CITY OF CRAIG

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iv to xii and 24 to 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements, budgetary comparison information and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2021, on our consideration of the City of Craig, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City of Craig Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government auditing Standards* in considering the City of Craig, Colorado's internal control over financial reporting and compliance.

The Adams Group, LLC

Denver, Colorado
July 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020. 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, 2020 by $59,356,711. Of this amount, $21,666,260 (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 $7,770,590 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, 2020, the City's governmental fund balance sheet reported a combined ending fund balance of $10,647,027, an increase of $2,161,629 when compared to the prior year.

- The General Fund reported a fund balance of $9,837,543, an increase of $1,842,711 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 decreased by $325,514 in fiscal year 2020 as a result of scheduled principal payments on outstanding debt.

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.

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 Musuem 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 Statues. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

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 $59,356,711 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to $7,770,590.

One of the largest portions of the City's net position (64.7%) 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 (0.9%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $20,397,339 may be used to meet the City’s ongoing obligations to its citizens and creditors.

City of Craig Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 13,583,521	$ 11,107,094	$ 10,757,905	$ 11,405,514	$ 24,341,426	$ 22,512,608
Capital assets, net of depreciation	17,646,054	14,183,711	25,969,175	23,926,128	43,615,229	38,109,839
Total Assets	31,229,575	25,290,805	36,727,080	35,331,642	67,956,655	60,622,447
Liabilities						
Current liabilities	706,081	661,683	964,578	973,502	1,670,659	1,635,185
Noncurrent liabilities	255,875	263,674	5,242,246	5,710,378	5,498,121	5,974,052
Total Liabilities	961,956	925,357	6,206,824	6,683,880	7,168,780	7,609,237
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,431,164	1,427,089	-	-	1,431,164	1,427,089
Net Position						
Net investment in capital assets	17,644,154	13,783,937	20,770,759	21,161,307	38,414,913	34,945,244
Restricted	544,459	376,000	-	-	544,459	376,000
Unrestricted	10,647,842	8,778,422	9,749,497	7,486,455	20,397,339	16,264,877
Total Net Position	$ 28,836,455	$ 22,938,359	$ 30,520,256	$ 28,647,762	$ 59,356,711	$ 51,586,121

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 $4,132,462 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 management.

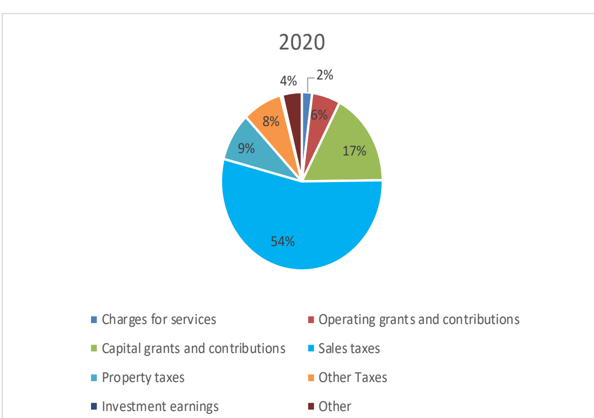
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

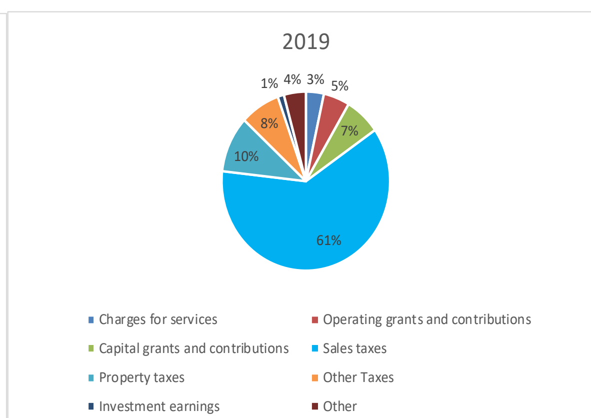
City of Craig Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	$ 335,767	$ 452,702	6,734,697	6,405,765	$ 7,070,464	$ 6,858,467
Operating Grants & Contributions	935,092	658,660	-	-	935,092	658,660
Capital Grants & Contributions	2,810,561	899,499	812,881	1,250,718	3,623,442	2,150,217
General Revenues						
Sales Taxes	8,927,705	8,056,353	-	-	8,927,705	8,056,353
Property Taxes	1,448,040	1,330,379	-	-	1,448,040	1,330,379
Other Taxes & Fees	1,296,557	1,005,671	-	-	1,296,557	1,005,671
Investment Earnings	60,363	154,755	54,202	154,876	114,565	309,631
Other	641,189	553,343	95,962	126,867	737,151	680,210
Total Revenues	16,455,274	13,111,362	7,697,742	7,938,226	24,153,016	21,049,588
Expenses						
General Government	2,635,493	1,652,726	-	-	2,635,493	1,652,726
Public Safety	3,263,525	3,231,236	-	-	3,263,525	3,231,236
Road & Bridge	2,655,990	2,645,683	-	-	2,655,990	2,645,683
Community Development	172,422	172,589	-	-	172,422	172,589
Parks & Recreation	1,829,748	1,709,638	-	-	1,829,748	1,709,638
Water	-	-	2,789,956	2,648,607	2,789,956	2,648,607
Wastewater	-	-	1,493,639	1,572,198	1,493,639	1,572,198
Solid Waste	-	-	1,541,653	1,455,792	1,541,653	1,455,792
Total Expenses	10,557,178	9,411,872	5,825,248	5,676,597	16,382,426	15,088,469
Increase in Net Position	5,898,096	3,699,490	1,872,494	2,261,629	7,770,590	5,961,119
Net Position - Beginning	22,938,359	19,238,869	28,647,762	26,386,133	51,586,121	45,625,002
Net Position - Ending	$ 28,836,455	$ 22,938,359	$ 30,520,256	$ 28,647,762	$ 59,356,711	$ 51,586,121

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal years 2020 and 2019.

GOVERNMETNAL REVENUES

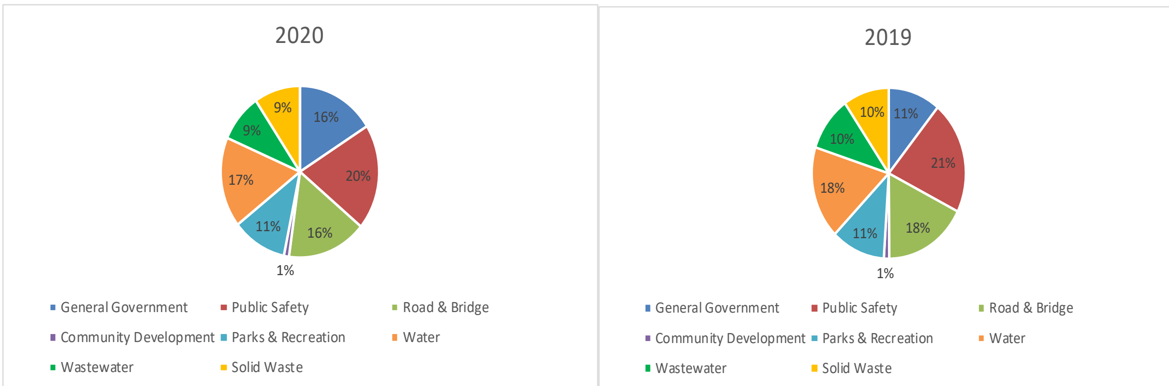




As portrayed above and discussed earlier, the City is heavily reliant on sales tax and use tax as well as property taxes to support governmental operations. These tax revenues accounted for

63% of total revenues as compared to 71% in the prior year. The decrease is a result of an increase in capital grants and contributions.

GOVERNMENTAL FUNCTIONAL EXPENSES



Total expenses for governmental activities was $10,557,178 in 2020 when compared to the 2019 total of $9,411,872. Public Safety was the largest operating service for 2020 and 2019.

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, 2020, the City's governmental funds reported combined fund balances of $10,647,027, an increase of $2,161,629 compared with the prior year balances. There is $7,551,238 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, 2020, total fund balance in the General Fund was $9,837,543. As a measure of the General Fund's liquidity, the total fund balance amount represented 92% of total general fund expenditures at December 31, 2020. The fund balance of the General Fund increased by $1,842,711 during the current fiscal year due to an increase in tax and grant revenues.

The Capital Projects Fund has a total fund balance of $440,403, 100% of which is assigned for capital improvements. The $70,430 increase in fund balance for the year is the result of the General Fund transferring $291,000 to the Capital Projects fund to cover expenditures due to decreased grant revenue within the fund in 2020 compared to the prior fiscal year.

The ACET Fund has a total fund balance of $146,627, all of which is committed for public safety. This fund balance increased $26,034 during the current fiscal year due to increased revenue from other local governments. As outlined in Note 11 this fund and the operations of the All Crimes Enforcement Team will be transferred to Moffat County at the start of fiscal year 2021.

The Museum Fund has a total fund balance of $222,454, 100% of which is committed to support the operations of the Museum of Northwest Colorado. 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, 2020, total net position amounted to $30,715,816 for enterprise funds, an increase of $1,851,223 from the prior year.

Total net position of the Water Fund amounted to $21,256,867 at the end of the fiscal year, representing a $836,557 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 6%, or $191,347 compared to 2019 due to an increase in charges to customers within the City. Operating expenses increased $130,735 compared to 2019, but the increase was less than that of operating revenues, resulting in an increase in operating income of $60,612 compared to 2019.

The Wastewater Fund total net position amounted to $6,870,357 at the end of the fiscal year, representing an increase of $917,567 compared to the prior year. The largest portion of the fund's net position (70%) represents its investment in capital assets. Operating revenues increased $62,612 and operating expenses decreased $72,411 when compared to the prior fiscal year, resulting in an increase in operating income of $135,023.

Total net position of the Solid Waste Fund amounted to $2,588,592 at the end of the fiscal year, reflecting an increase of $97,099 compared to the prior fiscal year. The largest portion of the fund's net position (72%) 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 2020 as well as the final budget are presented. Actual revenues for the general fund showed a positive variance of $231,056 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 were under budget by a total of $2,858,675 due to a decrease in capital outlay and parks and recreation expenditures in 2020 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, 2020, amounts to $43,615,228 (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 14.5% due to depreciation and construction of the assets. Major capital asset events in the current fiscal year included the following:

- Transfer of ownership of the Museum - $814,002
- Transfer of ownership of the Moffat County School District Yampa Building - $1,650,891
- Improvements to Breeze Park. - $213,332
- Wave Pool Resurfacing - $335,960
- AC and AC pipe replacement - $623,320
- Construction of Wastewater Sludge Line Replacement - $1,127,461
- Construction of Water System Improvements - $1,372,605

City of Craig Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 1,550,231	$ 1,309,762	$ 1,719,009	$ 1,719,009	$ 3,269,240	$ 3,028,771
Construction in Process	107,606	1,272,944	4,750,758	2,143,806	4,858,364	3,416,750
Buildings/Improvements	52,728,948	47,971,106	39,013,211	38,729,852	91,742,159	86,700,958
Machinery and Equipment	7,181,920	7,073,219	5,049,751	4,956,786	12,231,671	12,030,005
Total Assets	61,568,705	57,627,031	50,532,729	47,549,453	112,101,434	105,176,484
Total Accumulated Depreciation	(43,922,651)	(43,443,320)	(24,563,554)	(23,623,325)	(68,486,205)	(67,066,645)
Net Capital Assets	$ 17,646,054	$ 14,183,711	$ 25,969,175	$ 23,926,128	$ 43,615,229	$ 38,109,839

Long-Term Debt. At the end of the current fiscal year, the City had total outstanding debt of $5,643,128. Of this amount, $2,453,922 is comprised of note and loan agreements with Colorado Water Resources and Power Development Authority that were entered into to finance the enhancements to plant and systems updates for the water fund to comply with State water quality regulations.

City of Craig Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Note Payable - Revize	$ 1,900	$ 7,100	$ -	$ -	$ 1,900	$ 7,100
Series 2019 Bonds	-	-	2,453,922	2,764,821	2,453,922	2,764,821
Series 2020 Revolving Loan	-	-	3,187,307	3,200,000	3,187,307	3,200,000
	$ 1,900	$ 7,100	$ 5,641,229	$ 5,964,821	$ 5,643,129	$ 5,971,921

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Taxable property valuation increased from $75.073 million in 2019 to $75.340 million in 2020. 2020 valuation is based on collections to be received by the City in 2021.

- Sales tax revenues were significantly higher than 2020 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 $1,940,160 of fiscal year 2020 ending fund balance to cover the budgeted general fund deficit outlined in the 2021 fiscal year budget in accordance with the requirements of state statute. Property tax rates remain unchanged for the 2021 fiscal year. All municipal services provided in 2020 will be continued in 2021.

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
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 10,457,378	$ 9,384,650	$ 19,842,028
Restricted cash and cash equivalants	-	442,813	442,813
Receivables, net of allowance for doubtful accounts:			
Property tax	1,431,164	-	1,431,164
Accounts	1,466,784	681,574	2,148,358
Intergovernmental	-	50,000	50,000
Internal balances	195,560	(195,560)	-
Inventory	32,635	394,428	427,063
Capital assets not being depreciated	1,657,837	6,469,767	8,127,604
Capital assets, net of accumulated depreciation	15,988,217	19,499,408	35,487,625
Total assets	31,229,575	36,727,080	67,956,655
LIABILITIES			
Accounts payable	280,610	322,134	602,744
Accrued payroll	228,634	94,445	323,079
Unearned Revenue	67,000	-	67,000
Accrued interest payable	-	33,126	33,126
Long-term liabilities:			
Due within one year	129,837	514,873	644,710
Due in more than one year	255,875	5,242,246	5,498,121
Total liabilities	961,956	6,206,824	7,168,780
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,431,164	-	1,431,164
Total deferred inflows of resources	1,431,164	-	1,431,164
NET POSITION			
Net investment in capital assets	17,644,154	20,770,759	38,414,913
Restricted for TABOR			
Emergency reserves	338,350	-	338,350
Future retirement contributions	206,109	-	206,109
Unrestricted	10,647,842	9,749,497	20,397,339
Total net position	$ 28,836,455	$ 30,520,256	$ 59,356,711

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

CITY OF CRAIG
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes to Net Position: Governmental Activities	Net (Expense) Revenue and Changes to Net Position: Business-Type Activities	Net (Expense) Revenue and Changes to Net Position: Total
Primary government:							
Governmental activities:							
General government	$ 2,635,493	$ 143,622	$ 708,812	$ 1,650,891	$ (132,168)	$ -	$ (132,168)
Public safety	3,263,525	78,453	101,417	-	(3,083,655)	-	(3,083,655)
Road and bridge	2,655,990	-	-	147,884	(2,508,106)	-	(2,508,106)
Community development	172,422	-	-	-	(172,422)	-	(172,422)
Parks and recreation	1,829,748	113,692	124,863	1,011,786	(579,407)	-	(579,407)
Total governmental activities	10,557,178	335,767	935,092	2,810,561	(6,475,758)	-	(6,475,758)
Business-type activities							
Water	2,789,956	3,230,466	-	292,198	-	732,708	732,708
Wastewater	1,493,639	1,883,643	-	520,382	-	910,386	910,386
Sanitation	1,541,653	1,620,588	-	301	-	79,236	79,236
Total business-type activities	5,825,248	6,734,697	-	812,881	-	1,722,330	1,722,330
	$ 16,382,426	$ 7,070,464	$ 935,092	$ 3,623,442	(6,475,758)	1,722,330	(4,753,428)
General revenues:							
Taxes							
Sales and use tax					8,927,705	-	8,927,705
Property tax, levied for general purposes					1,448,040	-	1,448,040
Specific ownership tax					134,976	-	134,976
Franchise tax					296,107	-	296,107
Severance tax					525,612	-	525,612
Other taxes					339,862	-	339,862
Mineral lease revenue					336,341	-	336,341
Investment earnings					60,363	54,202	114,565
Miscellaneous					304,848	95,962	400,810
Total general revenues					12,373,854	150,164	12,524,018
Change in net position					5,898,096	1,872,494	7,770,590
Net position - Beginning					22,938,359	28,647,762	51,586,121
Net position - Ending					$ 28,836,455	$ 30,520,256	$ 59,356,711

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

CITY OF CRAIG
BALANCE SHEET GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 8,966,962	$ 756,390	$ 9,723,352
Receivables, net			
Property tax	1,280,484	150,680	1,431,164
Accounts	1,426,267	40,517	1,466,784
Inventories	7,795	24,840	32,635
Total assets	$ 11,681,508	$ 972,427	$ 12,653,935
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	$ 277,184	$ 2,926	$ 280,110
Accrued payroll	219,297	9,337	228,634
Unearned Revenues	67,000	-	67,000
Total liabilities	563,481	12,263	575,744
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax	1,280,484	150,680	1,431,164
Total deferred inflows of resources	1,280,484	150,680	1,431,164
FUND BALANCES			
Nonspendable			
Inventory	7,795	24,840	32,635
Restricted for			
TABOR emergency reserve	338,350	-	338,350
Committed			
Public Safety	-	146,627	146,627
Museum	-	197,614	197,614
Assigned to			
Capital projects	-	440,403	440,403
Subsequent year's expenditures	1,940,160	-	1,940,160
Unassigned	7,551,238	-	7,551,238
Total fund balances	9,837,543	809,484	10,647,027
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 11,681,508	$ 972,427	$ 12,653,935

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
DECEMBER 31, 2020

Total Fund Balances of Governmental Funds		$ 10,647,027
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	61,568,705	
Accumulated depreciation	(43,922,651)	
		17,646,054
Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet.		206,109
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		(383,812)
Debt for the acquisition of fixed assets		(1,900)
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.		722,977
Net Position of Governmental Activities		$ 28,836,455

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, 2020

	General	Non-Major Funds	Total Governmental Funds
REVENUES			
Taxes	$ 10,661,235	$ 163,860	$ 10,825,095
Licenses and permits	143,622	-	143,622
Intergovernmental revenue	2,024,632	439,678	2,464,310
Charges for services	101,578	12,114	113,692
Fines and forfeitures	78,453	-	78,453
Investment earnings	58,731	1,150	59,881
Miscellaneous	77,833	21,388	99,221
Total revenues	13,146,084	638,190	13,784,274
EXPENDITURES			
Current			
General government	1,516,549	2,991	1,519,540
Judicial	106,471	-	106,471
Public safety	3,122,983	37,969	3,160,952
Road and bridge	2,179,530	-	2,179,530
Community development	173,619	-	173,619
Parks and recreation	1,314,904	311,367	1,626,271
Capital outlay	2,298,317	557,945	2,856,262
Total expenditures	10,712,373	910,272	11,622,645
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,433,711	(272,082)	2,161,629
OTHER FINANCING SOURCES (USES)			
Transfers in	-	591,000	591,000
Transfers out	(591,000)	-	(591,000)
Total other financing sources (uses)	(591,000)	591,000	-
NET CHANGE IN FUND BALANCE	1,842,711	318,918	2,161,629
FUND BALANCES - BEGINNING	7,994,832	490,566	8,485,398
FUND BALANCES - ENDING	$ 9,837,543	$ 809,484	$ 10,647,027

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, 2020

Net Changes in Fund Balances of Governmental Funds		$ 2,161,629
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.		
Contributed capital	2,464,891	
Capital outlay	1,829,654	
Depreciation expense	(832,202)	
		3,462,343
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		206,109
Payments of debt principal are considered changes in long-term liabilities. These are the principal payments during the year.		5,200
Changes in accrued compensated absences are considered changes in long-term liabilities. This is the change in compensated absences during the year.		8,862
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.		53,953
Change in Net Position of Governmental Activities		$ 5,898,096

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

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Enterprise Funds				
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Assets					
Current assets					
Cash and cash equivalents	$ 5,580,726	$ 2,023,319	$ 1,780,605	$ 9,384,650	$ 527,917
Restricted cash and cash equivalents	442,813	-	-	442,813	-
Receivables, net of allowance for Doubtful accounts	268,670	221,597	191,307	681,574	-
Receivables, intergovernmental	50,000	-	-	50,000	-
Due from other funds	-	2,390	-	2,390	-
Inventory	361,879	32,549	-	394,428	-
Total current assets	6,704,088	2,279,855	1,971,912	10,955,855	527,917
Noncurrent assets					
Non-depreciable capital assets	4,953,383	1,516,384	-	6,469,767	-
Depreciable capital assets, net	15,502,522	3,267,840	729,046	19,499,408	-
Total noncurrent assets	20,455,905	4,784,224	729,046	25,969,175	-
Total Assets	27,159,993	7,064,079	2,700,958	36,925,030	527,917
Liabilities					
Current liabilities					
Accounts payable	130,787	144,082	47,265	322,134	500
Accrued payroll	39,986	27,003	27,456	94,445	-
Accrued interest payable	33,126	-	-	33,126	-
Due to other funds	2,390	-	-	2,390	-
Compensated absences	18,536	7,546	12,548	38,630	-
Notes payable	476,243	-	-	476,243	-
Total current liabilities	701,068	178,631	87,269	966,968	500
Noncurrent liabilities					
Compensated absences	37,072	15,091	25,097	77,260	
Notes payable	5,164,986	-	-	5,164,986	-
Total Liabilities	5,903,126	193,722	112,366	6,209,214	500
NET POSITION					
Net Investment in capital assets	15,257,489	4,784,224	729,046	20,770,759	-
Unrestricted	5,999,378	2,086,133	1,859,546	9,945,057	527,417
Total Net Position	$ 21,256,867	$ 6,870,357	$ 2,588,592	$ 30,715,816	$ 527,417
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(195,560)	
Net Position of Business Type Activities				$ 30,520,256	

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, 2020

	Enterprise Funds				
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Operating Revenues					
Charges for services	$ 3,230,466	$ 1,883,643	$ 1,620,588	$ 6,734,697	$ 2,256,820
Miscellaneous	83,107	-	12,855	95,962	-
Total Operating Revenues	3,313,573	1,883,643	1,633,443	6,830,659	2,256,820
Operating Expenses					
Salaries	770,912	553,224	480,457	1,804,593	-
Employee benefits	379,732	258,858	266,849	905,439	53,808
Depreciation	622,330	249,026	183,816	1,055,172	-
Repairs and maintenance	307,186	151,209	27,320	485,715	-
Utilities	225,934	116,580	6,996	349,510	-
Landfill fees	-	-	431,168	431,168	-
Chemicals	154,231	22,829	-	177,060	-
Insurance and bonds	73,852	33,590	22,194	129,636	2,119,842
Supplies	50,603	32,184	102,837	185,624	-
Other purchased services	133,952	82,287	26,141	242,380	-
Miscellaneous	-	-	-	-	8,250
Total Operating Expenses	2,718,732	1,499,787	1,547,778	5,766,297	2,181,900
Operating Income	594,841	383,856	85,665	1,064,362	74,920
Non-operating Revenues (Expenses)					
Investment earnings	29,740	13,329	11,133	54,202	304
Interest expense	(80,222)	-	-	(80,222)	-
Total Non-operating Revenues	(50,482)	13,329	11,133	(26,020)	304
Income Before Contributions and Transfers	544,359	397,185	96,798	1,038,342	75,224
Capital Contributions	292,198	520,382	301	812,881	-
Change in Net Position	836,557	917,567	97,099	1,851,223	75,224
Total Net Position - Beginning	20,420,310	5,952,790	2,491,493	28,864,593	452,193
Total Net Position - Ending	$ 21,256,867	$ 6,870,357	$ 2,588,592	$ 30,715,816	$ 527,417

Change in Net Position of Enterprise Funds	$ 1,851,223
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	21,271
Change in Net Position of Business Type Activities	$ 1,872,494

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

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	Enterprise Funds				
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers and others	$ 3,225,298	$ 1,933,219	$ 1,613,791	$ 6,772,308	$ 2,256,820
Cash paid for goods and services	(1,140,548)	(817,401)	(738,593)	(2,696,542)	(52,498)
Cash paid to employees	(1,252,308)	(358,770)	(605,980)	(2,217,058)	-
Other cash receipts	83,107	-	12,855	95,962	(2,125,869)
Other payments	-	-		-	(8,250)
Net Cash Provided by Operating Activities	915,549	757,048	282,073	1,954,670	70,203
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(1,767,724)	(1,179,683)	(150,811)	(3,098,218)	-
Capital grants and contributions	975,355	520,382	301	1,496,038	-
Loan proceeds	-	-	-	-	-
Principal paid on capital debt	(323,592)	-	-	(323,592)	-
Interest paid on capital debt	(81,426)	-	-	(81,426)	-
Net Cash (Used) by Capital and Related Financing Activity	(1,197,387)	(659,301)	(150,510)	(2,007,198)	-
Cash Flows from Investing Activities					
Interest on investment	29,740	13,329	11,133	54,202	304
Net Cash Provided by Investing Activities	29,740	13,329	11,133	54,202	304
Net Change in Cash and Cash Equivalents	(252,098)	111,076	142,696	1,674	70,507
Cash and Cash Equivalents - Beginning	6,275,638	1,912,243	1,637,909	9,825,790	457,410
Cash and Cash Equivalents - Ending	$ 6,023,540	$ 2,023,319	$ 1,780,605	$ 9,827,464	$ 527,917
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income	$ 594,841	$ 383,856	$ 85,665	$ 1,064,362	$ 74,920
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	622,330	249,026	183,816	1,055,172	-
(Increase) decrease in accounts receivable	(5,168)	49,576	(6,797)	37,611	-
(Increase) in inventory	(62,864)	12,649	-	(50,215)	-
Increase (decrease) in accounts payable	(249,504)	67,260	10,676	(171,568)	(4,717)
Increase (decrease) in accrued payroll	5,818	(6,108)	7,457	7,167	-
Increase (decrease) in compensated absences	10,096	789	1,256	12,141	-
Total Adjustments	320,708	373,192	196,408	890,308	(4,717)
Net Cash Provided by Operating Activities	$ 915,549	$ 757,048	$ 282,073	$ 1,954,670	$ 70,203

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

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

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

Joint Ventures - The Craig/Moffat County Airport joint operations was created for the purposes of operating an airport for the benefit of the citizens of Craig and unincorporated Moffat County. The City provided approximately $43,000 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, 2019, which is the date the latest information is available, the Airport fund's fund balance was approximately 93% 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)
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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2020, 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, 2020. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2021 and are budgeted for in 2020.

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description	Estimated Lives
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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.

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

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

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.

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

NOTE 3 - CASH AND INVESTMENTS

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

Petty Cash	$	2,729
Cash Deposits		2,887,445
Investments		16,951,854
Funds held by others		442,813
Total	$	20,284,841

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.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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, 2020, the carrying amount of the City's deposits was $2,887,445 and the bank balance was $2,979,175 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

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 Statues 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.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Local Government Investment Pools – At December 31, 2020, the City had $16,762,335 and $189,519 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 statues. 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, 2020 the Water fund reported $442,813 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.

NOTE 4 - CAPITAL ASSETS

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

GOVERNMENT ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,309,762	$ 240,469	$ -	$ 1,550,231
Construction in Progress	1,272,944	75,454	(1,240,792)	107,606
Total capital assets, not being depreciated	2,582,706	315,923	(1,240,792)	1,657,837
Capital assets, being depreciated				
Infrastructure	43,818,514	2,533,418	-	46,351,932
Buildings and improvements	4,152,592	2,224,424	-	6,377,016
Vehicles and equipment	7,073,219	461,572	(352,871)	7,181,920
Total capital assets being depreciated	55,044,325	5,219,414	(352,871)	59,910,868
Less accumulated depreciation for				
Infrastructure	(34,455,711)	(363,595)	-	(34,819,306)
Buildings and improvements	(2,903,514)	(187,331)	-	(3,090,845)
Vehicles and equipment	(6,084,095)	(281,276)	352,871	(6,012,500)
Total accumulated depreciation	(43,443,320)	(832,202)	352,871	(43,922,651)
Total capital assets, being depreiciated, net	11,601,005	4,387,212	-	15,988,217
Government activities capital assets, net	$ 14,183,711	$ 4,703,135	$ (1,240,792)	$ 17,646,054

BUSINESS-TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,719,009	$ -	$ -	$ 1,719,009
Construction in Progress	2,143,806	2,606,952	-	4,750,758
Total capital assets, not being depreciated	3,862,815	2,606,952	-	6,469,767
Capital assets, being depreciated				
Infrastructure and buildings	38,729,852	283,359	-	39,013,211
Vehicles and equipment	4,956,786	207,905	(114,940)	5,049,751
Total capital assets being depreciated	43,686,638	491,264	(114,940)	44,062,962
Less accumulated depreciation for				
Infrastructure and buildings	(19,746,468)	(794,847)	-	(20,541,315)
Vehicles and equipment	(3,876,857)	(260,322)	114,940	(4,022,239)
Total accumulated depreciation	(23,623,325)	(1,055,169)	114,940	(24,563,554)
Total capital assets, being depreiciated, net	20,063,313	(563,905)	-	19,499,408
Business-type activities capital assets, net	$ 23,926,128	$ 2,043,047	$ -	$ 25,969,175

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities		
General government	$	115,810
Public safety		16,805
Road and bridge		488,316
Parks and recreation		211,271
Total	$	832,202

Business-type activities		
Water	$	622,229
Wastewater		249,026
Sanitation		183,816
Total	$	1,055,071

NOTE 5 - LONG-TERM DEBT

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Governmental Activities:					
Revize Loan	$ 7,100	$ -	$ 5,200	$ 1,900	$ 1,900
Compensated absences	392,674	218,692	227,554	383,812	127,937
Total	$ 399,774	$ 218,692	$ 232,754	$ 385,712	$ 129,837

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Business type					
Water revenue refunding note Series 2019	$ 2,764,821	$ -	$ 310,899	$ 2,453,922	$ 320,231
Drinking water revolving loan note Series 2020	3,200,000	-	12,693	3,187,307	156,012
Compensated absences	103,749	92,527	80,386	115,890	38,630
Total	$ 6,068,570	$ 92,527	$ 403,978	$ 5,757,119	$ 514,873

NOTE 5 - LONG-TERM DEBT (CONTINUED)

For the year ended December 31, 2020, the City paid $80,222 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 an agreement with Revize, LLC for various web services and technological support. The agreement carries no interest and requires payment of the remaining principal of $1,900 in 2021.

Debt Service Requirements

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

Year Ending December 31,	Principal	Interest	Total
2021	$ 476,243	$ 86,500	$ 562,743
2022	486,638	76,105	562,743
2023	497,326	65,417	562,743
2024	508,314	54,429	562,743
2025	519,613	43,130	562,743
2026-2030	1,561,525	79,221	1,640,746
2031-2035	828,253	30,514	858,767
2036-2040	763,317	9,573	772,890
	$ 5,641,229	$ 444,889	$ 6,086,118

Accrued Compensated Absences – Earned but unused vacation and sick benefits amounted to $383,812 in governmental activities and $115,890 in business-type activities as of December 31, 2020. The General Fund is used to pay compensated absences of the Governmental Funds.

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, 2020 were $678,276 for the City and $339,137 for the employees. The plan vests at a rate of 20% per year and is fully vested after five years. As of December 31, 2020, 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 2020. The current balance in the forfeiture account is $206,109.

NOTE 7 - COMMITMENT AND CONTIGENCIES

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.

NOTE 7 - COMMITMENT AND CONTIGENCIES (CONTINUED)

The City currently has engineering and construction contracts for water system improvements and sidewalk improvements totaling $12.5 million. At December 31, 2020, $9.1 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 2020 operating expenses of $46.906.

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.

NOTE 11 - SUBSEQUENT EVENTS

On January 12, 2021 City Council voted to approve Resolution No. 3 to transfer the role of fiscal agent of All Crimes Enforcement Team Fund (ACET) from the City of Craig to Moffat County. This resulted in the transfer of the ACET fund balance of approximately $147,000 and the closure of the fund in 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES- BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
REVENUES					
Taxes					
General property taxes	$ 1,276,940	$ 1,276,940	$ 1,266,921	$ (10,019)	$ 1,190,247
Specific ownership taxes	112,000	112,000	120,765	8,765	125,423
Sales tax	8,089,000	8,089,000	8,927,705	838,705	8,056,353
Franchise tax	295,000	295,000	296,107	1,107	300,735
Interest and penalties	20,900	20,900	31,470	10,570	27,360
Cigarette taxes	10,000	10,000	18,267	8,267	16,877
Total taxes	9,803,840	9,803,840	10,661,235	857,395	9,716,995
Licenses and permits					
Building permits	50,000	50,000	100,421	50,421	104,717
Miscellaneous	41,700	41,700	43,201	1,501	18,426
Total licenses and permits	91,700	91,700	143,622	51,922	123,143
Intergovernmental revenues					
Highway user taxes	301,000	301,000	278,702	(22,298)	375,673
Motor vehicle tax	36,000	36,000	42,893	6,893	44,077
State grants	836,000	1,282,688	708,812	(573,876)	272,879
Mineral lease	300,000	300,000	336,341	36,341	508,443
Severance tax	280,000	280,000	525,612	245,612	476,440
State lottery	90,000	90,000	92,655	2,655	102,567
Public safety grants			39,617	39,617	7,500
Total intergovernmental revenues	1,843,000	2,289,688	2,024,632	(265,056)	1,787,579
Charges for services					
Recreation program fees	171,795	171,795	27,557	(144,238)	162,917
Swimming pool fees	85,155	85,155	66,597	(18,558)	114,476
Concessions	25,000	25,000	7,424	(17,576)	4,906
Total charges for services	281,950	281,950	101,578	(180,372)	282,299
Fines and forfeitures	50,900	50,900	78,453	27,553	47,260
Investment Earnings	135,000	135,000	58,731	(76,269)	141,593
Miscellaneous					
Rents and royalties	23,000	80,250	45,640	(34,610)	23,587
Miscellaneous	181,700	181,700	32,193	(149,507)	20,417
Total Miscellaneous	204,700	261,950	77,833	(184,117)	44,004
Total Revenues	$ 12,411,090	$ 12,915,028	$ 13,146,084	$ 231,056	$ 12,142,873

CITY OF CRAIG, COLORADO
SCHEDULE OF EXPENDITURES- BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2020

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
General government					
City council	$ 227,730	$ 227,730	$ 212,737	$ 14,993	$ 448,156
Administration	308,780	308,780	254,391	54,389	256,600
Engineering	179,800	179,800	151,325	28,475	130,196
Finances	442,340	472,340	467,894	4,446	409,286
Clerk and personnel	222,670	222,670	223,023	(353)	236,094
Building maintenance	94,280	149,780	85,802	63,978	55,981
City attorney	111,360	126,360	121,377	4,983	113,285
Total general government	1,586,960	1,687,460	1,516,549	170,911	1,649,598
Judicial					
Municipal	115,790	115,790	106,471	9,319	112,941
Total judicial	115,790	115,790	106,471	9,319	112,941
Public safety					
Police	3,395,530	3,356,030	3,122,983	233,047	3,027,779
Total public safety	3,395,530	3,356,030	3,122,983	233,047	3,027,779
Road and bridge	2,389,330	2,396,930	2,179,530	217,400	2,192,731
Community Development	182,110	201,310	173,619	27,691	171,303
Parks and Recreation					
General operations	968,970	968,970	873,286	95,684	896,410
Pool complex	403,660	403,660	283,014	120,646	329,325
Center of Craig	30,200	30,200	29,010	1,190	21,058
Recreation programs	333,120	333,120	129,594	203,526	279,129
Total parks and recreation	1,735,950	1,735,950	1,314,904	421,046	1,525,922
Capital outlay	3,286,200	4,077,578	2,298,317	1,779,261	1,058,590
Total Expenditures	$ 12,691,870	$ 13,571,048	$ 10,712,373	$ 2,858,675	$ 9,738,864
OTHER FINANCING SOURCES (USES)					
Transfers out	(300,000)	(591,000)	(591,000)	-	-
Total Other Financing Sources (Uses)	(300,000)	(591,000)	(591,000)	-	-
Net change in fund balance	$ (580,780)	$ (1,247,020)	$ 1,842,711	$ (2,627,619)	2,404,009
Fund Balances - Beginning			7,994,832		5,590,823
Fund Balances - Ending			$ 9,837,543		$ 7,994,832

See the accompanying independent auditor's report

SUPPLEMENTARY INFORMATION

CITY OF CRAIG, COLORADO
COMBINING BALANCE SHEET,
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	CAPITAL PROJECTS	ACET	MUSEUM	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 439,623	$ 112,174	$ 204,593	$ 756,390
Receivables, net				
Property tax	150,680	-	-	150,680
Accounts	1,102	34,500	4,915	40,517
Inventory	-	-	24,840	24,840
Total assets	$ 591,405	$ 146,674	$ 234,348	$ 972,427
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ 322	$ 47	$ 2,557	$ 2,926
Accrued Payroll	-	-	9,337	9,337
Total liabilities	322	47	11,894	12,263
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax	150,680	-	-	150,680
Total deferred inflows of resources	150,680	-	-	150,680
FUND BALANCES				
Nonspendable				
Inventory	-	-	24,840	24,840
Committed				
Public Saftey	-	146,627	-	146,627
Museum	-	-	197,614	197,614
Assigned to				
Capital Improvements	440,403	-	-	440,403
Total fund balances	440,403	146,627	222,454	809,484
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 591,405	$ 146,674	$ 234,348	$ 972,427

CITY OF CRAIG, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	CAPITAL PROJECTS	ACET	MUSEUM	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 163,860	$ -	$ -	$ 163,860
Intergovernmental revenue	147,884	61,800	229,994	439,678
Charges for services	-	-	12,114	12,114
Investment earnings	622	528	-	1,150
Miscellaneous	-	1,675	19,713	21,388
Total revenues	312,366	64,003	261,821	638,190
EXPENDITURES				
General Government	2,991	-	-	2,991
Public Safety	-	37,969	-	37,969
Parks and Recreation	-	-	311,367	311,367
Capital Outlay	529,945	-	28,000	557,945
Total expenditures	532,936	37,969	339,367	910,272
OTHER FINANCING SOURCES (USES)				
Transfers in	291,000	-	300,000	591,000
Total other financing sources (uses)	291,000	-	300,000	591,000
Net change in fund balance	70,430	26,034	222,454	318,918
Fund Balances - Beginning	369,973	120,593	-	490,566
Fund Balances - Ending	$ 440,403	$ 146,627	$ 222,454	$ 809,484

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
DECEMBER 31, 2020

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Property taxes	$ 150,310	$ 150,310	$ 149,649	$ (661)	$ 140,132
Specific ownership taxes	8,000	8,000	14,211	6,211	14,759
Intergovernmental	-	-	147,884	147,884	782,116
Investment earnings	5,000	5,000	622	(4,378)	10,167
Total revenues	163,310	163,310	312,366	149,056	947,174
Expenditures					
Treasurer's fees	3,000	3,000	2,991	9	2,070
Capital outlay	150,000	544,350	529,945	14,405	1,235,062
Total expenditures	153,000	547,350	532,936	14,414	1,237,132
Other Financing Sources and (Uses)					
Transfers in	$ -	$ 291,000	$ 291,000	$ -	$ -
Net change in fund balance	$ 10,310	$ (93,040)	70,430	$ 134,642	(289,958)
Fund Balances - Beginning			369,973		659,931
Fund Balances - Ending			$ 440,403		$ 369,973

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET TO ACTUAL
ACET FUND
DECEMBER 31, 2020

	2020			2019
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	$ 82,500	$ 61,800	$ (20,700)	$ 17,424
Investment earnings	2,500	528	(1,972)	2,995
Miscellaneous	500	1,675	1,175	896
Total revenues	85,500	64,003	(21,497)	21,315
Expenditures				
Public safety	85,370	37,969	47,401	82,305
Capital Outlay	4,000	-	-	-
Total expenditures	89,370	37,969	47,401	82,305
Net change in fund balance	$ (3,870)	26,034	$ 25,904	(60,990)
Fund Balances - Beginning		120,593		181,583
Fund Balances - Ending		$ 146,627		$ 120,593

CITY OF CRAIG, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
MUSEUM FUND
DECEMBER 31, 2020

	2020			
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Grants	$ -	$ -	$ 32,208	$ 32,208
Museum Admissions	11,000	8,000	-	(8,000)
Museum Consessions	15,000	-	12,114	12,114
Contributions Other Governments	15,000	82,500	197,786	115,286
Rents & Royalties	10,000	-	9,540	9,540
Miscellaneous	400	900	10,173	9,273
Investment earnings	-	2,500	-	(2,500)
Total revenues	51,400	93,900	261,821	167,921
Expenditures				
Museum Operations	329,280	369,080	311,367	57,713
Capital outlay	-	4,000	28,000	(24,000)
Total expenditures	329,280	373,080	339,367	33,713
Other Financing Sources and Uses				
Transfers in	300,000	291,000	300,000	(9,000)
Net change in fund balance	$ 22,120	$ 11,820	222,454	$ 125,208
Fund Balances - Beginning			-	
Fund Balances - Ending			$ 222,454	

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
DECEMBER 31, 2020

	2020				2019
	Original Budget	**Final Budget**	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Revenues					
Charges for services	$ 2,942,400	$ 2,942,400	$ 3,230,466	$ 288,066	$ 3,041,834
Meter sales	1,000	1,000	1,620	620	1,283
Tap fees	-	-	10,675	10,675	52,450
Investment earnings	90,000	90,000	29,740	(60,260)	78,364
Intergovernmental	-	266,850	281,523	14,673	1,188,708
Miscellaneous	102,000	102,000	81,487	(20,513)	79,109
Debt proceeds	-	2,800,000	-	(2,800,000)	3,200,000
Total revenues	3,135,400	6,202,250	3,635,511	(2,566,739)	7,641,748
Expenditures					
Salaries	777,600	777,600	770,912	6,688	736,578
Employee benefits	408,450	408,450	379,732	28,718	373,943
Repairs and maintenance	457,500	457,500	307,186	150,314	320,708
Utilities	226,000	226,000	225,934	66	208,002
Chemicals	150,000	150,000	154,231	(4,231)	136,760
Insurance and bonds	73,920	73,920	73,852	68	67,254
Supplies	38,150	38,150	50,603	(12,453)	39,753
Other purchased services	168,150	168,150	133,952	34,198	100,438
Capital outlay	690,000	2,126,295	1,767,724	358,571	2,244,344
Interest expense	81,450	81,450	80,222	1,228	85,406
Debt principal	323,600	323,600	323,592	8	301,835
Total expenditures	3,394,820	4,831,115	4,267,940	563,175	4,615,021
Change in net position - budget basis	$ (259,420)	$ 1,371,135	(632,429)	$ (2,003,564)	3,026,727
Reconciliation to GAAP basis					
Bond proceeds			-		(3,200,000)
Depreciation			(622,330)		(604,561)
Debt principal			323,592		301,835
Capital outlay			1,767,724		2,244,344
Change in net position - GAAP basis			836,557		1,768,345
Net Position - Beginning			20,420,310		18,651,965
Net Position - Ending			$ 21,256,867		$ 20,420,310

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
DECEMBER 31, 2020

	2020				2019
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 1,842,600	$ 1,842,600	$ 1,883,643	$ 41,043	$ 1,820,994
Tap fees	-	-	7,170	7,170	9,560
Intergovernmental grants	700,000	700,000	513,212	(186,788)	-
Investment earnings	42,000	42,000	13,329	(28,671)	39,009
Miscellaneous	4,000	4,000	-	(4,000)	37
Total revenues	2,588,600	2,588,600	2,417,354	(171,246)	1,869,600
Expenditures					
Salaries	580,470	580,470	553,224	27,246	601,184
Employee benefits	262,690	262,690	258,858	3,832	281,918
Repairs and maintenance	218,500	218,500	151,209	67,291	186,542
Utilities	133,500	133,500	116,580	16,920	126,465
Chemicals	23,000	23,000	22,829	171	20,589
Insurance and bonds	34,900	34,900	33,590	1,310	32,955
Supplies	41,250	41,250	32,184	9,066	25,840
Other purchased services	114,050	114,050	82,287	31,763	66,920
Capital outlay	1,595,000	1,801,570	1,179,683	621,887	195,067
Total expenditures	3,003,360	3,209,930	2,430,444	779,486	1,537,480
Change in net position - budget basis	$ (414,760)	$ (621,330)	(13,090)	$ 608,240	332,120
Reconciliation to GAAP basis					
Depreciation			(249,026)		(229,785)
Capital outlay			1,179,683		195,067
Change in net position - GAAP basis			917,567		297,402
Net Position - Beginning			5,952,790		5,655,388
Net Position - Ending			$ 6,870,357		$ 5,952,790

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
DECEMBER 31, 2020

	2020			2019
	Original and Final Budget	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Revenues				
Charges for services	$ 1,576,800	$ 1,620,588	$ 43,788	$ 1,542,937
Miscellaneous revenue	8,000	12,855	4,855	46,438
Intergovernmental	-	301	301	-
Interest income	45,000	11,133	(33,867)	37,503
Total revenues	1,629,800	1,644,877	15,077	1,626,878
Expenditures				
Salaries	452,770	480,457	(27,687)	440,243
Employee benefits	260,420	266,849	(6,429)	227,745
Repairs and maintenance	64,150	27,320	36,830	59,912
Utilities	6,100	6,996	(896)	6,898
Landfill fees	405,000	431,168	(26,168)	421,737
Insurance and bonds	24,110	22,194	1,916	18,426
Supplies	112,750	102,837	9,913	134,519
Other purchased services	45,750	26,141	19,609	23,670
Capital outlay	249,000	150,810	98,190	253,342
Total expenditures	1,620,050	1,514,772	105,278	1,586,492
Change in net position - budget basis	$ 9,750	130,105	$ 120,355	40,386
Reconciliation to GAAP basis				
Depreciation		(183,816)		(122,642)
Capital outlay		150,810		253,342
Change in net position - GAAP basis		97,099		171,086
Net Position - Beginning		2,491,493		2,320,407
Net Position - Ending		$ 2,588,592		$ 2,491,493

CITY OF CRAIG, COLORADO
COMPARATIVE STATEMENT OF NET POSITION
INTERNAL SERVICES – MEDICAL BENEFITS FUND
DECEMBER 31, 2020

	2020	2019
Assets		
Cash and cash equivalents	$ 527,917	$ 457,410
Receivables	-	-
Total Assets	527,917	457,410
Liabilities and Net Position		
Liabilities		
Accounts payable	500	5,217
Total Liabilities	500	5,217
Net position		
Unrestricted	$ 527,417	$ 452,193

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

	2020			2019
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating revenues				
Charges for services	$ 2,286,650	$ 2,256,820	$ (29,830)	$ 2,158,718
Other	-	-	-	-
Total revenues	2,286,650	2,256,820	(29,830)	2,158,718
Operating expenses				
Insurance premiums	2,213,400	2,119,842	93,558	2,024,578
Claims incurred	65,000	52,498	12,502	35,645
Administrative fees	2,000	1,310	690	1,386
Miscellaneous expenditures	36,000	8,250	27,750	10,746
Total operating expenses	2,316,400	2,181,900	134,500	2,072,355
Operating income	(29,750)	74,920	104,670	86,363
Non-operating revenues				
Investment earnings	100	304	204	99
Total non-operating revenues	100	304	204	99
Change in net position	$ (29,650)	75,224	$ 104,874	86,462
Net Position - Beginning		452,193		365,731
Net Position - Ending		$ 527,417		$ 452,193

CITY OF CRAIG, COLORADO
STATEMENT OF CASH FLOWS
INTERNAL SERVICES – MEDICAL BENEFIT FUND
DECEMBER 31, 2020

	2020	2019
Cash Flows from Operating Activities		
Cash received from users	$ 2,256,820	$ 2,190,554
Cash paid on claims	(52,498)	(45,508)
Cash paid for premiums and administration	(2,125,869)	(2,025,964)
Other payments	(8,250)	(10,746)
Net Cash Provided by Operating Activities	70,203	108,336
Cash Flows from Investing Activities		
Interest received	304	99
Net Cash Provided by Investing Activities	304	99
Net change in cash and cash equivalents	70,507	108,435
Cash and Cash Equivalents - Beginning	457,410	348,975
Cash and Cash Equivalents - Ending	$ 527,917	$ 457,410
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 74,920	$ 86,363
Change in accounts receivable	-	31,836
Change in accounts payable	(4,717)	(9,863)
Net Cash Provided by Operating Activities	$ 70,203	$ 108,336

OTHER SUPPLEMENTARY INFORMATION
STATE COMPLIANCE

CITY OF CRAIG, COLORADO
LOCAL HIGHWAY FINANCE REPORT
DECEMBER 31, 2020

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 2020
This Information From The Records of CITY OF CRAIG	Prepared By: Phone:	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,533,050
3. Other local imposts (from page 2)	284,625
4. Miscellaneous local receipts (from page 2)	622
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)	2,818,296
B. Private Contributions	
C. Receipts from State government (from page 2)	321,595
D. Receipts from Federal Government (from page 2)	147,884
E. Total receipts (A.7 + B + C + D)	3,287,775

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,299,475
2. Maintenance:	1,966,218
3. Road and street services:	
a. Traffic control operations	22,083
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	22,083
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	3,287,775
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)	3,287,775

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
	3,287,775	3,287,775		0

Notes and Comments:

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CITY OF CRAIG, COLORADO
LOCAL HIGHWAY FINANCE REPORT
DECEMBER 31, 2020

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	149,649	a. Interest on investments	622
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	134,976	g. Other Misc. Receipts	
6. Total (1. through 5.)	134,976	h. Other	
c. Total (a. + b.)	284,625	i. Total (a. through h.)	622
	(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	278,702	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	42,893	d. Federal Transit Admin	
d. Other (Specify) - CDOT-Sidewalk	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (CDOT-Sidewalk)	147,884
f. Total (a. through e.)	42,893	g. Total (a. through f.)	147,884
4. Total (1. + 2. + 3.f)	321,595	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		35,539	35,539
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		341,322	341,322
(3). System Preservation		666,084	666,084
(4). System Enhancement & Operation		256,529	256,529
(5). Total Construction (1) + (2) + (3) + (4)	0	1,263,936	1,263,936
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,299,475	1,299,475
			(Carry forward to page 1)

Notes and Comments:

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