

CITY OF CRAIG
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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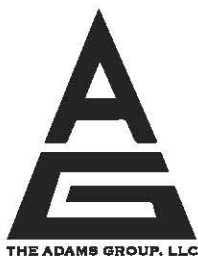
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Craig (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Craig, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 budgetary comparison schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, budgetary comparison schedules and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Denver, Colorado
June 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

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, 2021. It should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$65,317,303. Of this amount, \$23,277,359 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens, creditors, and enterprise fund customers.
- The City's total net position increased by \$5,960,592 over the previous year. The increase was a result of significant increases in capital assets from construction projects taken on by the City and contributed capital assets from other governments.
- At December 31, 2021, the City's governmental fund balance sheet reported a combined ending fund balance of \$12,623,959, an increase of \$1,976,932 when compared to the prior year.
- The General Fund reported a fund balance of \$11,898,321, an increase of \$2,060,778 from the prior fiscal year as a result of increased tax revenues and increase grant revenues from the State.
- The City's outstanding long term debt increased by \$318,976 in fiscal year 2021 as a result of the City entering into a lease purchase agreement for solar infrastructure for the water and wastewater treatment facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

Both of 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 City's governmental activities include general government, public safety, road and bridge, community development, and park and recreation. The City's business-type activities include a water and wastewater utility system, and a solid waste service.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. 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 two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, ACET Fund, and the Museum Fund. The General Fund, is the only governmental fund considered to be a major fund in the current year.

The City adopts an annual appropriated budget for all funds, as required by State Statutes. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

Proprietary funds. The City maintains two types of proprietary funds, enterprise and internal service funds. 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.

Financial statements of proprietary funds provide the same type of information as the government wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the City's water, wastewater, and solid waste, each of which is considered to be major fund of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparison information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The City's assets exceeded its liabilities and deferred inflows of resources by \$65,317,303 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$5,960,592.

One of the largest portions of the City's net position (63.3%) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related 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 is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. A portion of the City's net position (1.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$23,277,359 may be used to meet the City's ongoing obligations to its citizens and creditors.

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

City of Craig Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 16,927,266	\$ 13,583,521	\$ 11,407,271	\$ 10,757,905	\$ 28,334,537	\$ 24,341,426
Capital assets, net of depreciation	19,769,279	17,646,054	27,249,293	25,969,175	47,018,572	43,615,229
Total Assets	<u>36,696,545</u>	<u>31,229,575</u>	<u>38,656,564</u>	<u>36,727,080</u>	<u>75,353,109</u>	<u>67,956,655</u>
Liabilities						
Current liabilities	2,089,907	706,081	1,083,823	964,578	3,173,730	1,670,659
Noncurrent liabilities	-	255,875	5,367,270	5,242,246	5,367,270	5,498,121
Total Liabilities	<u>2,089,907</u>	<u>961,956</u>	<u>6,451,093</u>	<u>6,206,824</u>	<u>8,541,000</u>	<u>7,168,780</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	<u>1,494,806</u>	<u>1,431,164</u>	<u>-</u>	<u>-</u>	<u>1,494,806</u>	<u>1,431,164</u>
Net Position						
Net investment in capital assets	19,769,278	17,644,154	21,556,792	20,770,759	41,326,070	38,414,913
Restricted	721,988	544,459	-	-	721,988	544,459
Unrestricted	<u>12,620,566</u>	<u>10,647,842</u>	<u>10,648,679</u>	<u>9,749,497</u>	<u>23,269,245</u>	<u>20,397,339</u>
Total Net Position	<u>\$ 33,111,832</u>	<u>\$ 28,836,455</u>	<u>\$ 32,205,471</u>	<u>\$ 30,520,256</u>	<u>\$ 65,317,303</u>	<u>\$ 59,356,711</u>

At the end of the current fiscal year, as in the prior year, the City is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by \$2,880,020 compared with the prior year, largely due to a significant increase in revenues associated with sales and property taxes and contributed capital assets from other governments. Despite the struggling economy, the City's finances are strong, sound, and stable because of solid, dedicated and committed financial and operational management.

The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

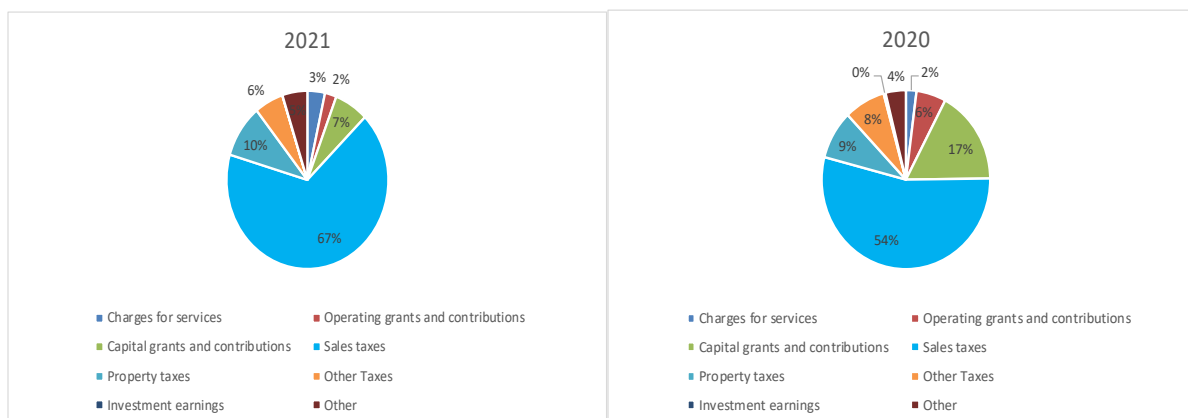
**CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021**

City of Craig Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 535,728	\$ 335,767	7,157,759	6,734,697	\$ 7,693,487	\$ 7,070,464
Operating Grants & Contributions	354,440	935,092	-	-	354,440	935,092
Capital Grants & Contributions	1,037,769	2,810,561	573,249	812,881	1,611,018	3,623,442
General Revenues						
Sales Taxes	10,252,725	8,927,705	-	-	10,252,725	8,927,705
Property Taxes	1,474,713	1,448,040	-	-	1,474,713	1,448,040
Other Taxes & Fees	881,112	1,296,557	-	-	881,112	1,296,557
Investment Earnings	6,704	60,363	3,829	54,202	10,533	114,565
Other	766,141	641,189	88,555	95,962	854,696	737,151
Total Revenues	15,309,332	16,455,274	7,823,392	7,697,742	23,132,724	24,153,016
Expenses						
General Government	2,295,090	2,635,493	-	-	2,295,090	2,635,493
Public Safety	3,562,919	3,263,525	-	-	3,562,919	3,263,525
Road & Bridge	2,857,929	2,655,990	-	-	2,857,929	2,655,990
Community Development	217,153	172,422	-	-	217,153	172,422
Parks & Recreation	2,100,864	1,829,748	-	-	2,100,864	1,829,748
Water	-	-	2,952,459	2,789,956	2,952,459	2,789,956
Wastewater	-	-	1,461,606	1,493,639	1,461,606	1,493,639
Solid Waste	-	-	1,724,112	1,541,653	1,724,112	1,541,653
Total Expenses	11,033,955	10,557,178	6,138,177	5,825,248	17,172,132	16,382,426
Increase in Net Position	4,275,377	5,898,096	1,685,215	1,872,494	5,960,592	7,770,590
Net Position - Beginning	28,836,455	22,938,359	30,520,256	28,647,762	59,356,711	45,625,002
Net Position - Ending	\$ 33,111,832	\$ 28,836,455	\$ 32,205,471	\$ 30,520,256	\$ 65,317,303	\$ 53,395,592

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal years 2021 and 2020.

GOVERNMENTAL REVENUES

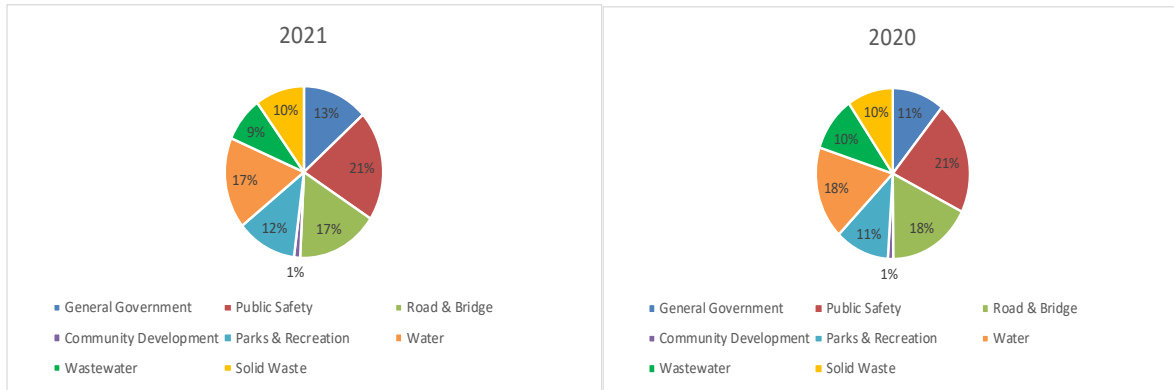


As portrayed above and discussed earlier, the City is heavily reliant on sales tax as well as property taxes to support governmental operations. These tax revenues accounted for

CITY OF CRAIG
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

77% of total revenues as compared to 63% in the prior year. The increase is a result of a decrease in capital grants and contributions.

GOVERNMENTAL FUNCTIONAL EXPENSES



Total expenses for governmental activities was \$11,033,955 in 2021 when compared to the 2020 total of \$10,557,178. Public Safety was the largest operating service for 2021 and 2020.

FINANCIAL ANALYSIS OF THE TOWN’S FUNDS

As noted earlier, 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, unassigned fund balance may be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the City's governmental funds reported combined fund balances of \$12,623,959, an increase of \$1,976,932 compared with the prior year balances. There is \$11,138,135 of unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance falls into the categories of either nonspendable, restricted, committed or assigned.

These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the City, statutory or debt-based requirements.

The General Fund is the chief operating fund of the City. At December 31, 2021, total fund balance in the General Fund was \$11,898,321. As a measure of the General Fund’s liquidity, the total fund balance amount represented 94% of total general fund expenditures at December 31, 2021. The fund balance of the General Fund increased by \$2,060,778 during the current fiscal year due to an increase in tax and grant revenues.

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

The Capital Projects Fund has a total fund balance of \$453,254, 100% of which is assigned for capital improvements. The \$12,851 increase in fund balance for the year is the result of increased property tax collections in 2021.

The ACET Fund has a total fund balance of \$0. This fund balance decreased \$146,627 during the current fiscal year due to the City transferring operations and ownership of the All Crimes Enforcement Team activities to Moffat County.

The Museum Fund has a total fund balance of \$272,384, 100% of which is committed to support the operations of the Museum of Northwest Colorado. The \$49,930 increase in fund balance was the result of the General Fund transferring \$300,000 to cover operations and capital construction. This fund was newly created in 2020 after the transfer of operations and assets of the museum from Moffat County.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2021, total net position amounted to \$32,379,101 for enterprise funds, an increase of \$1,663,285 from the prior year.

Total net position of the Water Fund amounted to \$22,040,049 at the end of the fiscal year, representing a \$783,182 increase compared to the prior fiscal year. The largest portion of the fund's net position (72%) reflects its investment in capital assets less any related debt used to acquire those assets. Operating revenues increased 5%, or \$176,796 compared to 2020 due to an increase in charges to customers within the City. Operating expenses increased \$156,418 compared to 2020, but the increase was less than that of operating revenues, resulting in an increase in operating income of \$20,378 compared to 2020.

The Wastewater Fund total net position amounted to \$7,680,161 at the end of the fiscal year, representing an increase of \$809,804 compared to the prior year. The largest portion of the fund's net position (66%) represents its investment in capital assets. Operating revenues increased \$68,783 and operating expenses decreased \$36,966 when compared to the prior fiscal year, resulting in an increase in operating income of \$105,749.

Total net position of the Solid Waste Fund amounted to \$2,658,891 at the end of the fiscal year, reflecting an increase of \$70,299 compared to the prior fiscal year. The largest portion of the fund's net position (77%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to its customers of the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2021 as well as the final budget are presented. Actual revenues for the general fund showed a positive variance of \$764,699 compared to budgeted revenues due mostly to higher actual sales tax collections during the fiscal year. Expenditures for general government, public safety, road and bridge, community development, and parks and recreation

CITY OF CRAIG
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

were under budget by a total of \$5,658,111 due to a decrease in capital outlay and parks and recreation expenditures in 2021 when compared to the budget.

CAPITAL ASSEST AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$47,018,573 (net of accumulated depreciation). This investment in capital assets includes land and water rights, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the City's capital assets for the current fiscal year was 7.8% due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Woodbury Park Improvements - \$668,748
- Downtown Sidewalks - \$1,348,369
- Solar Net Metering Field - \$1,174,661
- Glen Erie Tank Rehabilitation - \$473,139
- Construction of Wastewater Sludge Line Replacement - \$1,303,335

City of Craig Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,555,077	\$ 1,550,231	\$ 1,719,009	\$ 1,719,009	\$ 3,274,086	\$ 3,269,240
Construction in Process	203,528	107,606	3,885,117	4,750,758	4,088,645	4,858,364
Buildings/Improvements	55,095,870	52,728,948	42,032,922	39,013,211	97,128,792	91,742,159
Machinery and Equipment	7,164,278	7,181,920	5,099,555	5,049,751	12,263,833	12,231,671
Total Assets	<u>64,018,753</u>	<u>61,568,705</u>	<u>52,736,603</u>	<u>50,532,729</u>	<u>116,755,356</u>	<u>112,101,434</u>
 Total Accumulated Depreciation	 (44,249,474)	 (43,922,651)	 (25,487,306)	 (24,563,554)	 (69,736,780)	 (68,486,205)
 Net Capital Assets	 <u>\$ 19,769,279</u>	 <u>\$ 17,646,054</u>	 <u>\$ 27,249,297</u>	 <u>\$ 25,969,175</u>	 <u>\$ 47,018,576</u>	 <u>\$ 43,615,229</u>

CITY OF CRAIG
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2021

Long-Term Debt. At the end of the current fiscal year, the City had total outstanding debt of \$5,962,105. Of this amount, \$797,119 is comprised of a lease purchase agreement entered into by the City to fund a portion of the Solar Net Metering Field constructed in 2021.

City of Craig Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Note Payable - Revize	\$ -	\$ 1,900	\$ -	\$ -	\$ -	\$ 1,900
Lease Purchase Agreement	-	-	797,119	-	797,119	-
Series 2019 Bonds	-	-	2,133,691	2,453,922	2,133,691	2,453,922
Series 2020 Revolving Loan	-	-	3,031,294	3,187,307	3,031,294	3,187,307
	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ 5,962,104</u>	<u>\$ 5,641,229</u>	<u>\$ 5,962,104</u>	<u>\$ 5,643,129</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- Taxable property valuation increased from \$75.34 million in 20 to \$78.69 million in 2021. 2021 valuation is based on collections to be received by the City in 2022.
- Sales tax revenues were significantly higher than 2021 budgeted amounts as a result of: the Covid-19 pandemic, and citizens purchasing within city limits due to travel restrictions; the Wayfair decision triggering the reporting and collecting of sales tax for online sales; the collection of sales tax from retail marijuana sales.

The City has assigned \$268,690 of fiscal year 2021 ending fund balance to cover the budgeted general fund deficit outlined in the 2022 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2022 fiscal year. All municipal services provided in 2021 will be continued in 2022.

CONTACTING THE CITY’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 4th Street, City of Craig, Colorado 81625.

BASIC FINANCIAL STATEMENTS

CITY OF CRAIG
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,849,603	\$ 10,222,870	\$ 23,072,473
Restricted cash and cash equivalents	-	269,603	269,603
Receivables, net of allowance for doubtful accounts:			
Property tax	1,494,806	-	1,494,806
Accounts	1,424,832	676,097	2,100,929
Intergovernmental	932,616	44,549	977,165
Internal balances	173,630	(173,630)	-
Prepaid items	640	-	640
Inventory	51,139	367,782	418,921
Capital assets not being depreciated	1,758,605	5,604,126	7,362,731
Capital assets, net of accumulated depreciation	18,010,674	21,645,167	39,655,841
Total assets	<u>36,696,545</u>	<u>38,656,564</u>	<u>75,353,109</u>
LIABILITIES			
Accounts payable	406,196	233,590	639,786
Accrued payroll	232,216	100,341	332,557
Unearned Revenue	1,133,839	-	1,133,839
Accrued interest payable	-	38,334	38,334
Long-term liabilities:			
Due within one year	317,656	711,558	1,029,214
Due in more than one year	-	5,367,270	5,367,270
Total liabilities	<u>2,089,907</u>	<u>6,451,093</u>	<u>8,541,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,494,806	-	1,494,806
Total deferred inflows of resources	<u>1,494,806</u>	<u>-</u>	<u>1,494,806</u>
NET POSITION			
Net investment in capital assets	19,769,278	21,556,792	41,326,070
Restricted for TABOR			
Emergency reserves	465,000	-	465,000
Future retirement contributions	256,988	-	256,988
Unrestricted	12,620,566	10,648,679	23,269,245
Total net position	<u>\$ 33,111,832</u>	<u>\$ 32,205,471</u>	<u>\$ 65,317,303</u>

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

CITY OF CRAIG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

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	\$ 2,295,090	\$ 204,598	\$ 169,325	\$ 133,663	\$ (1,787,504)	\$ -	\$ (1,787,504)
Public safety	3,562,919	39,255	67,004	20,890	(3,435,770)	-	(3,435,770)
Road and bridge	2,857,929	-	-	819,253	(2,038,676)	-	(2,038,676)
Community development	217,153	-	-	-	(217,153)	-	(217,153)
Parks and recreation	2,100,864	291,875	118,111	63,963	(1,626,915)	-	(1,626,915)
Total governmental activities	<u>11,033,955</u>	<u>535,728</u>	<u>354,440</u>	<u>1,037,769</u>	<u>(9,106,018)</u>	<u>-</u>	<u>(9,106,018)</u>
Business-type activities							
Water	2,952,459	3,417,832	-	250,662	-	716,035	716,035
Wastewater	1,461,606	1,952,426	-	322,587	-	813,407	813,407
Solid waste	1,724,112	1,787,501	-	-	-	63,389	63,389
Total business-type activities	<u>6,138,177</u>	<u>7,157,759</u>	<u>-</u>	<u>573,249</u>	<u>-</u>	<u>1,592,831</u>	<u>1,592,831</u>
	<u>\$ 17,172,132</u>	<u>\$ 7,693,487</u>	<u>\$ 354,440</u>	<u>\$ 1,611,018</u>	<u>(9,106,018)</u>	<u>1,592,831</u>	<u>(7,513,187)</u>
General revenues:							
Taxes							
Sales and use tax					10,252,725	-	10,252,725
Property tax, levied for general purposes					1,474,713	-	1,474,713
Specific ownership tax					137,620	-	137,620
Franchise tax					297,456	-	297,456
Severance tax					40,126	-	40,126
Other taxes					405,910	-	405,910
Mineral lease revenue					480,188	-	480,188
Investment earnings					6,704	3,829	10,533
Gain on Sale of Assets					17,043	3,537	20,580
Miscellaneous					268,910	85,018	353,928
Total general revenues					<u>13,381,395</u>	<u>92,384</u>	<u>13,473,779</u>
Change in net position					4,275,377	1,685,215	5,960,592
Net position - Beginning					<u>28,836,455</u>	<u>30,520,256</u>	<u>59,356,711</u>
Net position - Ending					<u>\$ 33,111,832</u>	<u>\$ 32,205,471</u>	<u>\$ 65,317,303</u>

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

CITY OF CRAIG
BALANCE SHEET GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 11,273,158	\$ 712,325	\$ 11,985,483
Receivables, net			
Property tax	1,337,425	157,381	1,494,806
Accounts	1,421,728	3,104	1,424,832
Intergovernmental	932,616	-	932,616
Prepaid items	640		640
Inventories	25,856	25,283	51,139
Total assets	<u>\$ 14,991,423</u>	<u>\$ 898,093</u>	<u>\$ 15,889,516</u>
LIABILITIES AND FUND BALANCE			
Accounts payable	\$ 399,591	\$ 5,105	\$ 404,696
Accrued payroll	222,247	9,969	232,216
Unearned Revenues	1,133,839	-	1,133,839
Total liabilities	<u>1,755,677</u>	<u>15,074</u>	<u>1,770,751</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax	1,337,425	157,381	1,494,806
Total deferred inflows of resources	<u>1,337,425</u>	<u>157,381</u>	<u>1,494,806</u>
FUND BALANCES			
Nonspendable			
Inventory	25,856	25,283	51,139
Prepays	640		640
Restricted for			
TABOR emergency reserve	465,000	-	465,000
Committed			
Museum	-	247,101	247,101
Assigned to			
Capital projects	-	453,254	453,254
Subsequent year's expenditures	268,690	-	268,690
Unassigned	11,138,135	-	11,138,135
Total fund balances	<u>11,898,321</u>	<u>725,638</u>	<u>12,623,959</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 14,991,423</u>	<u>\$ 898,093</u>	<u>\$ 15,889,516</u>

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

CITY OF CRAIG
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2021

Total Fund Balances of Governmental Funds	\$ 12,623,959
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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	64,018,753	
Accumulated depreciation	<u>(44,249,474)</u>	
		19,769,279

Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet.	256,988
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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	(317,656)
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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.

<u>779,262</u>

Net Position of Governmental Activities	<u><u>\$ 33,111,832</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CRAIG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Non-Major Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 12,018,707	\$ 165,406	\$ 12,184,113
Licenses and permits	204,598	-	204,598
Intergovernmental revenue	2,224,154	72,680	2,296,834
Charges for services	268,843	23,032	291,875
Fines and forfeitures	39,255	-	39,255
Investment earnings	6,477	201	6,678
Miscellaneous	200,635	17,422	218,057
Total revenues	<u>14,962,669</u>	<u>278,741</u>	<u>15,241,410</u>
EXPENDITURES			
Current			
General government	1,719,457	3,017	1,722,474
Judicial	111,566	-	111,566
Public safety	3,284,816	146,641	3,431,457
Road and bridge	2,225,290	-	2,225,290
Community development	218,712	-	218,712
Parks and recreation	1,563,801	347,419	1,911,220
Capital outlay	<u>3,495,292</u>	<u>165,510</u>	<u>3,660,802</u>
Total expenditures	<u>12,618,934</u>	<u>662,587</u>	<u>13,281,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,343,735	(383,846)	1,959,889
OTHER FINANCING SOURCES (USES)			
Gain on Sale of Capital Assets	17,043	-	17,043
Transfers in	-	300,000	300,000
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>(282,957)</u>	<u>300,000</u>	<u>17,043</u>
NET CHANGE IN FUND BALANCE	2,060,778	(83,846)	1,976,932
FUND BALANCES - BEGINNING	<u>9,837,543</u>	<u>809,484</u>	<u>10,647,027</u>
FUND BALANCES - ENDING	<u><u>\$ 11,898,321</u></u>	<u><u>\$ 725,638</u></u>	<u><u>\$ 12,623,959</u></u>

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

CITY OF CRAIG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net Changes in Fund Balances of Governmental Funds \$ 1,976,932

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	3,198,077	
Depreciation expense	<u>(1,073,452)</u>	
		2,124,625

Some expenses and revenue reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues in governmental funds.

Retirement forfeitures		50,879
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Payments of debt principal are considered changes in long-term liabilities. These are the principal payments during the year.		1,900
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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.		66,156
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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>54,885</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 4,275,377</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds				Internal Service Fund
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	
Assets					
Current assets					
Cash and cash equivalents	\$ 5,770,891	\$ 2,485,123	\$ 1,966,856	\$ 10,222,870	\$ 607,132
Restricted cash and cash equivalents	269,603	-	-	269,603	-
Receivables, net of allowance for					
Doubtful accounts	274,530	201,509	200,058	676,097	-
Receivables, intergovernmental	5,598	38,951	-	44,549	-
Due from other funds	-	2,390	-	2,390	-
Inventory	329,551	38,231	-	367,782	-
Total current assets	6,650,173	2,766,204	2,166,914	11,583,291	607,132
Noncurrent assets					
Non-depreciable capital assets	5,134,623	469,503	-	5,604,126	-
Depreciable capital assets, net	15,972,084	5,070,568	602,515	21,645,167	-
Total noncurrent assets	21,106,707	5,540,071	602,515	27,249,293	-
Total Assets	27,756,880	8,306,275	2,769,429	38,832,584	607,132
Liabilities					
Current liabilities					
Accounts payable	58,754	130,178	44,658	233,590	1,500
Accrued payroll	43,326	28,719	28,296	100,341	-
Accrued interest payable	33,211	5,123	-	38,334	-
Due to other funds	2,390	-	-	2,390	-
Compensated absences	55,035	24,105	37,584	116,724	-
Notes payable	535,326	59,508	-	594,834	-
Total current liabilities	728,042	247,633	110,538	1,086,213	1,500
Noncurrent liabilities					
Notes payable	4,988,789	378,481	-	5,367,270	-
Total Liabilities	5,716,831	626,114	110,538	6,453,483	1,500
NET POSITION					
Net Investment in capital assets	15,852,195	5,102,082	602,515	21,556,792	-
Unrestricted	6,187,854	2,578,079	2,056,376	10,822,309	605,632
Total Net Position	\$ 22,040,049	\$ 7,680,161	\$ 2,658,891	\$ 32,379,101	\$ 605,632
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(173,630)	
Net Position of Business Type Activities				<u>\$ 32,205,471</u>	

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

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds				
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Operating Revenues					
Charges for services	\$ 3,417,832	\$ 1,952,426	\$ 1,787,501	\$ 7,157,759	\$ 2,337,054
Miscellaneous	72,537	-	12,481	85,018	53,820
Total Operating Revenues	3,490,369	1,952,426	1,799,982	7,242,777	2,390,874
Operating Expenses					
Salaries	791,544	549,867	555,130	1,896,541	-
Employee benefits	403,953	242,951	300,606	947,510	65,659
Depreciation	633,272	225,311	126,530	985,113	-
Repairs and maintenance	296,795	94,432	48,269	439,496	-
Utilities	273,651	154,815	8,995	437,461	-
Landfill fees	-	-	502,151	502,151	-
Chemicals	219,540	20,610	-	240,150	-
Insurance and bonds	71,767	37,506	21,218	130,491	2,239,427
Supplies	22,479	26,301	139,148	187,928	-
Other purchased services	162,149	111,028	28,380	301,557	-
Miscellaneous	-	-	-	-	7,750
Total Operating Expenses	2,875,150	1,462,821	1,730,427	6,068,398	2,312,836
Operating Income	615,219	489,605	69,555	1,174,379	78,038
Non-operating Revenues (Expenses)					
Investment earnings	2,209	876	744	3,829	177
Interest expense	(86,586)	(5,123)	-	(91,709)	-
Gain on sale of assets	1,678	1,859	-	3,537	-
Total Non-operating Revenues	(82,699)	(2,388)	744	(84,343)	177
Income Before Contributions and Transfers	532,520	487,217	70,299	1,090,036	78,215
Capital Contributions	250,662	322,587	-	573,249	-
Change in Net Position	783,182	809,804	70,299	1,663,285	78,215
Total Net Position - Beginning	21,256,867	6,870,357	2,588,592	30,715,816	527,417
Total Net Position - Ending	\$ 22,040,049	\$ 7,680,161	\$ 2,658,891	\$ 32,379,101	\$ 605,632
Change in Net Position of Enterprise Funds				\$ 1,663,285	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				21,930	
Change in Net Position of Business Type Activities				\$ 1,685,215	

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

CITY OF CRAIG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds				Internal
	Water	Wastewater	Solid Waste	Total	Service Fund
	Fund	Fund	Fund		
Cash Flows from Operating Activities					
Cash received from customers and others	\$ 3,411,972	\$ 1,972,514	\$ 1,778,750	\$ 7,163,236	\$ 2,337,054
Cash paid for goods and services	(1,196,070)	(789,634)	(854,957)	(2,840,661)	(64,804)
Cash paid to employees	(1,082,746)	(464,278)	(750,768)	(2,297,792)	-
Other cash receipts	72,537	-	12,481	85,018	(2,239,282)
Other payments	-	-	-	-	46,070
Net Cash Provided by Operating Activities	1,205,693	718,602	185,506	2,109,801	79,038
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(1,284,075)	(981,158)	-	(2,265,233)	-
Capital grants and contributions	295,064	283,636	-	578,700	-
Loan proceeds	359,129	437,989	-	797,118	-
Principal paid on capital debt	(476,244)	-	-	(476,244)	-
Gain on sale of assets	1,678	1,859	-	-	-
Interest paid on capital debt	(86,501)	-	-	(86,501)	-
Net Cash (Used) by Capital and Related Financing Activity	(1,190,949)	(257,674)	-	(1,452,160)	-
Cash Flows from Investing Activities					
Interest on investment	2,209	876	745	3,830	177
Net Cash Provided by Investing Activities	2,209	876	745	3,830	177
Net Change in Cash and Cash Equivalents	16,953	461,804	186,251	661,471	79,215
Cash and Cash Equivalents - Beginning	6,023,540	2,023,319	1,780,605	9,827,464	527,917
Cash and Cash Equivalents - Ending	\$ 6,040,493	\$ 2,485,123	\$ 1,966,856	\$ 10,488,935	\$ 607,132
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income	\$ 615,219	\$ 489,605	\$ 69,555	\$ 1,174,379	\$ 78,038
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	633,272	225,311	126,530	985,113	-
(Increase) decrease in accounts receivable	(5,860)	20,088	(8,751)	5,477	-
(Increase) in inventory	32,328	(5,682)	-	26,646	-
Increase (decrease) in accounts payable	(72,033)	(13,904)	(2,607)	(88,544)	1,000
Increase (decrease) in accrued payroll	3,340	1,716	840	5,896	-
Increase (decrease) in compensated absences	(573)	1,468	(61)	834	-
Total Adjustments	590,474	228,997	115,951	935,422	1,000
Net Cash Provided by Operating Activities	\$ 1,205,693	\$ 718,602	\$ 185,506	\$ 2,109,801	\$ 79,038

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

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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 accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

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 units (an entity for which the government is considered to be financially accountable).

Craig Urban Renewal Authority No. 1 – The urban renewal authority was formed on March 9, 2021. The urban renewal authority consists of two plan areas, and the City has agreed to collect and remit sales tax increment and property tax increment revenues for the tow plan areas to the authority for the purposes of funding the operations of the authority. The authority had no financial activity during the year ended December 31, 2021.

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.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 provided approximately \$40,000 of funding for on-going airport operations for the year ended December 31, 2020. The Airport is included in the financial statements of Moffat County. At December 31, 2020, which is the date the latest information is available, the Airport fund's fund balance was approximately 166% of expenditures.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these financial statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the City.

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

In the fund financial statements, the City reports the following major 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.

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. Operating expenses for 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.

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 *Solid Waste Fund* accounts for waste collection and disposal for the citizens of the City.

The City reports one internal service fund, the *Medical Benefit Fund*, which accounts for medical benefits provided to City employees.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and; 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers from one fund to another for the purchase of goods or services. In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents – The City’s cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Whenever possible the City pools cash equivalents to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential. The City makes investments pursuant to relevant State of Colorado statutes. Investments are reported in accordance with GASB Statement 72, as amended.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2021, the City believes all amounts recorded are fully collectible.

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either “due (to)/from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

By December 15 of each year, property taxes for the City are levied by the Council and certified to Moffat County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Moffat County on behalf of the City.

Property taxes levied in the General Fund and the Capital Projects Fund and are included in receivables and deferred inflows at December 31, 2021. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2022 and are budgeted for in 2021.

Inventories – Business-type fund inventory consists of supplies held for consumption. Inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method). Inventories held by the governmental funds are recorded at average cost.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Prepaid Items – Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

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 acquisition cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital outlay for projects are capitalized as projects are constructed.

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.

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.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Long-Term Obligations – In government wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long term obligations are reported as liabilities.

Deferred Outflows and Inflows of Resources – In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period.

Both deferred outflows and inflows are reported in the statement of net position but are recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Deferred inflows of resources for the City consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Fund Balance - Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources for specific purposes.

Nonspendable fund balance – The amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – The amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – Amounts are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended used established by the Board, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Estimates - The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted for all funds of the City as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end.

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.

The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15 each year, 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 each year, 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.

During the year ended December 31, 2021, two of the City's funds overspent compared to budgeted expenditures. This may be a violation of Colorado Budget Law. The ACET Fund over spent budgeted expenditures by \$62,521 due to the closing and transferring of fund operations to Moffat County. The Capital Projects Fund over spent budgeted expenditures by \$542 due to increased property tax collections compared to budget, which increase County Treasurer Fees incurred by the fund.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at December 31, 2020 consisted of the following:

Petty Cash	\$	2,697
Cash Deposits		4,269,606
Investments		18,800,170
Funds held by others		269,603
Total	\$	<u>23,342,076</u>

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. City bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the City's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (PDPA). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

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

At December 31, 2021, the carrying amount of the City's deposits was \$4,017,844 and the bank balance was \$4,269,606 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The City is required to comply with State statutes which specify the investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

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

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City limits investments to maturities of less than five years and a weighted average maturity of less than three years.

Credit Risk – The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments. Colorado Statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest.

Concentration of Credit Risk – Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

Local Government Investment Pools – At December 31, 2021, the City had \$18,610,447 and \$189,692 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools operate similarly to money market funds and each share is valued at \$1.00. Both pools are rated AAAm by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the funds.

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.

The City's investment in ColoTrust is measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The City's investment in CSAFE is valued at amortized cost. No additional disclosures for CSAFE are required.

Restricted Cash and Investments – At December 31, 2021 the Water fund reported \$269,603 of note proceeds that were held by the Colorado Water Resources & Power Development Authority to be drawn on by the City as needed to cover the costs of certain water projects.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

GOVERNMENT ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,550,231	\$ 4,846	\$ -	\$ 1,555,077
Construction in Progress	107,606	203,527	(107,605)	203,528
Total capital assets, not being depreciated	1,657,837	208,373	(107,605)	1,758,605
Capital assets, being depreciated				
Infrastructure	46,351,932	2,004,124	(44,300)	48,311,756
Buildings and improvements	6,377,016	615,198	(208,100)	6,784,114
Vehicles and equipment	7,181,920	520,748	(538,390)	7,164,278
Total capital assets being depreciated	59,910,868	3,140,070	(790,790)	62,260,148
Less accumulated depreciation for				
Infrastructure	(34,819,306)	(442,556)	44,300	(35,217,562)
Buildings and improvements	(3,090,845)	(216,575)	167,602	(3,139,818)
Vehicles and equipment	(6,012,500)	(414,321)	534,727	(5,892,094)
Total accumulated depreciation	(43,922,651)	(1,073,452)	746,629	(44,249,474)
Total capital assets, being depreciated, net	15,988,217	2,066,618	(44,161)	18,010,674
Government activities capital assets, net	<u>\$ 17,646,054</u>	<u>\$ 2,274,991</u>	<u>\$ (151,766)</u>	<u>\$ 19,769,279</u>
BUSINESS-TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,719,009	\$ -	\$ -	\$ 1,719,009
Construction in Progress	4,750,758	471,645	(1,337,286)	3,885,117
Total capital assets, not being depreciated	6,469,767	471,645	(1,337,286)	5,604,126
Capital assets, being depreciated				
Infrastructure and buildings	39,013,211	3,019,711	-	42,032,922
Vehicles and equipment	5,049,751	111,165	(61,361)	5,099,555
Total capital assets being depreciated	44,062,962	3,130,876	(61,361)	47,132,477
Less accumulated depreciation for				
Infrastructure and buildings	(20,541,315)	(777,723)	-	(21,319,038)
Vehicles and equipment	(4,022,239)	(207,390)	61,361	(4,168,268)
Total accumulated depreciation	(24,563,554)	(985,113)	61,361	(25,487,306)
Total capital assets, being depreciated, net	19,499,408	2,145,763	-	21,645,171
Business-type activities capital assets, net	<u>\$ 25,969,175</u>	<u>\$ 2,617,408</u>	<u>\$ (1,337,286)</u>	<u>\$ 27,249,297</u>

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities

General government	\$	191,016
Public safety		39,718
Road and bridge		644,945
Parks and recreation		197,773
Total	\$	<u>1,073,452</u>

Business-type activities

Water	\$	633,272
Wastewater		225,311
Sanitation		126,530
Total	\$	<u>985,113</u>

NOTE 5 - LONG-TERM DEBT

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
Revize Loan	\$ 1,900	\$ -	\$ 1,900	\$ -	\$ -
Compensated absences	383,812	181,006	247,162	317,656	317,656
Total	<u>\$ 385,712</u>	<u>\$ 181,006</u>	<u>\$ 249,062</u>	<u>\$ 317,656</u>	<u>\$ 317,656</u>
Business type					
Water revenue refunding note					
Series 2019	\$ 2,453,922	\$ -	\$ 320,231	\$ 2,133,691	\$ 329,845
Drinking water revolving loan note Series 2020	3,187,307	-	156,013	3,031,294	156,793
Lease Purchase Agreement	-	797,119	-	797,119	108,196
Compensated absences	115,890	98,989	98,155	116,724	116,724
Total	<u>\$ 5,757,119</u>	<u>\$ 896,108</u>	<u>\$ 574,399</u>	<u>\$ 6,078,828</u>	<u>\$ 711,558</u>

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 5 - LONG-TERM DEBT (CONTINUED)

For the year ended December 31, 2021, the City paid \$91,709 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 \$195,495 including principal and interest. 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.

In 2019, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority. The City's participation related to the Authority's Disadvantaged Communities Loan Program issued a Series 2019 note in the amount of \$3,200,000 to finance improvements to the City's water system. The note is payable in semi-annual installments of \$85,877 including principal and interest over 20 years. The note carries interest of .50% and matures in 2040.

The City entered into a lease purchase agreement with All American Investment Group to fund part of the construction costs of the Solar Net Metering Field installed in 2021. The lease is payable in annual installments of \$122,167, including principal and interest through 2028. The lease purchase agreement carries an interest rate of 1.75%

Debt Service Requirements

The following outlines the debt service requirements for the City's notes:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 594,834	\$ 90,076	\$ 684,910
2023	607,415	77,495	684,910
2024	620,330	64,580	684,910
2025	633,590	51,321	684,911
2026	647,203	37,708	684,911
2027-2031	1,431,164	61,730	1,492,894
2032-2036	832,399	26,368	858,767
2037-2040	595,170	5,967	601,137
	<u>\$ 5,962,105</u>	<u>\$ 415,245</u>	<u>\$ 6,377,350</u>

Accrued Compensated Absences – Earned but unused vacation and sick benefits amounted to \$317,656 in governmental activities and \$116,724 in business-type activities as of December 31, 2021. The General Fund is used to pay compensated absences of the Governmental Funds.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 6 - 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, 2021 were \$704,431 for the City and \$352,365 for the employees. The plan vests at a rate of 20% per year and is fully vested after five years. As of December 31, 2021, the plan had 54 employees fully vested and 34 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.

No forfeitures were used to reduce the City's contributions in 2021. The current balance in the forfeiture account is \$256,988.

NOTE 7 - 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.

CITY OF CRAIG
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 7 - COMMITMENT AND CONTINGENCIES (CONTINUED)

The City currently has engineering and construction contracts for water system improvements and general governmental improvements totaling \$6.1 million. At December 31, 2021, \$2 million remains unexpended.

NOTE 8 - 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, nor have settlement claims exceeded coverage in any of the previous three years.

NOTE 9 - 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 2021 operating expenses of \$36,754.

NOTE 10 - 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 transactions 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
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
REVENUES					
Taxes					
General property taxes	\$ 1,276,940	\$ 1,276,940	\$ 1,279,868	\$ 2,928	\$ 1,266,921
Specific ownership taxes	91,000	91,000	123,089	32,089	120,765
Sales tax	8,877,500	8,877,500	10,252,725	1,375,225	8,927,705
Franchise tax	300,000	300,000	297,456	(2,544)	296,107
Interest and penalties	11,000	11,000	43,970	32,970	31,470
Cigarette taxes	12,000	12,000	21,599	9,599	18,267
Total taxes	<u>10,568,440</u>	<u>10,568,440</u>	<u>12,018,707</u>	<u>1,450,267</u>	<u>10,661,235</u>
Licenses and permits					
Building permits	41,000	41,000	167,975	126,975	100,421
Miscellaneous	<u>43,850</u>	<u>43,850</u>	<u>36,623</u>	<u>(7,227)</u>	<u>43,201</u>
Total licenses and permits	<u>84,850</u>	<u>84,850</u>	<u>204,598</u>	<u>119,748</u>	<u>143,622</u>
Intergovernmental revenues					
Highway user taxes	278,500	278,500	339,545	61,045	278,702
Motor vehicle tax	37,500	37,500	44,766	7,266	42,893
State grants	2,372,230	2,372,230	1,143,131	(1,229,099)	708,812
Mineral lease	50,000	50,000	480,188	430,188	336,341
Severance tax	75,000	75,000	40,126	(34,874)	525,612
State lottery	90,000	90,000	109,394	19,394	92,655
Public safety grants	-	-	67,004	67,004	39,617
Total intergovernmental revenues	<u>2,903,230</u>	<u>2,903,230</u>	<u>2,224,154</u>	<u>(679,076)</u>	<u>2,024,632</u>
Charges for services					
Recreation program fees	159,250	159,250	158,006	(1,244)	27,557
Swimming pool fees	85,300	85,300	108,394	23,094	66,597
Concessions	<u>25,000</u>	<u>25,000</u>	<u>2,443</u>	<u>(22,557)</u>	<u>7,424</u>
Total charges for services	<u>269,550</u>	<u>269,550</u>	<u>268,843</u>	<u>(707)</u>	<u>101,578</u>
Fines and forfeitures	<u>50,900</u>	<u>50,900</u>	<u>39,255</u>	<u>(11,645)</u>	<u>78,453</u>
Investment Earnings	<u>85,000</u>	<u>85,000</u>	<u>6,477</u>	<u>(78,523)</u>	<u>58,731</u>
Miscellaneous					
Rents and royalties	83,000	83,000	68,613	(14,387)	45,640
Contributions	138,000	138,000	98,000	(40,000)	-
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>34,022</u>	<u>19,022</u>	<u>32,193</u>
Total Miscellaneous	<u>236,000</u>	<u>236,000</u>	<u>200,635</u>	<u>(35,365)</u>	<u>77,833</u>
Total Revenues	<u>\$ 14,197,970</u>	<u>\$ 14,197,970</u>	<u>\$ 14,962,669</u>	<u>\$ 764,699</u>	<u>\$ 13,146,084</u>

See the accompanying independent auditor's report

CITY OF CRAIG, COLORADO
SCHEDULE OF EXPENDITURES- BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
General government					
City council	\$ 242,410	\$ 242,410	\$ 222,845	\$ 19,565	\$ 212,737
Administration	460,070	463,480	381,948	81,532	254,391
Engineering	231,070	231,070	191,814	39,256	151,325
Finances	504,270	506,540	450,415	56,125	467,894
Clerk and personnel	235,830	238,100	218,032	20,068	223,023
Building maintenance	183,610	183,610	137,106	46,504	85,802
City attorney	153,960	155,100	117,297	37,803	121,377
Total general government	<u>2,011,220</u>	<u>2,020,310</u>	<u>1,719,457</u>	<u>300,853</u>	<u>1,516,549</u>
Judicial					
Municipal	129,390	130,530	111,566	18,964	106,471
Total judicial	<u>129,390</u>	<u>130,530</u>	<u>111,566</u>	<u>18,964</u>	<u>106,471</u>
Public safety					
Police	3,449,820	3,477,050	3,284,816	192,234	3,122,983
Total public safety	<u>3,449,820</u>	<u>3,477,050</u>	<u>3,284,816</u>	<u>192,234</u>	<u>3,122,983</u>
Road and bridge	2,462,650	2,480,810	2,225,290	255,520	2,179,530
Community Development	234,150	236,420	218,712	17,708	173,619
Parks and Recreation					
General operations	1,072,740	1,072,740	915,732	157,008	873,286
Pool complex	408,230	415,040	337,110	77,930	283,014
Center of Craig	39,800	39,800	23,615	16,185	29,010
Recreation programs	362,650	363,790	287,344	76,446	129,594
Total parks and recreation	<u>1,883,420</u>	<u>1,891,370</u>	<u>1,563,801</u>	<u>327,569</u>	<u>1,314,904</u>
Capital outlay	5,667,480	8,040,555	3,495,292	4,545,263	2,298,317
Total Expenditures	<u>\$ 15,838,130</u>	<u>\$ 18,277,045</u>	<u>\$ 12,618,934</u>	<u>\$ 5,658,111</u>	<u>\$ 10,712,373</u>
OTHER FINANCING SOURCES (USES)					
Gain on Sale of Capital Assets	-	-	17,043	(17,043)	
Transfers out	(300,000)	(300,000)	(300,000)	-	(591,000)
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(282,957)</u>	<u>(17,043)</u>	<u>(591,000)</u>
Net change in fund balance	<u>\$ (1,940,160)</u>	<u>\$ (4,379,075)</u>	<u>\$ 2,060,778</u>	<u>\$ (4,910,455)</u>	<u>1,842,711</u>
Fund Balances - Beginning			9,837,543		7,994,832
Fund Balances - Ending			<u>\$ 11,898,321</u>		<u>\$ 9,837,543</u>

See the accompanying independent auditor's report

SUPPLEMENTARY INFORMATION

CITY OF CRAIG, COLORADO
 COMBINING BALANCE SHEET,
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	CAPITAL PROJECTS	ACET	MUSEUM	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 452,133	\$ -	\$ 260,192	\$ 712,325
Receivables, net				
Property tax	157,381	-	-	157,381
Accounts	1,121	-	1,983	3,104
Inventory	-	-	25,283	25,283
Total assets	<u>\$ 610,635</u>	<u>\$ -</u>	<u>\$ 287,458</u>	<u>\$ 898,093</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 5,105	\$ 5,105
Accrued Payroll	-	-	9,969	9,969
Total liabilities	<u>-</u>	<u>-</u>	<u>15,074</u>	<u>15,074</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax	157,381	-	-	157,381
Total deferred inflows of resources	<u>157,381</u>	<u>-</u>	<u>-</u>	<u>157,381</u>
FUND BALANCES				
Nonspendable				
Inventory	-	-	25,283	25,283
Committed				
Museum	-	-	247,101	247,101
Assigned to				
Capital Improvements	453,254	-	-	453,254
Total fund balances	<u>453,254</u>	<u>-</u>	<u>272,384</u>	<u>725,638</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 610,635</u>	<u>\$ -</u>	<u>\$ 287,458</u>	<u>\$ 898,093</u>

CITY OF CRAIG, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	CAPITAL PROJECTS	ACET	MUSEUM	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 165,406	\$ -	\$ -	\$ 165,406
Intergovernmental revenue	-	-	72,680	72,680
Charges for services	-	-	23,032	23,032
Investment earnings	187	14	-	201
Miscellaneous	-	-	17,422	17,422
Total revenues	<u>165,593</u>	<u>14</u>	<u>113,134</u>	<u>278,741</u>
EXPENDITURES				
General Government	3,017	-	-	3,017
Public Safety	-	146,641	-	146,641
Parks and Recreation	-	-	347,419	347,419
Capital Outlay	149,725	-	15,785	165,510
Total expenditures	<u>152,742</u>	<u>146,641</u>	<u>363,204</u>	<u>662,587</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	300,000	300,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balance	12,851	(146,627)	49,930	(83,846)
Fund Balances - Beginning	440,403	146,627	222,454	809,484
Fund Balances - Ending	<u>\$ 453,254</u>	<u>\$ -</u>	<u>\$ 272,384</u>	<u>\$ 725,638</u>

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021			2020
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues				
Property taxes	\$ 150,260	\$ 150,875	\$ 615	\$ 149,649
Specific ownership taxes	6,000	14,531	8,531	14,211
Intergovernmental	-	-	-	147,884
Investment earnings	500	187	(313)	622
Total revenues	<u>156,760</u>	<u>165,593</u>	<u>8,833</u>	<u>312,366</u>
Expenditures				
Treasurer's fees	2,200	3,017	(817)	2,991
Capital outlay	<u>150,000</u>	<u>149,725</u>	<u>275</u>	<u>529,945</u>
Total expenditures	<u>152,200</u>	<u>152,742</u>	<u>(542)</u>	<u>532,936</u>
Other Financing Sources and (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,000</u>
Net change in fund balance	<u>\$ 4,560</u>	<u>12,851</u>	<u>\$ 9,375</u>	<u>70,430</u>
Fund Balances - Beginning		<u>440,403</u>		<u>369,973</u>
Fund Balances - Ending		<u>\$ 453,254</u>		<u>\$ 440,403</u>

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
ACET FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021			2020
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 82,500	\$ -	\$ (82,500)	\$ 61,800
Investment earnings	400	14	(386)	528
Miscellaneous	300	-	(300)	1,675
Total revenues	<u>83,200</u>	<u>14</u>	<u>(83,186)</u>	<u>64,003</u>
Expenditures				
Public safety	84,120	146,641	(62,521)	37,969
Capital Outlay	3,000	-	-	-
Total expenditures	<u>87,120</u>	<u>146,641</u>	<u>(62,521)</u>	<u>37,969</u>
Net change in fund balance	<u>\$ (3,920)</u>	<u>(146,627)</u>	<u>\$ (145,707)</u>	<u>26,034</u>
Fund Balances - Beginning		<u>146,627</u>		<u>120,593</u>
Fund Balances - Ending		<u>\$ -</u>		<u>\$ 146,627</u>

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
MUSEUM FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Grants	\$ -	\$ -	\$ 8,717	\$ 8,717	\$ 32,208
Museum Consessions	10,000	10,000	23,032	13,032	12,114
Contributions Other Governments	51,000	51,000	63,963	12,963	197,786
Rents & Royalties	1,000	1,000	17,164	16,164	9,540
Miscellaneous	500	500	258	(242)	10,173
Total revenues	<u>62,500</u>	<u>62,500</u>	<u>113,134</u>	<u>50,634</u>	<u>261,821</u>
Expenditures					
Museum Operations	348,470	348,470	347,419	1,051	311,367
Capital outlay	-	20,340	15,785	4,555	28,000
Total expenditures	<u>348,470</u>	<u>368,810</u>	<u>363,204</u>	<u>5,606</u>	<u>339,367</u>
Other Financing Sources and Uses					
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Net change in fund balance	<u>\$ 14,030</u>	<u>\$ (6,310)</u>	49,930	<u>\$ 45,028</u>	222,454
Fund Balances - Beginning			<u>222,454</u>		<u>-</u>
Fund Balances - Ending			<u>\$ 272,384</u>		<u>\$ 222,454</u>

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
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021			2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues				
Charges for services	\$ 3,481,600	\$ 3,481,600	\$ 3,417,832	\$ (63,768)
Meter sales	1,000	1,000	1,620	620
Tap fees	8,500	8,500	18,160	9,660
Investment earnings	20,000	20,000	2,209	(17,791)
Intergovernmental	1,165,000	1,165,000	78,281	(1,086,719)
Miscellaneous	40,000	40,000	70,917	30,917
Total revenues	<u>4,716,100</u>	<u>4,716,100</u>	<u>3,589,019</u>	<u>(1,127,081)</u>
Expenditures				
Salaries	849,290	849,290	791,544	57,746
Employee benefits	434,560	434,560	403,953	30,607
Repairs and maintenance	432,000	447,000	296,795	150,205
Utilities	226,000	226,000	273,651	(47,651)
Chemicals	184,000	184,000	219,540	(35,540)
Insurance and bonds	82,880	82,880	71,767	11,113
Supplies	33,650	33,650	22,479	11,171
Other purchased services	221,200	221,200	162,149	59,051
Capital outlay	3,145,000	3,444,700	1,284,074	2,160,626
Interest expense	86,520	86,520	86,586	(66)
Debt principal	474,250	474,250	476,244	(1,994)
Total expenditures	<u>6,169,350</u>	<u>6,484,050</u>	<u>4,088,782</u>	<u>2,395,268</u>
Other Financing Sources and (Uses)				
Loan Proceeds	-	-	358,704	358,704
Capital Contributions	-	-	154,221	154,221
Total contributed capital and transfers	<u>-</u>	<u>-</u>	<u>512,925</u>	<u>512,925</u>
Change in net position - budget basis	<u>\$ (1,453,250)</u>	<u>\$ (1,767,950)</u>	13,162	<u>\$ 1,268,187</u>
Reconciliation to GAAP basis				
Loan proceeds			(358,704)	-
Depreciation			(633,272)	(622,330)
Debt principal			476,244	323,592
Gain on Sale of Assets			1,678	-
Capital outlay			<u>1,284,074</u>	<u>1,767,724</u>
Change in net position - GAAP basis			783,182	836,557
Net Position - Beginning			<u>21,256,867</u>	<u>20,420,310</u>
Net Position - Ending			<u>\$ 22,040,049</u>	<u>\$ 21,256,867</u>

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION BUDGET (NON-GAAP BASIS) AND ACTUAL
WITH RECONCILIATION TO GAAP BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	\$ 1,932,900	\$ 1,932,900	\$ 1,952,426	\$ 19,526	\$ 1,883,643
Tap fees	5,000	5,000	7,170	2,170	7,170
Intergovernmental grants	860,000	860,000	84,394	(775,606)	513,212
Investment earnings	6,000	6,000	876	(5,124)	13,329
Total revenues	2,803,900	2,803,900	2,044,866	(759,034)	2,417,354
Expenditures					
Salaries	590,920	590,920	549,867	41,053	553,224
Employee benefits	276,490	276,490	242,951	33,539	258,858
Repairs and maintenance	170,000	171,740	94,432	77,308	151,209
Utilities	133,500	133,500	154,815	(21,315)	116,580
Chemicals	24,000	24,000	20,610	3,390	22,829
Insurance and bonds	37,870	37,870	37,506	364	33,590
Supplies	37,750	37,750	26,301	11,449	32,184
Other purchased services	105,200	105,200	111,028	(5,828)	82,287
Loan Interest	-	-	5,123	(5,123)	-
Capital outlay	1,595,000	2,018,830	981,157	1,037,673	1,179,683
Total expenditures	2,970,730	3,396,300	2,223,790	1,172,510	2,430,444
Other Financing Sources and (Uses)					
Loan Proceeds	-	-	438,415	438,415	-
Capital Contributions	-	-	231,023	231,023	-
Total contributed capital and transfers	-	-	669,438	669,438	-
Change in net position - budget basis	\$ (166,830)	\$ (592,400)	490,514	\$ 669,438	(13,090)
Reconciliation to GAAP basis					
Depreciation			(225,311)		(249,026)
Loan Proceeds			(438,415)		-
Capital outlay			981,157		1,179,683
Gain on Sale of Fixed Assets			1,859		-
Change in net position - GAAP basis			809,804		917,567
Net Position - Beginning			6,870,357		5,952,790
Net Position - Ending			\$ 7,680,161		\$ 6,870,357

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION BUDGET (NON-GAAP BASIS) AND ACTUAL
WITH RECONCILIATION TO GAAP BASIS
SOLID WASTE FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	\$ 1,648,600	\$ 1,648,600	\$ 1,787,501	\$ 138,901	\$ 1,620,588
Miscellaneous revenue	6,000	6,000	12,481	6,481	12,855
Intergovernmental	-	-	-	-	301
Interest income	6,000	6,000	744	(5,256)	11,133
Total revenues	1,660,600	1,660,600	1,800,726	140,126	1,644,877
Expenditures					
Salaries	538,790	538,790	555,130	(16,340)	480,457
Employee benefits	307,620	307,620	300,606	7,014	266,849
Repairs and maintenance	64,150	64,150	48,269	15,881	27,320
Utilities	6,100	6,100	8,995	(2,895)	6,996
Landfill fees	470,000	470,000	502,151	(32,151)	431,168
Insurance and bonds	22,640	22,640	21,218	1,422	22,194
Supplies	112,750	112,750	139,148	(26,398)	102,837
Other purchased services	45,750	45,750	28,380	17,370	26,141
Capital outlay	380,000	390,100	-	390,100	150,810
Total expenditures	1,947,800	1,957,900	1,603,897	354,003	1,514,772
Change in net position - budget basis	\$ (287,200)	\$ (297,300)	196,829	\$ 494,129	130,105
Reconciliation to GAAP basis					
Depreciation			(126,530)		(183,816)
Capital outlay			-		150,810
Change in net position - GAAP basis			70,299		97,099
Net Position - Beginning			2,588,592		2,491,493
Net Position - Ending			\$ 2,658,891		\$ 2,588,592

CITY OF CRAIG, COLORADO
 COMPARATIVE STATEMENT OF NET POSITION
 INTERNAL SERVICES – MEDICAL BENEFITS FUND
 YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 607,132	\$ 527,917
Total Assets	<u>607,132</u>	<u>527,917</u>
Liabilities and Net Position		
Liabilities		
Accounts payable	<u>1,500</u>	<u>500</u>
Total Liabilities	<u>1,500</u>	<u>500</u>
Net position		
Unrestricted	<u>\$ 605,632</u>	<u>\$ 527,417</u>

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
NET POSITION – BUDGET TO ACTUAL
INTERNAL SERVICES – MEDICAL BENEFIT FUND
YEAR ENDED DECEMBER 31, 2021, WITH 2020 COMPARATIVE TOTALS

	2021			2020
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating revenues				
Charges for services	\$ 2,371,100	\$ 2,337,054	\$ (34,046)	\$ 2,256,820
Other	56,000	53,820	(2,180)	-
Total revenues	<u>2,427,100</u>	<u>2,390,874</u>	<u>(36,226)</u>	<u>2,256,820</u>
Operating expenses				
Insurance premiums	2,345,200	2,239,427	105,773	2,119,842
Claims incurred	65,000	64,804	196	52,498
Administrative fees	3,000	855	2,145	1,310
Miscellaneous expenditures	27,000	7,750	19,250	8,250
Total operating expenses	<u>2,440,200</u>	<u>2,312,836</u>	<u>127,364</u>	<u>2,181,900</u>
Operating income	<u>(13,100)</u>	<u>78,038</u>	<u>91,138</u>	<u>74,920</u>
Non-operating revenues				
Investment earnings	-	177	177	304
Total non-operating revenues	<u>-</u>	<u>177</u>	<u>177</u>	<u>304</u>
Change in net position	<u>\$ (13,100)</u>	<u>78,215</u>	<u>\$ 91,315</u>	<u>75,224</u>
Net Position - Beginning		<u>527,417</u>		<u>452,193</u>
Net Position - Ending		<u>\$ 605,632</u>		<u>\$ 527,417</u>

CITY OF CRAIG, COLORADO
STATEMENT OF CASH FLOWS
INTERNAL SERVICES – MEDICAL BENEFIT FUND
YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash received from users	\$ 2,337,054	\$ 2,256,820
Cash paid on claims	(64,804)	(52,498)
Cash paid for premiums and administration	(2,239,282)	(2,125,869)
Other payments	46,070	(8,250)
Net Cash Provided by Operating Activities	<u>79,038</u>	<u>70,203</u>
Cash Flows from Investing Activities		
Interest received	177	304
Net Cash Provided by Investing Activities	<u>177</u>	<u>304</u>
Net change in cash and cash equivalents	79,215	70,507
Cash and Cash Equivalents - Beginning	527,917	457,410
Cash and Cash Equivalents - Ending	<u>\$ 607,132</u>	<u>\$ 527,917</u>
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating income	\$ 78,038	\$ 74,920
Change in accounts payable	1,000	(4,717)
Net Cash Provided by Operating Activities	<u>\$ 79,038</u>	<u>\$ 70,203</u>

OTHER SUPPLEMENTARY INFORMATION
STATE COMPLIANCE

CITY OF CRAIG, COLORADO
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2021

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	
		YEAR ENDING : December 2021	
This Information From The Records of CITY OF CRAIG		Prepared By: Katy Burns	Phone: 970-826-2003

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
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,161,718
3. Other local imposts (from page 2)	288,494
4. Miscellaneous local receipts (from page 2)	187
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,450,400
B. Private Contributions	
C. Receipts from State government (from page 2)	384,310
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	2,834,710

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	887,296
2. Maintenance:	1,918,180
3. Road and street services:	
a. Traffic control operations	29,233
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	29,233
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	2,834,710
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	2,834,710

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,834,710	2,834,710		(0)

Notes and Comments:

CITY OF CRAIG, COLORADO
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2021

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	150,874	a. Interest on investments	187
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	137,620	g. Other Misc. Receipts	
6. Total (1. through 5.)	137,620	h. Other	
c. Total (a. + b.)	288,494	i. Total (a. through h.)	187
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	339,545	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	44,766	d. Federal Transit Admin	
d. Other (Specify) - CDOT-Sidewalk	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (CDOT-Sidewalk)	0
f. Total (a. through e.)	44,766	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	384,310	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		0	0
(3). System Preservation		459,861	459,861
(4). System Enhancement & Operation		427,435	427,435
(5). Total Construction (1) + (2) + (3) + (4)	0	887,296	887,296
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	887,296	887,296
			(Carry forward to page 1)

Notes and Comments: