</u>
Total Net Position - Ending	<u>\$ 18,651,965</u>	<u>\$ 5,655,388</u>	<u>\$ 2,320,407</u>	<u>\$26,627,760</u>	<u>\$ 365,731</u>
<b>Change in Net Position of Enterprise Funds</b>					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,172,855	
				18,783	
<b>Change in Net Position of Business Type Activities</b>				<u>\$ 1,191,638</u>	

The accompanying notes are an integral part of these financials statements.

**CITY OF CRAIG, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2018**

	<b>Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Sanitation Fund</b>	<b>Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>				
Cash received from customers and others	\$ 3,087,684	\$ 1,744,282	\$ 1,409,950	\$ 6,241,916
Cash paid for goods and services	(895,827)	(549,264)	(563,495)	(2,008,586)
Cash paid to employees	(1,043,691)	(796,892)	(653,991)	(2,494,574)
Other cash receipts	329,445	33,423	19,758	382,626
<b>Net Cash Provided by Operating Activities</b>	<u>1,477,611</u>	<u>431,549</u>	<u>212,222</u>	<u>2,121,382</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets	(870,515)	(41,495)	(289,737)	(1,201,747)
Capital grants and contributions	31,000	14,340	-	45,340
Principal paid on capital debt	(230,340)	-	-	(230,340)
Interest paid on capital debt	(114,963)	-	-	(114,963)
Lease fees	(59,726)	-	-	(59,726)
<b>Net Cash Used by Capital and Related Financing Activity</b>	<u>(1,244,544)</u>	<u>(27,155)</u>	<u>(289,737)</u>	<u>(1,561,436)</u>
<b>Cash Flows from Investing Activities</b>				
Interest on investment	72,867	30,262	35,870	138,999
<b>Net Cash Provided by Investing Activities</b>	<u>72,867</u>	<u>30,262</u>	<u>35,870</u>	<u>138,999</u>
<b>Net Change in Cash and Cash Equivalents</b>	305,934	434,656	(41,645)	698,945
<b>Cash and Cash Equivalents - Beginning</b>	3,450,839	1,184,330	1,648,293	6,283,462
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 3,756,773</u>	<u>\$ 1,618,986</u>	<u>\$ 1,606,648</u>	<u>\$ 6,982,407</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	\$ 883,906	\$ 216,862	\$ 67,236	\$ 1,168,004
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>				
Depreciation	553,970	233,748	130,543	918,261
(Increase) decrease in accounts receivable	(67,693)	(9,114)	(8,115)	(84,922)
(Increase) decrease in inventory	7,949	(13,239)	-	(5,290)
Increase (decrease) in accounts payable	92,421	(5,130)	13,409	100,700
Increase (decrease) in accrued payroll	4,805	3,583	1,937	10,325
Increase (decrease) in compensated absences	2,253	4,839	7,212	14,304
<b>Total Adjustments</b>	<u>593,705</u>	<u>214,687</u>	<u>144,986</u>	<u>953,378</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,477,611</u>	<u>\$ 431,549</u>	<u>\$ 212,222</u>	<u>\$ 2,121,382</u>

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

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Craig, Colorado (the “City”), is a home Rule City (a municipal corporation, as defined by Colorado Revised Statutes). An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City provides the following services: public safety, public works, culture and recreation facilities and activities, water and wastewater services, and sanitation services.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

**Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

**Component Units** - The accompanying financial statements present the primary government and the following blended component unit (an entity for which the government is considered to be financially accountable).

*The Center of Craig* – The Center services all citizens of the City and is governed by a board appointed by the City Council. The City has pledged to support the entity in its operations for providing meeting and activity space for citizens and organizations of the City. The Center of Craig is reported as a part of the General Fund. The Center does not issue separate financial statements.

**Joint Ventures** - The Craig/Moffat County Airport joint operations was created for the purposes of operating an airport for the benefit of the citizens of Craig and unincorporated Moffat County. The City provides a small amount of funding for on-going airport operations. The Airport is included in the financial statements of Moffat County. At December 31, 2017, which is the date the latest information is available, the Airport fund’s fund balance was approximately 36% of expenditures.

**Government-Wide and Fund Financial Statements**

The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City’s public safety, public works, and culture and recreation are classified as governmental activities. The City’s water, wastewater, and sanitation services are classified as business type activities.



CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements - In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts, net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (sales and property taxes, and other taxes, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the effect of interfund activity has been removed from these statements.

The net costs (by function or business-type activity) are normally covered by general revenue (sales and property taxes, investment earnings, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements - The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The City reports the following governmental funds.

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

The ACET Fund accounts for the activities of ACET and the Criminal Justice Grant.

The Capital Projects Fund accounts for taxes set aside for construction or replacement of curbs, gutters and drainage on streets.

The City reports the following proprietary or business-type funds:

The Water Fund accounts for the delivery of water to the citizens of the City.

The Wastewater Fund accounts for sewer service to the citizens of the City.

The Sanitation Fund accounts for waste collection and disposal for the citizens of the City.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The Internal Service Fund accounts for medical benefits provided to City employees.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Long-term Economic Focus and Accrual Basis - Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Current Financial Focus and Modified Accrual Basis - The government fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days after December 31). Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Financial Statement Presentation - Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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.

Financial Statement Accounts

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Accounts (Continued)

Investments – Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The City’s investment in C-SAFE is carried at amortized cost. The City’s investments in C-SAFE and COLOTRUST Plus+ are reported at net asset value (NAV).

Receivables – Receivables are reported net of an allowance for uncollectible accounts. As of December 31, 2018, the City had an allowance of \$6,670 in governmental activities and \$3,982 in business-type activities.

Property Taxes – Property taxes are assessed in one year as a lien on the property, but are not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as unearned revenue.

Interfund Receivables and Payables – Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Balances are expected to be repaid within one year. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

Inventory – Inventories are recorded at average cost.

Capital Assets – Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2000), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure	20 – 50 years
Buildings and improvements	10 – 50 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Other equipment	5 – 10 years
Computer equipment	5 years

Compensated Absences – Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Accounts (Continued)

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the City's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only when due.

*Deferred Inflows of Resources* – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category. The item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

*Fund Balance* – The City classifies governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by provider, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the City Council. Commitments are established by City Council resolution.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the City Council or its management designee.

*Unassigned* – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City requires restricted amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. However, the City's budget includes a calculation of a targeted reserve positions and management reports the targeted amounts annually to City Council.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires the City's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes and the Home Rule Charter, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2018.

For the 2018 budget year, prior to August 25, 2017, the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries.

The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2017, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.

Prior to December 15, 2017, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

After adoption of the budget resolution, the City may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2017 were collected in 2018 and taxes certified in 2018 will be collected in 2019. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (no later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16<sup>th</sup>.

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$288,369, which is the approximate required reserve at December 31, 2018.

On November 7, 2000, voters within the City approved the collection, retention and expenditure of all revenues and other funds collected during 2000 and each subsequent year without raising any additional taxes.

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

NOTE 3 - CASH AND INVESTMENTS

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the City for \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA by pledging amounts at least equal to 102% of the uninsured deposits. The carrying amount of the City's demand deposits was \$1,243,103 at year end with a bank balance of \$1,471,288. Of the bank balance, \$943,435 was covered by FDIC insurance, \$522,955 was covered by the PDPA, and \$4,898 represented amounts collected by the City's credit card vendor that were uninsured and uncollateralized.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 3 - CASH AND INVESTMENTS Continued

The City's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Local Government Investment Pools
- Money Market Mutual Funds
- Securities specifically approved by the City Council

Investment Pool represents investments in COLOTRUST Plus+ and C-SAFE. The Pools investment strategies focus on safety, liquidity, legality, and yield. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The fair value of the pool is determined by the pool's share price. The State Securities Commissioner administers and enforces all State statutes governing the pools. The pools operate similarly to a money market fund and each share is equal in value to \$1.00. At December 31, 2018, the City's investments in COLOTRUST Plus+ and C-SAFE were \$11,583,105 and \$183,616.

Fair Value Hierarchy. The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As all of its investments are measured at NAV, the City has no investments required to be reported under the fair value hierarchy.

*Interest Rate Risk* – As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. At December 31, COLOTRUST Plus+ had a weighted average maturity of 41 days to reset and 61 days to final maturity. CSAFE had a weighted average maturity of 20.66 days to final maturity.

*Credit Risk* – State law and City policy limit investments to those authorized by State statutes including U.S. agencies and 2a7-like pools. The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The investments all carry a S&P Rating of AAAM.

*Concentration of Credit Risk* – The City diversifies its investments by security type and institution. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. Colorado's PDPA requirement noted above mitigates concentration of credit risk.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 3 - CASH AND INVESTMENTS Continued

A reconciliation of deposits and investments to the financial statement captions is as follows:

Deposits and Investments

Deposits	\$ 1,243,103
Cash on hand	8,963
Investment pools	<u>11,766,721</u>
	<u>\$ 13,018,787</u>

	<u>Cash</u> <u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Governmental funds	\$ 615,147	\$ 5,421,233	\$ 6,036,380
Proprietary funds	<u>636,919</u>	<u>6,345,488</u>	<u>6,982,407</u>
Total	<u>\$ 1,252,066</u>	<u>\$ 11,766,721</u>	<u>\$ 13,018,787</u>

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2018</u>
<u>Governmental Activities:</u>				
<u>Capital assets not being</u>				
<u>depreciated</u>				
Land	\$ 1,309,762	\$ 0	\$ 0	\$ 1,309,762
Construction in progress	<u>0</u>	<u>155,608</u>	<u>0</u>	<u>155,608</u>
Total not being depreciated	<u>1,309,762</u>	<u>155,608</u>	<u>0</u>	<u>1,465,370</u>
<u>Capital assets being depreciated</u>				
Infrastructure	42,397,658	731,336	(11,020)	43,117,974
Buildings and improvements	4,129,292	23,300	0	4,152,592
Vehicles and equipment	<u>6,554,682</u>	<u>474,104</u>	<u>(298,071)</u>	<u>6,730,715</u>
Total capital assets being depreciated	<u>53,081,632</u>	<u>1,228,740</u>	<u>(309,091)</u>	<u>54,001,281</u>
<u>Accumulated depreciation</u>				
Infrastructure	(33,743,234)	(382,465)	11,020	(34,114,579)
Buildings and improvements	(2,667,313)	(115,571)	0	(2,782,884)
Vehicles and equipment	<u>(6,067,497)</u>	<u>(212,202)</u>	<u>298,071</u>	<u>(5,981,628)</u>
Total accumulated depreciation	<u>(42,478,044)</u>	<u>(710,138)</u>	<u>309,091</u>	<u>(42,879,091)</u>
Depreciable capital assets, net	<u>10,603,588</u>	<u>518,602</u>	<u>0</u>	<u>11,122,190</u>
Governmental Activities				
Capital Assets, Net	<u>\$11,913,350</u>	<u>\$ 674,210</u>	<u>\$ 0</u>	<u>\$12,587,560</u>



CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2018</u>
<u>Business-type Activities:</u>				
<u>Capital assets not being depreciated</u>				
Land	\$ 1,719,009	\$ 0	\$ 0	\$ 1,719,009
Construction in progress	<u>0</u>	<u>285,142</u>	<u>0</u>	<u>285,142</u>
Total not being depreciated	<u>1,719,009</u>	<u>285,142</u>	<u>0</u>	<u>2,004,151</u>
<u>Capital assets being depreciated</u>				
Buildings and improvements	37,575,519	573,586	0	38,149,105
Vehicles and equipment	<u>4,675,226</u>	<u>343,019</u>	<u>(90,240)</u>	<u>4,928,005</u>
Total capital assets being depreciated	<u>42,250,745</u>	<u>916,605</u>	<u>(90,240)</u>	<u>43,077,110</u>
<u>Accumulated depreciation</u>				
Buildings and improvements	(18,357,848)	(711,853)	0	(19,069,701)
Vehicles and equipment	<u>(3,705,029)</u>	<u>(206,408)</u>	<u>90,240</u>	<u>(3,821,197)</u>
Total accumulated depreciation	<u>(22,062,877)</u>	<u>(918,261)</u>	<u>90,240</u>	<u>(22,890,898)</u>
Depreciable capital assets, net	<u>20,187,868</u>	<u>(1,656)</u>	<u>0</u>	<u>20,186,212</u>
Business-type activities				
Capital Assets, Net	<u>\$21,906,877</u>	<u>\$ 283,486</u>	<u>\$ 0</u>	<u>\$22,190,363</u>

Depreciation expense was charged to functions of the primary government as follows

Governmental activities	
General government	\$ 124,071
Public safety	19,881
Road and bridge	452,160
Parks and recreation	<u>114,026</u>
Total depreciation expense government activities	<u>\$ 710,138</u>
Business-type activities	
Water	\$ 553,970
Wastewater	233,748
Sanitation	<u>130,543</u>
Total depreciation expense Business-type activities	<u>\$ 918,261</u>

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Business-type activities owed governmental activities \$241,627 at December 31, 2018 as a result of internal service fund activity of the enterprise funds being consolidated into the governmental activities. At December 31, 2018 the Water Fund owed the Wastewater Fund \$2,390.

The general fund transferred \$236,825 to the capital projects fund for the year ended December 31, 2018, to pay for certain curb and gutter improvements.

NOTE 6 - LONG-TERM DEBT

	<u>1/1/2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Amount Due 12/31/2018</u>	<u>In One Year</u>
<u>Governmental Activities</u>					
Roof repair Loan	\$ 22,950	\$ 0	\$ 22,950	\$ 0	\$ 0
Revize	0	17,500	5,200	12,300	5,200
Compensated absences	<u>346,837</u>	<u>242,515</u>	<u>213,266</u>	<u>376,086</u>	<u>125,362</u>
Total	<u>\$ 369,787</u>	<u>\$ 260,015</u>	<u>\$ 241,416</u>	<u>\$ 388,386</u>	<u>\$ 130,562</u>
<u>Business Activities</u>					
Note payable Colorado Water	\$ 3,296,996	\$ 0	\$ 3,296,996	\$ 0	\$ 0
2018 Series note	0	3,213,734	147,078	3,066,656	301,836
Compensated absences	<u>89,860</u>	<u>77,628</u>	<u>63,323</u>	<u>104,165</u>	<u>34,722</u>
Total	<u>\$ 3,386,856</u>	<u>\$ 3,291,362</u>	<u>\$ 3,507,397</u>	<u>\$ 3,170,821</u>	<u>\$ 336,558</u>

For the year ended December 31, 2018, the City paid \$119,762 in interest.

*Colorado Water Resources and Power Development Authority Note 2006* – In 2006, the City entered into an agreement with the Colorado Water Resources and Power Development Authority. The City's participation related to the Authority's 2006 Series A, Clean Water Revenue Bond Issue, to finance improvements to the City's water system. The improvements are financed by a 20-year note in the amount of \$6,056,378, payable in annual installments of varying amounts.

In 2018, the City refunded the 2006 note and issued a Series 2018 note in the amount of \$3,213,734, payable in semi-annual installments of varying amounts. The note carries interest of 2.98% and matures in 2027. The note is subject to a prepayment penalty of 2% of the outstanding principal amount.

The City entered into an agreement with the Boys and Girls Club of Craig who rents certain real property. The City has agreed to reimburse the not-for-profit for its share of roof repairs paying totaling \$22,950. That payment was made in 2018.

The City entered into an agreement with Revize, LLC for various web services and technological support. The agreement carries no interest and requires payment of \$5,200 in 2019, \$5,200 in 2020, and \$1,900 in 2021.

*Debt Service Requirements*

The following outlines the debt service requirements for the Series 2018 note.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 6 - LONG-TERM DEBT (Continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 301,836	\$ 89,154	\$ 390,990
2020	310,897	80,093	390,990
2021	320,231	70,759	390,990
2022	329,845	61,145	390,990
2023	339,748	51,242	390,990
2024-2027	<u>1,464,099</u>	<u>99,861</u>	<u>1,563,960</u>
	<u>\$ 3,066,656</u>	<u>\$ 452,254</u>	<u>\$3,518,910</u>

*Accrued Compensated Absences* - Earned but unused vacation and sick benefits amounted to \$376,086 in governmental activities and \$104,165 in business-type activities at December 31, 2018.

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

NOTE 7 - PENSION PLANS

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plan.

Deferred Compensation Plan – Section 401(a)

The City participates in a defined contribution retirement plan covering all full-time employees. The plan is administrated by ICMA Retirement Corporation and the City has no fiduciary responsibility for the plan. The city contributes 12% of the compensation and the employees contribute 6%. Plan contributions for the year ended December 31, 2018 were \$650,683 for the City and \$325,476 for the employees. The plan vests at a rate of 20% per year and is fully vested after five years. As of December 31, 2018, the plan had 53 employees fully vested and 26 non-vested employees. City Council has the authority to establish and amend the benefit terms and contributing rates. Unvested City contributions for employees who leave employment before five years are used to reduce the City's current period contribution requirement.

CITY OF CRAIG  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 7 - PENSION PLANS (Continued)

No forfeitures were used to reduce the City's contributions in 2018. The current balance in the forfeiture account is \$185,124.

NOTE 8 - COMMITMENT AND CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City has entered into employment contracts with certain City staff. These employment contracts are of varying length and include termination payments of different amounts.

The City has an engineering contract for the water system and plant improvements totaling \$493,590. At December 31, 2018, \$327,419 remains unexpended.

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and general liability. The City carries commercial and trust coverage for these risks and does not expect claims to exceed their coverage.

NOTE 10 - INTERGOVERNMENTAL AGREEMENT

On October 21, 2014, the City entered into an agreement with the Colorado River Water Conservation District (CRWCD). The agreement specifies the allocation of expenses for the operation, maintenance, repair and replacement of Elkhead Reservoir. Recreation facility and management expenses at Elkhead Reservoir shall be allocated 50% to the City and 50% to CRWCD. All other operation, maintenance, repair and replacement costs shall be allocated 51.75% to the City and 48.25% to CRWCD. The City received reimbursement of 2018 operating expenses of \$26,121.

NOTE 11 - RELATED PARTY TRANSACTIONS

The City from time to time in the normal course of business executes transactions with local businesses which in some cases may be owned by members of the City Council as well as provide utility services to those members and businesses. The City believes that transaction when they arise are handled in a manner which is consistent with its normal procurement policies.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018			2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
<b>REVENUES</b>				
Taxes				
General property taxes	\$ 1,198,500	\$ 1,198,500	\$ 1,192,949	\$ (5,551)
Highway user taxes	304,770	304,770	401,401	96,631
Specific ownership taxes	87,700	87,700	111,045	23,345
Sales tax	6,075,100	6,075,100	6,704,058	628,958
Franchise tax	295,000	295,000	296,314	1,314
Severance tax	180,000	180,000	238,620	58,620
Interest and penalties	-	-	25,611	25,611
Cigarette taxes	20,000	20,000	16,368	(3,632)
Total taxes	<u>8,161,070</u>	<u>8,161,070</u>	<u>8,986,366</u>	<u>825,296</u>
Licenses and permits				
Building permits	90,000	90,000	138,390	48,390
Miscellaneous	9,600	9,600	25,848	16,248
Total licenses and permits	<u>99,600</u>	<u>99,600</u>	<u>164,238</u>	<u>64,638</u>
Intergovernmental revenues				
Motor vehicle tax	45,000	45,000	32,258	(12,742)
State grants	128,980	128,980	261,540	132,560
Mineral lease	300,000	300,000	299,664	(336)
State lottery	85,000	85,000	90,338	5,338
Public safety grants	-	-	-	-
Total intergovernmental revenues	<u>558,980</u>	<u>558,980</u>	<u>683,800</u>	<u>124,820</u>
Charges for services				
Recreation program fees	135,750	135,750	168,072	32,322
Swimming pool fees	112,050	112,050	121,317	9,267
Concessions	-	-	542	542
Total charges for services	<u>247,800</u>	<u>247,800</u>	<u>289,931</u>	<u>42,131</u>
Fines and forfeitures	<u>61,000</u>	<u>61,000</u>	<u>41,164</u>	<u>(19,836)</u>
Investment Earnings	<u>27,100</u>	<u>27,100</u>	<u>84,007</u>	<u>56,907</u>
Miscellaneous				
Rents and royalties	23,000	23,000	23,273	273
Miscellaneous	40,450	40,450	98,987	58,537
Total Miscellaneous	<u>63,450</u>	<u>63,450</u>	<u>122,260</u>	<u>58,810</u>
Total Revenues	<u>\$ 9,219,000</u>	<u>\$ 9,219,000</u>	<u>\$ 10,371,766</u>	<u>\$ 1,152,766</u>

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>Variance with</b>	<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget Positive (Negative)</b>	<b>Actual</b>
<b>EXPENDITURES</b>					
General government					
City council	\$ 204,265	\$ 204,265	\$ 197,602	\$ 6,663	\$ 214,787
Administration	213,465	293,465	353,964	(60,499)	232,467
Engineering	65,040	82,040	91,129	(9,089)	76,510
Finances	379,567	379,567	299,033	80,534	290,749
Clerk and personnel	235,190	240,190	238,159	2,031	241,815
Building maintenance	81,620	81,620	50,275	31,345	57,922
City attorney	112,640	112,640	101,196	11,444	96,541
Total general government	<u>1,291,787</u>	<u>1,393,787</u>	<u>1,331,358</u>	<u>62,429</u>	<u>1,210,791</u>
Judicial					
Municipal	<u>99,830</u>	<u>102,830</u>	<u>90,223</u>	<u>12,607</u>	<u>49,471</u>
Total judicial	<u>99,830</u>	<u>102,830</u>	<u>90,223</u>	<u>12,607</u>	<u>49,471</u>
Public safety					
Police	<u>3,249,235</u>	<u>3,304,035</u>	<u>3,115,912</u>	<u>188,123</u>	<u>3,065,278</u>
Total public safety	<u>3,249,235</u>	<u>3,304,035</u>	<u>3,115,912</u>	<u>188,123</u>	<u>3,065,278</u>
Road and bridge	<u>2,334,045</u>	<u>2,344,745</u>	<u>2,189,160</u>	<u>155,585</u>	<u>2,141,333</u>
Community Development	<u>110,095</u>	<u>130,095</u>	<u>142,393</u>	<u>(12,298)</u>	<u>101,123</u>
Parks and Recreation					
General operations	785,665	796,865	805,335	(8,470)	700,756
Pool complex	364,505	377,255	311,410	65,845	306,053
Center of Craig	30,200	30,200	19,703	10,497	27,234
Recreation programs	<u>248,665</u>	<u>254,665</u>	<u>266,520</u>	<u>(11,855)</u>	<u>222,991</u>
Total parks and recreation	<u>1,429,035</u>	<u>1,458,985</u>	<u>1,402,968</u>	<u>56,017</u>	<u>1,257,034</u>
Capital outlay	<u>484,170</u>	<u>1,321,170</u>	<u>1,019,572</u>	<u>301,598</u>	<u>532,825</u>
Total Expenditures	<u>\$ 8,998,197</u>	<u>\$ 10,055,647</u>	<u>\$ 9,291,586</u>	<u>\$ 764,061</u>	<u>\$ 8,357,855</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>-</u>	<u>(236,825)</u>	<u>(236,825)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (236,825)</u>	<u>\$ (236,825)</u>	<u>\$ -</u>	<u>\$ -</u>

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

## **SUPPLEMENTARY INFORMATION**



**CITY OF CRAIG, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2018**

	<u>ACET</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 183,223	\$ 657,779	\$ 841,002
Receivables, net			
Property tax	-	140,525	140,525
Accounts	69	2,152	2,221
Total assets	<u>\$ 183,292</u>	<u>\$ 800,456</u>	<u>\$ 983,748</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,709	\$ -	\$ 1,709
Total liabilities	<u>1,709</u>	<u>-</u>	<u>1,709</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax	-	140,525	140,525
Total deferred inflows of resources	<u>-</u>	<u>140,525</u>	<u>140,525</u>
<b>FUND BALANCES</b>			
Assigned to			
Public safety	181,583	-	181,583
Capital projects	-	659,931	659,931
Total fund balances	<u>181,583</u>	<u>659,931</u>	<u>841,514</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 183,292</u>	<u>\$ 800,456</u>	<u>\$ 983,748</u>

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

**CITY OF CRAIG, COLORADO**  
**COMBINING SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2018**

	<b>ACET</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ -	\$ 142,108	\$ 142,108
Specific ownership taxes	-	11,894	11,894
Grants	19,518	173,900	193,418
Investment earnings	3,397	8,329	11,726
Miscellaneous	12,147	-	12,147
Total revenues	<u>35,062</u>	<u>336,231</u>	<u>371,293</u>
<b>Expenditures</b>			
Public Safety	43,464	-	43,464
Treasurer's fees	-	2,813	2,813
Capital outlay	-	364,776	364,776
Total expenditures	<u>43,464</u>	<u>367,589</u>	<u>411,053</u>
Deficiency of revenues over over expenditures	(8,402)	(31,358)	(39,760)
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>236,825</u>	<u>236,825</u>
Net change in fund balance	(8,402)	205,467	197,065
Fund Balances - Beginning	189,985	454,464	644,449
Fund Balances - Ending	<u>\$ 181,583</u>	<u>\$ 659,931</u>	<u>\$ 841,514</u>

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**ACET FUND**

**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 17,425	\$ 19,518	\$ 2,093	\$ 18,696
Investment earnings	1,200	3,397	2,197	2,314
Miscellaneous	500	12,147	11,647	8,543
Total revenues	<u>19,125</u>	<u>35,062</u>	<u>15,937</u>	<u>29,553</u>
<b>Expenditures</b>				
Public safety	<u>78,170</u>	<u>43,464</u>	<u>34,706</u>	<u>54,147</u>
Total expenditures	<u>78,170</u>	<u>43,464</u>	<u>34,706</u>	<u>54,147</u>
Net change in fund balance	<u><u>\$ (59,045)</u></u>	<u>(8,402)</u>	<u><u>\$ 50,643</u></u>	<u>(24,594)</u>
Fund Balances - Beginning		<u>189,985</u>		<u>214,579</u>
Fund Balances - Ending		<u><u>\$ 181,583</u></u>		<u><u>\$ 189,985</u></u>

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>				<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues</b>					
Property taxes	\$ 141,075	\$ 141,075	\$ 142,108	\$ 1,033	\$ 147,921
Specific ownership taxes	8,800	8,800	11,894	3,094	13,128
Intergovernmental	930,000	930,000	173,900	(756,100)	-
Investment earnings	2,000	2,000	8,329	6,329	6,031
Total revenues	<u>1,081,875</u>	<u>1,081,875</u>	<u>336,231</u>	<u>(745,644)</u>	<u>167,080</u>
<b>Expenditures</b>					
Treasurer's fees	2,800	2,800	2,813	(13)	2,952
Capital outlay	<u>1,052,090</u>	<u>1,462,825</u>	<u>364,776</u>	<u>1,098,049</u>	<u>162,136</u>
Total expenditures	<u>1,054,890</u>	<u>1,465,625</u>	<u>367,589</u>	<u>1,098,036</u>	<u>165,088</u>
Excess (deficiency) of revenues over over expenditures	<u>26,985</u>	<u>(383,750)</u>	<u>(31,358)</u>	<u>352,392</u>	<u>1,992</u>
Other financing sources (uses)					
Transfers in	<u>473,650</u>	<u>236,825</u>	<u>236,825</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 500,635</u>	<u>\$ (146,925)</u>	<u>205,467</u>	<u>\$ 352,392</u>	<u>1,992</u>
Fund Balances - Beginning			<u>454,464</u>		<u>452,472</u>
Fund Balances - Ending			<u>\$ 659,931</u>		<u>\$ 454,464</u>

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**NET POSITION BUDGET (NON-GAAP BASIS) AND**  
**ACTUAL WITH RECONCILIATION TO GAAP BASIS**  
**WATER FUND**

**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>				<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues</b>					
Charges for services	\$ 3,082,000	\$ 3,082,000	\$ 3,151,972	\$ 69,972	\$ 3,059,410
Meter sales	1,000	1,000	3,405	2,405	1,431
Tap fees	-	-	31,000	31,000	12,810
Investment earnings	3,000	3,000	72,867	69,867	30,911
Intergovernmental	250,000	250,000	260,000	10,000	-
Miscellaneous	45,000	45,000	69,445	24,445	111,190
Total revenues	<u>3,381,000</u>	<u>3,381,000</u>	<u>3,588,689</u>	<u>207,689</u>	<u>3,215,752</u>
<b>Expenditures</b>					
Salaries	685,280	685,280	693,285	(8,005)	719,240
Employee benefits	377,490	377,490	357,464	20,026	366,272
Repairs and maintenance	1,077,000	1,167,000	390,586	776,414	389,547
Utilities	257,500	257,500	211,636	45,864	216,637
Chemicals	150,000	150,000	132,344	17,656	151,774
Insurance and bonds	64,350	64,350	59,138	5,212	54,952
Supplies	50,650	50,650	44,701	5,949	56,516
Other purchased services	150,250	175,250	157,792	17,458	107,980
Capital outlay	1,124,000	1,324,000	870,269	453,731	143,150
Interest expense	88,270	88,270	119,762	(31,492)	88,802
Lease fees	48,500	48,500	59,726	(11,226)	44,415
Debt principal	285,270	285,270	230,340	54,930	285,264
Total expenditures	<u>4,358,560</u>	<u>4,673,560</u>	<u>3,327,043</u>	<u>1,346,517</u>	<u>2,624,549</u>
Change in net position - budget basis	<u>\$ (977,560)</u>	<u>\$ (1,292,560)</u>	261,646	<u>\$ 1,554,206</u>	591,203
<b>Reconciliation to GAAP basis</b>					
Depreciation			(553,970)		(558,099)
Debt principal			230,340		285,264
Capital outlay			870,269		143,510
Change in net position - GAAP basis			808,285		461,518
Net Position - Beginning			<u>17,843,680</u>		<u>17,382,162</u>
Net Position - Ending			<u>\$ 18,651,965</u>		<u>\$ 17,843,680</u>

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**NET POSITION BUDGET (NON-GAAP BASIS) AND**  
**ACTUAL WITH RECONCILIATION TO GAAP BASIS**  
**WATERWASTE FUND**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018				2017
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	\$ 1,773,000	\$ 1,773,000	1,753,396	\$ (19,604)	\$ 1,808,306
Tap fees	-	-	14,340	14,340	7,170
Investment earnings	7,000	7,000	30,262	23,262	12,395
Miscellaneous	9,000	9,000	33,423	24,423	4,070
Total revenues	1,789,000	1,789,000	1,831,421	42,421	1,831,941
Expenditures					
Salaries	499,450	499,450	552,020	(52,570)	510,751
Employee benefits	230,590	230,590	253,294	(22,704)	244,928
Repairs and maintenance	211,500	286,500	222,171	64,329	109,441
Utilities	153,300	153,300	141,799	11,501	121,256
Chemicals	27,500	27,500	12,321	15,179	33,277
Insurance and bonds	29,910	29,910	28,211	1,699	9,552
Supplies	49,750	49,750	29,337	20,413	17,727
Other purchased services	61,200	86,200	97,056	(10,856)	73,655
Capital outlay	1,674,000	1,674,000	41,495	1,632,505	379,684
Total expenditures	2,937,200	3,037,200	1,377,704	1,659,496	1,500,271
Change in net position - budget basis	\$ (1,148,200)	\$ (1,248,200)	453,717	\$ 1,701,917	331,670
Reconciliation to GAAP basis					
Depreciation			(233,748)		(200,972)
Capital outlay			41,495		379,684
Change in net position - GAAP basis			261,464		510,382
Net Position - Beginning			5,393,924		4,883,542
Net Position - Ending			\$ 5,655,388		\$ 5,393,924

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

**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**NET POSITION BUDGET (NON-GAAP BASIS) AND**  
**ACTUAL WITH RECONCILIATION TO GAAP BASIS**  
**SANITATION FUND**

**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>				<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Revenues</b>					
Charges for services	\$ 1,407,600	\$ 1,407,600	\$ 1,418,065	\$ 10,465	\$ 1,451,497
Miscellaneous revenue	10,000	10,000	19,758	9,758	14,761
Interest income	-	-	35,870	35,870	18,337
<b>Total revenues</b>	<b>1,417,600</b>	<b>1,417,600</b>	<b>1,473,693</b>	<b>56,093</b>	<b>1,484,595</b>
<b>Expenditures</b>					
Salaries	437,810	437,810	439,719	(1,909)	424,120
Employee benefits	230,030	230,030	223,421	6,609	217,636
Repairs and maintenance	59,400	59,400	36,254	23,146	45,595
Utilities	11,000	11,000	6,327	4,673	7,569
Landfill fees	350,000	350,000	359,899	(9,899)	327,576
Insurance and bonds	18,800	18,800	19,889	(1,089)	16,508
Supplies	162,750	447,750	126,618	321,132	106,158
Other purchased services	38,550	38,550	23,935	14,615	24,295
Miscellaneous	-	-	3,982	(3,982)	-
<b>Total expenditures</b>	<b>1,308,340</b>	<b>1,593,340</b>	<b>1,240,044</b>	<b>353,296</b>	<b>1,169,457</b>
<b>Change in net position - budget basis</b>	<b>\$ 109,260</b>	<b>\$ (175,740)</b>	<b>233,649</b>	<b>\$ 409,389</b>	<b>315,138</b>
<b>Reconciliation to GAAP basis</b>					
Depreciation			(130,543)		(97,954)
<b>Change in net position - GAAP basis</b>			<b>103,106</b>		<b>217,184</b>
<b>Net Position - Beginning</b>			<b>2,217,301</b>		<b>2,000,117</b>
<b>Net Position - Ending</b>			<b>\$ 2,320,407</b>		<b>\$ 2,217,301</b>

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

**CITY OF CRAIG, COLORADO**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**INTERNAL SERVICES - MEDICAL BENEFIT FUND**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 348,975	\$ 300,283
Receivables	31,836	-
Total Assets	<u>380,811</u>	<u>300,283</u>
Liabilities and Net Position		
Liabilities		
Accounts payable	15,080	-
Total Liabilities	<u>15,080</u>	<u>-</u>
Net position		
Unrestricted	<u>\$ 365,731</u>	<u>\$ 300,283</u>

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



**CITY OF CRAIG, COLORADO**  
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN**  
**NET POSITION BUDGET AND ACTUAL**  
**INTERNAL SERVICES - MEDICAL BENEFIT FUND**  
**For the Year Ended December 31, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>2017</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
Operating revenues				
Charges for services	\$ 2,092,000	\$ 2,047,555	\$ (44,445)	\$ 2,036,154
Other	-	31,836	31,836	-
Total revenues	<u>2,092,000</u>	<u>2,079,391</u>	<u>(12,609)</u>	<u>2,036,154</u>
Operating expenses				
Insurance premiums	2,036,810	1,974,959	61,851	1,902,546
Claims incurred	50,500	35,045	15,455	49,913
Administrative fees	<u>2,200</u>	<u>4,010</u>	<u>(1,810)</u>	<u>6,274</u>
Total operating expenses	<u>2,089,510</u>	<u>2,014,014</u>	<u>75,496</u>	<u>1,958,733</u>
Operating income	<u>2,490</u>	<u>65,377</u>	<u>62,887</u>	<u>77,421</u>
Non-operating revenues				
Investment earnings	-	71	71	44
Total non-operating revenues	<u>-</u>	<u>71</u>	<u>71</u>	<u>44</u>
Change in net position	<u>\$ 2,490</u>	65,448	<u>\$ 62,958</u>	77,465
Net Position - Beginning		<u>300,283</u>		<u>222,818</u>
Net Position -Ending		<u>\$ 365,731</u>		<u>\$ 300,283</u>

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

**CITY OF CRAIG, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICES - MEDICAL BENEFIT FUND**  
**December 31, 2018 and 2017**

	<u><b>2018</b></u>	<u><b>2017</b></u>
Cash Flows from Operating Activities		
Cash received from users	\$ 2,047,555	\$ 2,036,154
Cash paid on claims	(19,965)	(49,913)
Cash paid for premiums and administration	(1,978,969)	(1,908,820)
Net Cash Provided by Operating Activities	<u>48,621</u>	<u>77,421</u>
 Cash Flows from Investing Activities		
Interest received	<u>71</u>	<u>44</u>
Net Cash Provided by Investing Activities	<u>71</u>	<u>44</u>
 Net change in cash and cash equivalents	48,692	77,465
Cash and Cash Equivalents - Beginning	<u>300,283</u>	<u>222,818</u>
 Cash and Cash Equivalents - Ending	<u><u>\$ 348,975</u></u>	<u><u>\$ 300,283</u></u>
 Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating income	\$ 65,377	\$ 77,421
Change in accounts receivable	(31,836)	\$ -
Change in accounts payable	<u>15,080</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>\$ 48,621</u></u>	<u><u>\$ 77,421</u></u>

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

**OTHER SUPPLEMENTARY INFORMATION**  
**STATE COMPLIANCE**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>CITY OF CRAIG</b>
		YEAR ENDING : December 2018
CITY OF CRAIG	Prepared By: Phone:	Bruce M. Nelson 970-826-2007

**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****III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	828,106
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,866,712
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	21,408
2. General fund appropriations	1,841,418	b. Snow and ice removal	2,266
3. Other local imposts (from page 2)	261,186	c. Other	
4. Miscellaneous local receipts (from page 2)	8,329	d. Total (a. through c.)	23,674
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,718,492
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,110,933	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	607,559	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	2,718,492	3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,718,492

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,718,492	2,718,492	0	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado YEAR ENDING (mm/yy): December 2018	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	140,399	a. Interest on investments	8,329
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	120,787	g. Other Misc. Receipts	
6. Total (1. through 5.)	120,787	h. Other	
c. Total (a. + b.)	261,186	i. Total (a. through h.)	8,329
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	401,401	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	32,258	d. Federal Transit Admin	
d. Other (Specify) - Grant CDOT	173,900	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	206,158	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	607,559	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		47,218	47,218
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		493,843	493,843
(4). System Enhancement & Operation		287,045	287,045
(5). Total Construction (1) + (2) + (3) + (4)	0	780,888	780,888
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	828,106	828,106
			(Carry forward to page 1)
<b>Notes and Comments:</b>			