Town of Crested Butte, Colorado

Financial Statements

December 31, 2021

Town of Crested Butte, Colorado
Financial Statements
For the Year Ended December 31, 2021

Table of Contents

Town of Crested Butte, Colorado
Financial Statements
For the Year Ended December 31, 2021
(continued)

Table of Contents

INDEPENDENT AUDITOR'S REPORT

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Crested Butte, Colorado

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

Paul J. Backes, CPA, CGMA
Michael N. Jenkins, CA, CPA, CGMA
Matthew D. Miller, CPA

Avon: (970) 845-8800
Aspen: (970) 544-3996
Frisco: (970) 668-3481

Auditor's Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, 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.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

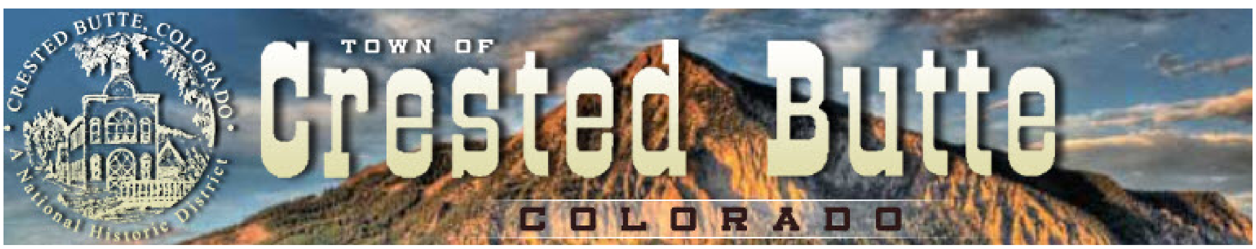
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund budgetary comparison information and the *Local Highway Finance Report* in section F are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary comparison information and the *Local Highway Finance Report* in Section F are the responsibility of management and were derived from and relates 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

Our discussion and analysis of the Town of Crested Butte's financial performance provides an overview of the Town of Crested Butte's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Crested Butte.

A. FINANCIAL HIGHLIGHTS

- The Town's assets exceed liabilities and deferred inflows by $62,195,215 (i.e., net position) at the end of the year, an increase of $6,841,754 from the prior year.
- Governmental activities reported net position of $8,527,747 an increase of $2,636,331 in comparison to prior year.
- The Town's fund balance for the General Fund, which includes the Sales Tax Fund under Governmental Accounting Standards Board (GASB) Statement 54 reporting requirements, was $9,900,448 an increase of $1,718,785 in comparison to prior year.
- The Town of Crested Butte's total long-term liabilities were $4,971,559 at the end of year. This debt is all associated with upgrades to the Water and Wastewater treatment plants.

B. PROJECT HIGHLIGHTS

- Managed through the COVID-19 pandemic, vaccine roll-out and return to 'normal'
- Implemented Elk Avenue one-way reconfiguration.
- Began implementation of new ERP system.
- Completed first financial audit with new firm, replacing incumbent who had been in place for many years.
- Began Phase 1 of development of the Community Compass, a comprehensive plan for the community.
- Strengthened the Town's technology infrastructure including replacing the main file server, firewalls and routers. Added and strengthened IT security protocols and tools.
- Changed Marshals uniforms from black to blue
- Actively participated in implementation of County-wide mobile crisis team to provide appropriate response and support for community members in mental health crisis
- Began design of two large improvement projects in the Enterprise – WWTP Improvements Project and Lake Irwin Valve and Pipeline Project.
- Completed centrifuge replacement, WWTP SCADA computer replacement and replacement of the flow meter on the water transmission line. Also completed installation of a chemical injection system for the treatment of lead in some residential homes.
- Streets projects include crack sealing, grading of alleys and sidewalk installation to increase ADA access at the 1st and Elk parking lot. Also constructed and installed all the traffic calming boxes on Whiterock, Sopris and Maroon Avenues.
- Managed the Johnson Controls Inc Energy Performance Contract (EPC) project to reduce energy consumption by making building envelope improvements and replacing existing lighting in many Town owned buildings. Incorporated a solar array on the Marshals office and Fire Hall. Anticipated that these projects will reduce energy consumption by 20%.
- Acquired Ruby Mountain B&B and converted to affordable housing.
- Parks division completed construction of Slate River Boat Launch and Gothic Raw Water project and began construction of the Henderson Park Renovation Project.
- Acquisition of the Kikel Lot 3 property and permanently protected the open space with a conservation easement.
- Completed the Avalanche Park Pine Beetle Mitigation Project.
- Completed the Sixth and Butte Affordable Housing Master Plan and managed affordable housing emergency declaration.

C. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net position presents information on all assets, liabilities and deferred inflows, 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 financial position is improving or deteriorating.

The statement of activities presents information showing how the government'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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, streets and highways, culture and recreation and community development. The business type activities include sewer and water.

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

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

Proprietary Funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The Town reports its water and sewer operations as an enterprise fund.

Notes to 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.

D. GOVERNMENT-WIDE FINANCIAL ANALYSIS

On December 31, 2021, total net position was $62,195,215, an increase of $6,841,754 from the prior year. This increase was largely due to increases in increased revenues in sales tax and real estate transfer tax during the year.

A large portion of net position is the investment in capital assets (net of related debt) which accounts for 48% of total net position. This amount reflects the investment in all capital assets less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending.

Unrestricted net position is the part of net position that can be used to finance day to day operations without constraints, represents 51% of total net position.

The following table summarizes the Town's net position:

Town of Crested Butte's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	$ 30,405,465	$ 26,289,681	$ 6,736,428	$ 6,181,218	$ 37,141,893	$ 32,470,899
Capital assets	24,457,562	21,481,009	10,596,393	10,533,272	35,053,955	32,014,281
Total Assets	54,863,027	47,770,690	17,332,821	16,714,490	72,195,848	64,485,180
Liabilities:						
Other liabilities	3,141,220	2,427,956	667,169	394,294	3,808,389	2,822,250
Long-term liabilities	112,523	117,131	4,704,764	4,993,138	4,817,287	5,110,269
Total Liabilities	3,253,743	2,545,087	5,371,933	5,387,432	8,625,676	7,932,519
Deferred Inflows of Resources:						
Property taxes	1,374,957	1,199,200	-	-	1,374,957	1,199,200
Net Position:						
Net investment in capital assets	24,457,562	21,481,009	5,624,834	5,273,532	30,082,396	26,754,541
Restricted	560,983	445,328	-	-	560,983	445,328
Unrestricted	25,215,782	22,100,066	6,336,054	6,053,526	31,551,836	28,153,592
Total Net Position	$ 50,234,327	$ 44,026,403	$ 11,960,888	$ 11,327,058	$ 62,195,215	$ 55,353,461

The remainder of this page is intentionally left blank.

The following table summarizes the Town's changes in net position:

Town of Crested Butte's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
REVENUES:	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Program revenues:						
Charges for services	$ 1,195,128	1,006,869	2,017,190	1,934,221	3,212,318	2,941,090
Operating grants and contributions	33,886	167,510	151,169	-	185,055	167,510
Capital grants and contributions	262,006	-	821,189	471,831	1,083,195	471,831
General revenues:						
Sales and use taxes	7,137,917	5,590,620			7,137,917	5,590,620
Real estate transfer tax	4,243,264	3,285,614			4,243,264	3,285,614
Property taxes	1,216,107	1,210,849	-	-	1,216,107	1,210,849
Specific ownership taxes	305,186	305,555	-	-	305,186	305,555
Franchise taxes	34,642	42,657	-	-	34,642	42,657
Miscellaneous taxes	827,480	613,893	-	-	827,480	613,893
Investment earnings	20,325	64,240	11,392	58,639	31,717	122,879
Gain on asset disposition	-	5,320	-	-	-	5,320
Miscellaneous	119,927	107,991	-	-	119,927	107,991
Total Revenues	15,395,868	12,401,118	3,000,940	2,464,691	18,396,808	14,865,809
EXPENSES:						
General government	3,337,348	2,442,944	-	-	3,337,348	2,442,944
Public safety	1,180,498	1,101,470	-	-	1,180,498	1,101,470
Public works	1,377,319	1,104,766	-	-	1,377,319	1,104,766
Community development	862,835	781,295	-	-	862,835	781,295
Culture and recreation	1,563,466	2,273,792	-	-	1,563,466	2,273,792
Affordable housing	261,782	777,829	-		261,782	777,829
Transportation	604,696	911,830	-	-	604,696	911,830
Sewer, water and sanitation	-	-	2,367,110	2,169,759	2,367,110	2,169,759
Total Expenses	9,187,944	9,393,926	2,367,110	2,169,759	11,555,054	11,563,685
Change in Net Position	6,207,924	3,007,192	633,830	294,932	6,841,754	3,302,124
Net Position - Beginning	44,026,403	41,019,211	11,327,058	11,032,126	55,353,461	52,051,337
Net Position - Ending	$ 50,234,327	$ 44,026,403	$ 11,960,888	$ 11,327,058	$ 62,195,215	$ 55,353,461

E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

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

As of December 31, 2021, the Town's governmental funds reported combined ending fund balance of $22,834,775, an increase of $2,636,331 over prior year. Of the combined ending fund balance for all governmental funds, 39% or $8,527,747 constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The Town has four major governmental funds. They are General, General Capital, Affordable Housing and Street and Alley. The Town has one other governmental fund, the Conservation Trust Fund which accounts for the funds received from the Colorado State Lottery Commission.

The General Fund is the primary operating fund for the Town of Crested Butte. Under the fund reporting requirements of GASB 54, the sales tax fund is now combined into the General fund for reporting purposes. At the end of 2021, unassigned fund balance for the General Fund was $9,439,448. This unassigned fund balance is approximately 156% of the total 2021 expenditures of the combined General Fund. The unassigned fund balance increased by $1,622,783 during 2021.

The General Capital Fund accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. At the end of 2021, the General Capital Fund balance available for capital projects was $11,023,621, an increase of $2,426,152.

The Affordable Housing Fund accounts for development of affordable housing units, including acquisition and maintenance expenditures for Town owned units and infrastructure development for affordable housing area within Town. Its main source of revenue is an excise tax assessed on short term rentals in Town. Other sources of revenue include fee assessment on certain building permits within Town, and grants. Its total fund balance (deficit) was $(911,701) at the end of 2021, a decrease of $1,744,898. The decrease was largely due to the purchase of affordable housing units.

The Street and Alley Fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, sidewalks and parking lots. Its main source of revenue is a dedicated property tax. Its total fund balance was $2,722,424 at the end of 2021, an increase of $216,637. A significant portion of the increase was due to street and parking maintenance projects.

Proprietary funds. The Town has one enterprise fund which accounts for sewer, water, and trash operations. Year-end unrestricted net position of the sewer and water fund amounted to $5,370,258 in 2021, an increase of $303,942. The increase was primarily related to higher than expected charges for service and savings on expected operations and maintenance. Year-end total net position amounted to $11,960,888 in 2021, an increase of $633,830.

F. BUDGETARY HIGHLIGHTS

2021 saw ongoing strong growth in sales, vacation rental and real estate transfer tax revenues. The Town experienced an increase of 27% in sales tax and 29% in real estate transfer tax over prior year revenues. Increased visitors to the area coming out of the pandemic drive the growth in sales and vacation rental tax revenues. Rapid escalation in real estate values and increased transactions resulted in the increases in real estate transfer tax revenues.

With the surprisingly positive sales tax trend and insignificant levels of debt outside of the enterprise fund, the Town has made significant progress toward general infrastructure needs including maintenance, vehicle replacements and one-time projects in recent years. Healthy Town reserves have allowed for significant projects in recent years related to open space preservation, affordable housing, and climate action. Large strides are planned in affordable housing and vehicle replacement in the 2022 budget.

In November, 2021, voters approved an increase of 2.5% to the existing 5% vacation rental excise tax bringing that tax to 7.5% beginning January 1, 2022.

G. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Crested Butte invested $4,625,822 in capital assets for its governmental and business type activities in 2021. As required by GASB34, the investment in capital assets includes land, buildings, improvements other than buildings, equipment, water systems, sewer systems and infrastructure.

Long-term Debt. At the end of 2021, the total outstanding long-term debt of the Town was $4,971,559, a decrease of $288,181 from 2021. The total amount is attributable to business-type activities.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

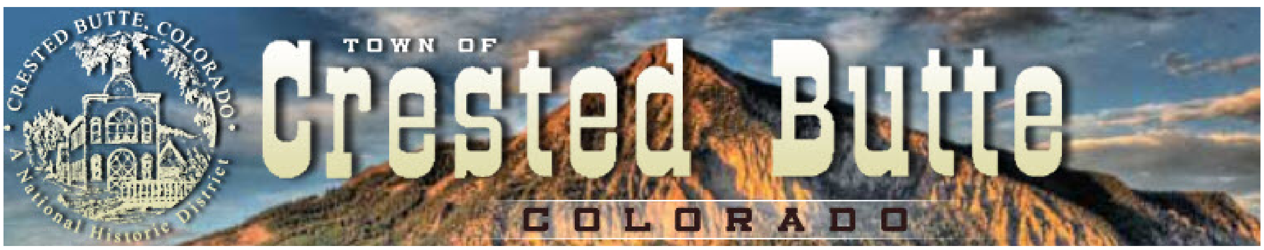
- Sales tax revenue – assumes 24% growth in 2021 over 2021 budgeted revenue followed by another 4% in 2022. Our approach is typically conservative with regards to revenue generation to manage expenses accordingly.
- Other taxes – the use tax and real estate transfer tax are projected to be slightly up from 2021 budget amounts as related transactions and average cost have increased significantly versus the last few years.
- Nicotine tax – a Town ballot initiative was passed in 2019 that applied an excise tax on cigarettes and other nicotine containing products. The related amount budgeted for 2022 is $190,742. Most of these funds are intended to be used locally for Community health and wellness initiatives. These funds will be distributed through Town's spring and fall community grant cycles.
- Grant and contribution revenue totaling $991,300 is expected in 2022 including funds from Department of Local Affairs and Great Outdoors Colorado (GOCO). Of this total, $500,000 is assumed for use with the wastewater plant improvements, with the remainder for use with the Henderson Park renovation, Rec Path Bridge River Access Park, and an open space forestry project.

- Vacation rental license fees and excise tax – In January 2018 the Town began issuing vacation rental licenses for the first time. Additionally, Town implemented a 5% excise tax on all vacation rentals. Excise tax collections are anticipated to be $480,798 in 2022 and used strictly to support affordable housing efforts. In November 2021, after budget adoption, voters approved an additional 2.5% on the excise tax bringing the total vacation rental excise tax rate to 7.5%. The additional 2.5% should not exceed $300,000 in 2022.
- Water and Sewer fees – fees for monthly water and sewer services will increase by a total of $15 per month per EQR in 2022. The increase is necessary to offset costs for the plant upgrades.
- Contribution from reserves - 2022 will see contributions from reserves in multiple funds:
  - Enterprise Fund - $472,251 draw down as Town will be making significant investments to water and wastewater plants and infrastructure.
  - Parks (sub-set of Capital) will operate at a negative $523,387.
  - Affordable Housing – $3,971,322. However, Town will seek grants and financing to help offset or limit this draw down of reserves.
  - Streets & Alleys – $475,125. This draw down is largely due to the need to replace heavy equipment.
- Personnel – the 2022 budget contemplates the addition (or full year impact of) five positions. Those include a housing specialist, recreation coordinator, public works maintenance, custodian, and accountant. An 8% increase for wages is included to help offset the rapidly increasing cost of living. Town has 49 full time employees.
- Employee health insurance – 3% increase in medical premiums versus 2021.

I. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Crested Butte's finances. If you have questions about this report or need additional financial information, contact the Town of Crested Butte, Finance Department, PO Box 39, Crested Butte, Colorado 81224.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Crested Butte, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	25,128,063	6,327,403	31,455,466
Cash and investments - Restricted	9,588	-	9,588
Receivables, net:			
Taxes	2,082,365	-	2,082,365
Other governments	130,936	-	130,936
Other	-	391,059	391,059
Inventories	-	17,966	17,966
Investment in joint venture	3,054,513	-	3,054,513
Capital assets, not being depreciated	11,679,557	595,421	12,274,978
Capital assets, net of accumulated depreciation	13,778,005	10,000,972	23,778,977
Total Assets	55,863,027	17,332,821	73,195,848
Liabilities:			
Accounts payable	1,523,487	135,358	1,658,845
Deposits payable	1,617,733	2,700	1,620,433
Interest payable	-	18,186	18,186
Unearned revenue	-	216,538	216,538
Compensated absences:			
Due in more than one year	112,523	27,592	140,115
Debt payable:			
Due within one year	-	294,387	294,387
Due in more than one year	-	4,677,172	4,677,172
Total Liabilities	3,253,743	5,371,933	8,625,676
Deferred Inflows of Resources:			
Property taxes	1,374,957	-	1,374,957
Net Position:			
Net investment in capital assets	25,457,562	5,624,834	31,082,396
Restricted:			
TABOR emergency reserve	461,000	-	461,000
Conservation Trust Fund	99,983	-	99,983
Unrestricted	25,215,782	6,336,054	31,551,836
Total Net Position	51,234,327	11,960,888	63,195,215

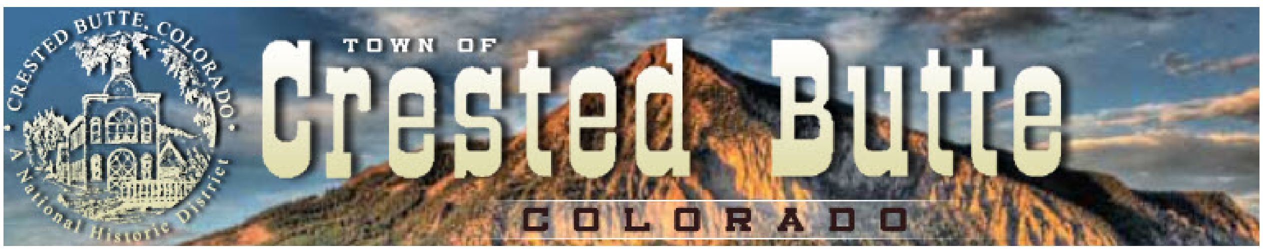
The accompanying notes are an integral part of these financial statements.

Town of Crested Butte, Colorado
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	3,337,348	220,761	-	-	(3,116,587)		(3,116,587)
Public safety	1,180,498	136,868	-	-	(1,043,630)		(1,043,630)
Public works	1,377,319	15,600	-	-	(1,361,719)		(1,361,719)
Community development	862,835	609,836	13,500	-	(239,499)		(239,499)
Culture and recreation	563,466	133,416	19,647	262,006	(148,397)		(148,397)
Affordable housing	261,782	78,647	739	-	(182,396)		(182,396)
Transportation	604,696	-	-	-	(604,696)		(604,696)
Total - Governmental activities	8,187,944	1,195,128	33,886	262,006	(6,696,924)		(6,696,924)
Business-type activities:							
Sewer, water and sanitation	2,367,110	2,017,190	151,169	821,189		622,438	622,438
Total - Business-type activities	2,367,110	2,017,190	151,169	821,189		622,438	622,438
Total	10,555,054	3,212,318	185,055	1,083,195	(6,696,924)	622,438	(6,074,486)
General revenues:							
Taxes:							
Sales and use taxes					7,137,917	-	7,137,917
Real estate transfer tax					4,243,264	-	4,243,264
Property taxes					1,216,107	-	1,216,107
Specific ownership taxes					305,186	-	305,186
Franchise taxes					34,642	-	34,642
Miscellaneous taxes					827,480	-	827,480
Investment earnings					20,325	11,392	31,717
Miscellaneous					119,927	-	119,927
Total - General revenues and transfers					13,904,848	11,392	13,916,240
Change in Net Position					7,207,924	633,830	7,841,754
Net Position - January 1					44,026,403	11,327,058	55,353,461
Net Position - December 31					51,234,327	11,960,888	63,195,215

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

FUND FINANCIAL STATEMENTS



Town of Crested Butte, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Affordable Housing Fund	General Capital Fund	Street and Alley Fund	Conservation Trust Fund	Total Governmental Funds
Assets:						
Cash and investments - Unrestricted	10,698,991	-	11,432,470	2,896,619	99,983	25,128,063
Cash and investments - Restricted	9,588	-	-	-	-	9,588
Receivables:						
Taxes	1,022,055	-	-	1,060,310	-	2,082,365
Intergovernmental	123,405	800	1,843	4,888	-	130,936
Due from other fund	887,358	-	-	-	-	887,358
Total Assets	12,741,397	800	11,434,313	3,961,817	99,983	28,238,310
Liabilities:						
Accounts payable	919,169	25,143	410,592	168,583	-	1,523,487
Due to other fund	-	887,358	-	-	-	887,358
Deposits payable	1,607,133	-	100	10,500	-	1,617,733
Total Liabilities	2,526,302	912,501	410,692	179,083	-	4,028,578
Deferred Inflows of Resources:						
Property taxes	314,647	-	-	1,060,310	-	1,374,957
Total Deferred Inflows of Resources	314,647	-	-	1,060,310	-	1,374,957
Fund Balances:						
Restricted	461,000	-	-	-	99,983	560,983
Committed	-	-	11,023,621	2,722,424	-	13,746,045
Unassigned	9,439,448	(911,701)	-	-	-	8,527,747
Total Fund Balances (Deficit)	9,900,448	(911,701)	11,023,621	2,722,424	99,983	22,834,775
Total Liabilities, Deferred Inflows, and Fund Balances	12,741,397	800	11,434,313	3,961,817	99,983	28,238,310

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

Town of Crested Butte, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

Total Governmental Fund Balances		22,834,775
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The Town has an equity interest in Mountain Express. Equity investments related to governmental activities are not currently available financial resources and, therefore, are not reported in the funds.		3,054,513
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	36,708,917	
Less: Accumulated depreciation	(11,251,355)	
		25,457,562
Long-term liabilities and deferred inflows of resources, including debt payable, interest payable, compensated absences and pension related deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued compensated absences		(112,523)
Net Position of Governmental Activities		51,234,327

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

Town of Crested Butte, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Affordable Housing Fund	General Capital Fund	Street and Alley Fund	Conservation Trust Fund	Total Governmental Funds
Revenues:						
Taxes	6,685,993	561,823	1,290,193	983,322	-	9,521,331
Real estate transfer tax	-	-	4,243,264	-	-	4,243,264
Licenses, permits, and fees	582,349	-	-	15,600	-	597,949
Intergovernmental revenue	21,646	-	262,006	-	19,647	303,299
Charges for services	431,574	78,647	-	-	-	510,221
Housing payments in lieu	-	118,972	-	-	-	118,972
Investment income	20,147	-	157	13	8	20,325
Miscellaneous	14,025	739	64,787	955	-	80,506
Total Revenues	7,755,734	760,181	5,860,407	999,890	19,655	15,395,867
Expenditures:						
General government	1,910,742	-	-	-	-	1,910,742
Public safety	1,104,802	-	-	-	-	1,104,802
Public works	641,590	-	-	-	-	641,590
Streets	-	-	-	640,116	-	640,116
Community development	862,835	-	-	-	-	862,835
Culture and recreation	321,850	-	-	-	-	321,850
Affordable housing	-	163,120	-	-	-	163,120
Transportation	1,195,130	-	-	-	-	1,195,130
Capital outlay	-	2,341,959	3,434,255	143,137	-	5,919,351
Total Expenditures	6,036,949	2,505,079	3,434,255	783,253	-	12,759,536
Net Change in Fund Balances	1,718,785	(1,744,898)	2,426,152	216,637	19,655	2,636,331
Fund Balances - January 1	8,181,663	833,197	8,597,469	2,505,787	80,328	20,198,444
Fund Balances (Deficit) - December 31	9,900,448	(911,701)	11,023,621	2,722,424	99,983	22,834,775

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

Town of Crested Butte, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balances of Governmental Funds		2,636,331
Amounts reported for governmental activities in the Statement of Activities are different because:		
The change in equity interest in joint venture does not provide or use current financial resources and, therefore, is not reported as revenue or expenditure in the governmental funds.		590,432
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 difference between capital outlay and depreciation:		
Depreciation expense	(1,081,458)	
Capital outlay	5,058,011	
		3,976,553
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued compensated absences		4,608
Change in Net Position of Governmental Activities		7,207,924

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

Town of Crested Butte, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities
	Sewer, Water, and Sanitation Enterprise Fund
Assets:	
Current assets:	
Cash and investments - Unrestricted	6,327,403
Accounts receivable	391,059
Inventories	17,966
Total - Current assets	6,736,428
Noncurrent assets:	
Capital assets, not being depreciated	595,421
Capital assets, net of accumulated depreciation	10,000,972
Total - Noncurrent assets	10,596,393
Total Assets	17,332,821
Liabilities:	
Current liabilities:	
Accounts payable	135,358
Deposits payable	2,700
Interest payable	18,186
Unearned revenue	216,538
Current portion of long-term debt	294,387
Total - Current liabilities	667,169
Noncurrent liabilities:	
Compensated absences, net of current portion	27,592
Debt, net of current portion	4,677,172
Total - Noncurrent liabilities	4,704,764
Total Liabilities	5,371,933
Net Position:	
Net investment in capital assets	5,624,834
Unrestricted	6,336,054
Total Net Position	11,960,888

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

Town of Crested Butte, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities Sewer, Water, and Sanitation Enterprise Fund
Operating Revenues:	
Charges for services	2,017,190
Total Operating Revenues	2,017,190
Operating Expenses:	
Operations and maintenance	1,557,428
Administrative fee	65,000
Depreciation	631,954
Total Expenses	2,254,382
Operating Income (Loss)	(237,192)
Non-operating Revenues (Expenses):	
State and federal grants	151,169
Investment income	11,392
Interest expense	(112,728)
Total Non-operating Revenues (Expenses)	49,833
Income before Capital Contributions	(187,359)
Capital Contributions:	
Tap fees	821,189
Change in Net Position	633,830
Net Position - January 1	11,327,058
Net Position - December 31	11,960,888

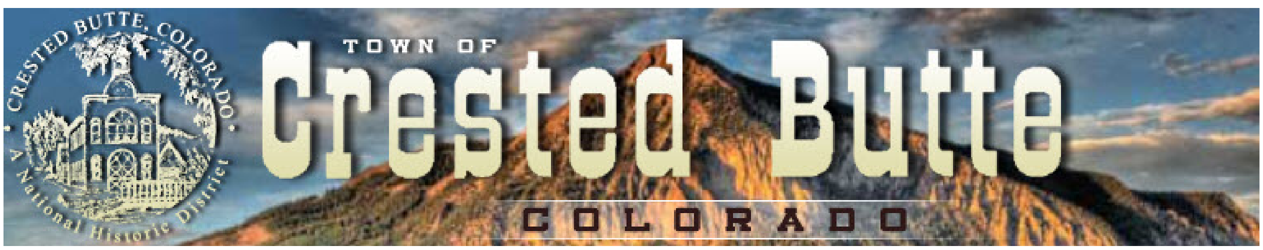
The accompanying notes are an integral part of these financial statements.

Town of Crested Butte, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities Sewer, Water, and Sanitation Enterprise Fund
Cash Flows From Operating Activities:	
Cash received from customers	2,069,703
Cash paid to suppliers for goods and services	(936,070)
Cash paid to employees	(561,599)
Cash payments for internal services	(65,000)
Net Cash Provided (Used) by Operating Activities	507,034
Cash Flows From Capital and Related Financing Activities:	
Tap fees received	821,189
Intergovernmental revenue	151,169
Interest paid	(113,757)
Principal repayments on debt	(288,181)
Acquisition of capital assets	(695,075)
Net Cash Provided (Used) by Capital and Related Financing Activities	(124,655)
Cash Flows From Investing Activities:	
Interest received	11,392
Net Cash Provided (Used) by Investing Activities	11,392
Net Change in Cash and Cash Equivalents	393,771
Cash and Investments - Beginning	5,933,632
Cash and Investments - Ending	6,327,403
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	(237,192)
Adjustments:	
Depreciation expense	631,954
(Increase) decrease in accounts receivable	(164,025)
(Increase) decrease in inventory	2,586
Increase (decrease) in accounts payable	68,968
Increase (decrease) in deferred revenue	216,538
Increase (decrease) in accrued benefits	(11,795)
Total Adjustments	744,226
Net Cash Provided (Used) by Operating Activities	507,034

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

NOTES TO THE FINANCIAL STATEMENTS



I. Summary of Significant Accounting Policies

The Town of Crested Butte, Colorado (the "Town") was incorporated in 1974, under the provisions of Article XX of the Colorado Constitution and Municipal Home Rule Act of 1971. The Town operates under a Council-Manager form of government. The Town's major operations include public safety, highways and streets, culture, and recreation, planning and zoning, community development, public improvements, administration, transportation, and sewer, water, and sanitation utilities. The Town is located in Gunnison County, Colorado.

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

A. Reporting Entity

The reporting entity consists of (a) the primary government (i.e., the Town) and (b) organizations for which the Town is financially accountable. The Town 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 Town. 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 Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Town is not financially accountable for any other entity nor is the Town a component unit of any other government.

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Government-wide financial statements report on information of all of the activities of the Town. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, culture and recreation, community development, affordable housing, transportation, and administration functions are classified as governmental activities. The sewer, water, and sanitation functions are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

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

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

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. The General Fund includes the transactions of the Sales Tax Fund.

The *Affordable Housing Fund* is used to finance the development and preservation of affordable housing.

The *General Capital Fund* accounts for general government capital projects, outlays, and maintenance as well as open space acquisitions. It is financed primarily by real estate transfer taxes and sales and use tax revenues.

The *Street and Alley Fund* accounts for all expenditures for streets, alleys, and sidewalks. Its revenue stream is mostly property taxes.

The Town reports the following non-major governmental fund:

The *Conservation Trust Fund* accounts for State of Colorado lottery funds to be used for parks and recreation services and capital.

The Town reports the following major proprietary or business-type fund:

The *Sewer, Water and Sanitation Enterprise Fund* ("Enterprise Fund") accounts for sewer, water, and trash collection operations.

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

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

1. Long-term Economic Focus and Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Franchise fees, licenses, and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and lodging taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

3. Financial Statement Presentation

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the Town's sewer, water and sanitation functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the sewer, water, and sanitation function.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s enterprise fund are the operation of the sewer and water systems and contracting for trash collection within the Town. Operating expenses for the enterprise fund include operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

The Town pools deposits and investment of all funds. Each fund's share of the pool is readily identified by the Town's internal records.

Cash and cash equivalents include amounts is demand deposits as well as short term investments with a maturity date within 3 months of the date acquired by the Town.

Investments are stated at fair value or net asset value. The change in fair value and amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

The Town follows Colorado state statutes as an investment policy, which permits investments in the following type of obligations:

- U.S. Treasury obligations (maximum maturity of 60 months)
- Federal instrumentality securities (maximum maturity of 60 months)
- FDIC-insured certificates of deposit (maximum maturity of 18 months)
- Corporate bonds (maximum maturity of 36 months)
- Prime commercial paper (maximum maturity of 9 months)
- Eligible banker's acceptances
- Repurchase agreements
- General obligations and revenue obligations
- Local government investment pools
- Money market mutual funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Inventory and Prepaid Items

All inventories are valued at cost using the first-in, first-out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Joint Venture

The Town's 50% equity interest in the Mount Express joint venture (as discussed in note IV.C.) has been recorded in the governmental activities column of the Statement of Net Position.

The Town's initial investment in the joint venture was recorded as an expenditure in the General Fund at the time the investment was made.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Capital assets (excluding land, certain intangibles, and projects in progress) are depreciated, using the straight-line method, over the following estimated useful lives:

Buildings	50 years
Building improvements	20 - 30 years
Infrastructure, plant and systems	15 - 40 years
Vehicles	5 - 15 years
Equipment	5 - 10 years

6. Long-term Debt

Long-term debt is reported as a liability on the government-wide and proprietary fund type financial statements.

At the governmental fund reporting level, debt proceeds are reported as other financing sources and uses. Debt issuance costs are reported as expenditures/expense when incurred.

7. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental-activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has no items that qualify for reporting under this category on the government-wide Statement of Net Position.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in the category. Property taxes, reported in the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Fund Equity

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance. For further details on the various fund balance classifications, refer to Note IV.F.

10. Net Position

Net position represents the difference between assets and liabilities, and deferred inflows of resources. Net position can be reported in three categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

11. Tap Fees

Sewer and water tap fees substantially represent a contribution from developers or individuals for existing or contemplated new facilities to serve new customers. Therefore, such amounts are treated as systems development fees and are recorded as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position.

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

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

2. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by Town Council in accordance with the Town's Home Rule Charter.

Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed these procedures in preparing, approving, and enacting its budget for 2021.

(1) For the 2021 budget year, prior to August 25, 2020, the County Assessor sent to the Town a certified assessed valuation of all taxable property within the Town's boundaries.

(2) Prior to the end of the 2020 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.

(3) Prior to December 15, 2020, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

(4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation resolution which legally appropriated expenditures for the upcoming year.

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

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2020 were collected in 2021, and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

Expenditures in the General Fund exceeded appropriations for 2021 and budgeted expenditures for the Affordable Housing Fund exceeded budgeted revenues for the year; both of which may be a violation of Colorado state budget statutes.

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $461,000 of the December 31, 2021 year-end fund balance in the General Fund for this purpose, which is the approximate required reserve amount.

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

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of $250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. At December 31, 2021, bank balance of the Town's accounts was $17,056,820.

At the end of 2021, the Town held deposits and investments with the following maturities:

	Standard & Poor's Rating (Fitch)	Carrying Amounts	Maturities Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	$ 475	$ 475	$ -
Checking	Not Rated	2,382,486	2,382,486	-
Savings	Not Rated	15,683,733	15,683,733	-
Certificates of deposit*	Not Rated	386,592	386,592	-
Investments:				
Investment pools	AAAm (AAAf)	13,011,768	13,011,768	-
Total		$ 31,465,054	$ 31,465,054	$ -

** Non-negotiable*
*** Negotiable*

The Town's cash and investments are presented on the Statement of Net Position as follows:

Reconciliation to Statement of Net Position:	
Cash and investments - Unrestricted	$ 31,455,466
Cash and investments - Restricted	9,588
Total	$ 31,465,054

2. Investments

The Town measures and records its investments using fair value measurement guidelines established by GAAP. At December 31, 2021, the Town had the following recurring fair value measurements:

Investments Measured at Net Asset Value	
COLOTRUST	$ 13,011,768

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution. The Town also coordinates the maturities of its investments to closely match cash flow needs and invests in securities with limited, shorter-term maturities.

Credit Risk: State law limits investments to those authorized by State statutes, including U.S. agencies and 2a7-like pools. The Town's investment policy is to apply the prudent-investor rule: investments are made as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. It operates similarly to money market funds, whereby each share is equal in value to $1. Investments of the trust consist of U.S. Treasury bills, notes, and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pool. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

B. Receivables

Receivables as of December 31, 2021 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Affordable Housing	General Capital Fund	Street and Alley Fund	Conservation Trust Fund	Sewer, Water and Sanitation Enterprise Fund	Total
Property tax	$ 314,647	$ -	$ -	$ 1,060,310	$ -	$ -	$ 1,374,957
Sales tax	707,408	-	-	-	-		707,408
Intergovernmental	123,405	-	1,843	4,888	-	-	130,136
Other	-	800	-	-	-	391,059	391,859
Gross Receivables	1,145,460	800	1,843	1,065,198	-	391,059	2,604,360
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
Net Receivables	$ 1,145,460	$ 800	$ 1,843	$ 1,065,198	$ -	$ 391,059	$ 2,604,360

C. Investment in Joint Venture

Mountain Express is a joint venture of the Town and the Town of Mt. Crested Butte ("Mt. Crested Butte"). Mountain Express provides bus service to the Crested Butte ski area and throughout the towns. The Town and Mt. Crested Butte contribute 95% of their respective municipal 1% sales tax adopted for transportation services to Mountain Express. Mt. Crested Butte also contributes 25% of the proceeds of its 4% admissions tax designated for transportation.

The separately-issued financial statements of Mountain Express as of and for the year ended December 31, 2021 are available from the Town.

IV. Detailed Notes on all Funds (continued)

C. Investment in Joint Venture (continued)

Mountain Express's financial information as of and for the year ended December 31, 2021 is summarized as follows:

Assets:	
Cash and investments	$ 2,517,401
Other assets	3,761,527
Total assets	6,278,928
Total liabilities	169,903
Net position	$ 6,109,025
Total contributions and other revenues	$ 3,809,682
Total expenses and distributions	(2,628,814)
Change in net position	$ 1,180,868

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 10,584,137	$ 1,000,000	$ -	$ 11,584,137
Construction in progress	-	95,420	-	95,420
Total Capital Assets Not Being Depreciated	10,584,137	1,095,420	-	11,679,557
Capital Assets Being Depreciated:				
Buildings and improvements	5,570,663	2,331,214	-	7,901,877
Other improvements	4,864,550	1,100,157	-	5,964,707
Infrastructure and improvements	5,632,583	107,900	-	5,740,483
Equipment and vehicles	5,023,224	423,320	(24,251)	5,422,293
Total Capital Assets Being Depreciated	21,091,020	3,962,591	(24,251)	25,029,360
Less Accumulated Depreciation For:				
Buildings and improvements	(1,835,987)	(225,526)	-	(2,061,513)
Other improvements	(2,075,827)	(197,222)	-	(2,273,049)
Infrastructure and improvements	(3,063,064)	(269,071)	-	(3,332,135)
Equipment and vehicles	(3,219,270)	(389,639)	24,251	(3,584,658)
Total Accumulated Depreciation	(10,194,148)	(1,081,458)	24,251	(11,251,355)
Total Capital Assets Being Depreciated, Net	10,896,872	2,881,133	-	13,778,005
Governmental Activities Capital Assets, Net	$ 21,481,009	$ 3,976,553	$ -	$ 25,457,562

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 27,610	$ -	$ -	$ 27,610
Construction in progress	-	567,811	-	567,811
Total Capital Assets Not Being Depreciated	27,610	567,811	-	595,421
Capital Assets Being Depreciated:				
Buildings	149,980	-	-	149,980
Other improvements	63,634	-	-	63,634
Water plant and distribution system	6,888,945	127,264	-	7,016,209
Sewer plant and distribution system	10,418,535	-	-	10,418,535
Equipment and vehicles	1,549,206	-	-	1,549,206
Total Capital Assets Being Depreciated	19,070,300	127,264	-	19,197,564
Less Accumulated Depreciation For:				
Buildings and improvements	(84,119)	(3,254)	-	(87,373)
Other improvements	(42,338)	(1,146)	-	(43,484)
Water plant and distribution system	(3,209,318)	(265,406)	-	(3,474,724)
Sewer plant and collection system	(4,128,938)	(263,330)	-	(4,392,268)
Equipment and vehicles	(1,099,925)	(98,818)	-	(1,198,743)
Total Accumulated Depreciation	(8,564,638)	(631,954)	-	(9,196,592)
Total Capital Assets Being Depreciated, Net	10,505,662	(504,690)	-	10,000,972
Business-type Activities Capital Assets, Net	$ 10,533,272	$ 63,121	$ -	$ 10,596,393

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Depreciation expense for 2021 was charged to Town functions as follows:

Governmental Activities:		
General government	$	497,945
Public safety		75,696
Public works		167,539
Culture and recreation		241,616
Affordable housing		98,662
Total Depreciation Expense - Governmental Activities	$	1,081,458
Business-type Activities:		
Water	$	301,002
Sewer		330,952
Total Depreciation Expense - Business-type Activities	$	631,954

E. Long-term Liabilities

The Town has entered into loan agreements with the Colorado Water Resources and Power Development Authority ("CWPRDA") to fund improvements to the Town's sewer and water plants and related sewer collection and water distribution systems.

1. Water Pollution Control Revolving Fund

- On May 25, 2010, the Town entered into a loan agreement in the principal amount of $1,900,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on November 1, 2030.

- On March 10, 2020, the Town entered into a loan agreement in the principal amount of $2,025,600, with interest at 2.5% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2040.

2. Drinking Water Revolving Fund

- On February 29, 2012, the Town entered into a loan agreement in the principal amount of $400,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2032.

- On May 1, 2017 the Town entered into a loan agreement in the principal amount of $2,500,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2037.

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

3. Annual Debt Service Requirements

Aggregate annual debt service requirements to maturity for business activities are as follows:

	Principal	Interest	Total
2021	$ 294,387	$ 107,551	$ 401,938
2022	300,726	101,212	401,938
2023	307,204	94,734	401,938
2024	313,823	88,115	401,938
2025	320,585	81,352	401,937
2026 - 2030	1,618,423	300,499	1,918,922
2031 - 2035	1,301,790	142,516	1,444,306
2036 - 2040	514,621	570,707	1,085,328
Total	$ 4,971,559	$ 1,486,686	$ 6,458,245

4. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	$ 117,131	$ -	$ (4,608)	$ 112,523	$ -
Total Governmental Activities Long-term Liabilities	$ 117,131	$ -	$ (4,608)	$ 112,523	$ -
Business-type Activities:					
Water Pollution Control Revolving Fund:					
2010 Loan	$ 818,970	$ -	$ (74,759)	$ 744,211	$ 76,262
2020 Loan	2,019,043	-	(81,484)	1,937,559	83,534
Drinking Water Revolving Fund:					
2012 Loan	253,534	-	(19,816)	233,718	20,215
2017 Loan	2,168,193	-	(112,122)	2,056,071	114,376
Loans, net	5,259,740	-	(288,181)	4,971,559	294,387
Compensated absences	21,579	6,013	-	27,592	-
Total Business-type Activities Long-term Liabilities	$ 5,281,319	$ 6,013	$ (288,181)	$ 4,999,151	$ 294,387

IV. Detailed Notes on all Funds (continued)

F. Fund Balance Disclosures

The Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories and prepaid items.

Spendable Fund Balance:

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

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, which is the Town Council. The Town Council must take formal action through either an ordinance or a resolution – both of which are equally binding – to establish, modify or rescind committed fund balance amounts.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Council or its management designees. The Town Manager has the authority to establish, modify or rescind assigned fund balance to a specific department or project within a fund, as stated in the Town's adopted financial policies.

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

The Town's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

IV. Detailed Notes on all Funds (continued)

F. Fund Balance Disclosures (continued)

As of December 31, 2021, fund balances are composed of the following:

Classification	General Fund	Affordable Housing Fund	General Capital Fund	Street and Alley Fund	Conservation Trust Fund	Total Governmental Funds
Restricted:						
TABOR emergency reserve	$ 461,000	$ -	$ -	$ -	$ -	$ 461,000
Conservation Trust	-	-	-	-	99,983	99,983
Committed:						
Capital projects	-	-	11,023,621	-	-	11,023,621
Streets and parking	-	-	-	2,722,424	-	2,722,424
Unassigned	9,439,448	(911,701)	-	-	-	8,527,747
Total	$ 9,900,448	$ (911,701)	$ 11,023,621	$ 2,722,424	$ 99,983	$ 22,834,775

V. Other Information

A. Segment information

The Town has separate revenue loans to finance system improvements in the sewer and water departments. The two departments are accounted for in a single fund (the Sewer, Water and Sanitation Enterprise Fund) but the lender relies on the revenue generated by the individual activities for repayment. Summary 2021 financial information for each department is presented below:

Condensed Statement of Net Position

	Sewer	Water
Assets:		
Current assets	$ 3,057,493	$ 2,614,214
Capital assets, net	3,838,164	6,758,229
Total Assets	6,895,657	9,372,443
Liabilities:		
Current liabilities	360,590	207,653
Non-current liabilities	2,623,440	2,081,324
Total Liabilities	2,984,030	2,288,977
Net Position:		
Net investment in capital assets	1,037,882	4,586,952
Unrestricted	2,873,745	2,496,514
Total Net Position	$ 3,911,627	$ 7,083,466

V. Other Information (continued)

A. Segment information (continued)

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

	Sewer	Water
Operating Revenues:		
Charges for services	$ 944,719	$ 734,591
Depreciation expense	330,952	301,002
Operating expenses	905,555	355,671
Total operating expenses	1,236,507	656,673
Operating Income (Loss)	(291,788)	77,918
Non-operating Revenues (Expenses):		
State and federal grants	151,169	-
Investment income	5,335	4,149
Interest expense	(58,192)	(54,536)
Total Non-operating Revenues (Expenses)	98,312	(50,387)
Income before Capital Contributions	(193,475)	27,531
Capital Contributions:		
Tap fees	433,889	387,300
Change in Net Position	240,414	414,831
Net Position - January 1	3,671,213	6,668,635
Net Position - December 31	$ 3,911,627	$ 7,083,466

B. Defined Contribution Pension Plan

The Town participates in the Colorado Retirement Association ("CRA"), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Code section 401(a) and Colorado Revised Statutes section 24-54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. CRA administers this plan on behalf of the Town.

State statute assigns the authority to establish and amend the benefit provisions of the plans that participate in CRA to the respective employer governments.

V. Other Information (continued)

B. Defined Contribution Pension Plan (401a) continued

There are no unfunded past service liabilities. After one year of service, all employees are required to participate in the plan after the first paid wages. The Town is required to contribute 6% - 12% of employee base pay, excluding overtime. The employee is required to contribute based on the following schedule:

Years of Service	Required Contribution Percentage
On date of 1st Anniversary up to date of 5th Anniversary	6%
On date of 5th Anniversary up to date of 8th Anniversary	7%
On date of 8th Anniversary up to date of 10th Anniversary	8%
On date of 12th Anniversary up to date of 15th Anniversary	10%
On date of 15th Anniversary	12%

All contributions, both Town and employee, and investment earnings are 100% vested upon participation; as such, there are no forfeitures.

The contribution requirements of the retirement plan participants and the Town are established, and may be amended, by the Town Council. During 2021, the Town matched employees' contributions of $226,348 with required employer contributions of $226,348. The Town's total payroll for 2021 was $3,444,571 and covered payroll was $2,859,882.

As the Town is not the trustee and does not administer the plan, the plan is not included in the financial statements. The Town 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.

C. Deferred Compensation

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until separation from service or death.

The Town has no liability for the soles under the plan, does not administer the plan and is not the trustee of the plan; therefore, the plan is not included in the financial statements.

The plan's deferral limit was $19,500 in 2021 with a catchup provision for an additional $6,500 for participants over 50.

V. Other Information (continued)

D. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

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

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $500,000 per claim or occurrence for property, $600,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2021. The deductible amount paid by the Town for each incident in 2021 was $1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2021 were under the maximum coverage allowed.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's assets, liabilities, and fund equity as of December 31, 2021 is as follows:

Property and Casualty Pool	Equity Ratio	Share of Surplus (Deficit) Dec. 31/21
Operating Fund	0.58%	$ 65,127
Loss Fund	0.47%	111,852
Pooled Excess Fund	0.24%	(27,357)
Reserve Fund	0.41%	35,854

CIRSA's combined financial information as of and for the year ended December 31, 2021 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	$ 94,549,934
Other assets	3,616,814
Total assets	98,166,748
Total liabilities	42,047,618
Net position	$ 56,119,130
Total contributions and other revenues	$ 32,058,222
Total expenses and distributions	(34,361,976)
Change in net position	$ (2,303,754)

V. Other Information (continued)

D. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

2. Workers Compensation and Health Insurance

The Town is exposed to various risks of loss related to workers' compensation, unemployment, and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

E. Claims and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2021.

2. Federal and State Grants and Financial Sources

The Town participates in federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any to be immaterial.

F. Intergovernmental Agreements

1. Gunnison/Hinsdale Combined Emergency Telephone Service Authority

Gunnison/Hinsdale Combined Emergency Telephone Service Authority (the "E911 Authority") was formed October 2, 1987, under an intergovernmental agreement to provide emergency telephone service. The Town is one of eleven members. The E911 Authority agreement directs the appointment of the eight-member board. The Town has no fiscal benefit or burden relative to the E911 Authority.

2. Gunnison Valley Regional Housing Authority

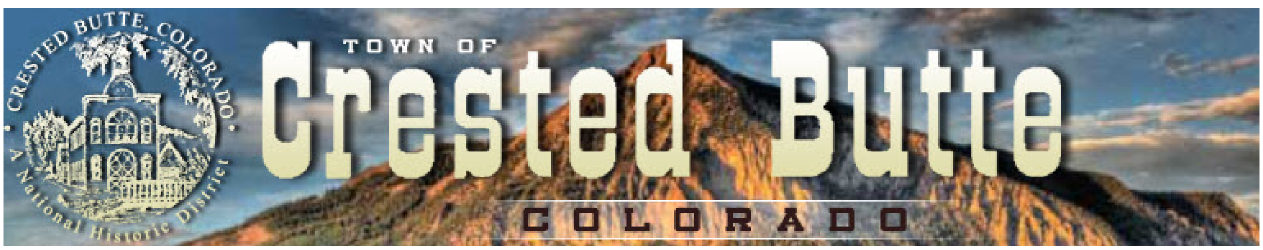
Gunnison Valley Regional Housing Authority ("GVRHA") was formed August 15, 2017, under an intergovernmental agreement to provide services related to obtainable housing in the communities of the four member governments. The Town contributed $63,750 to GVRHA for the year ended December 31, 2021, under the provisions of the intergovernmental agreement.

V. Other Information (continued)

G. Authorized Debt

At the November 8, 2016 election, the Town's voters approved Ballot Issue 2A authorizing the issuance of debt up to of $2,110,000, with a total repayment of $2,785,000, for the purpose of preventing mining on Mt. Emmons. As of December 31, 2021, the Town has no debt issued per this authorization.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property	290,000	290,000	295,872	5,872	295,077
Specific ownership	170,000	170,000	305,186	135,186	305,555
Sales	4,121,414	4,121,414	5,847,724	1,726,310	4,781,417
Franchise fees	45,361	45,361	34,642	(10,719)	42,657
Tobacco	168,798	168,798	202,569	33,771	173,478
Total - Taxes	4,795,573	4,795,573	6,685,993	1,890,420	5,598,184
License, permits, and fees:					
Vacation rental licenses	27,625	27,625	178,067	150,442	243,179
Business and liquor licenses	38,003	38,003	38,235	232	36,464
Building permits	89,737	89,737	254,508	164,771	157,671
Occupation licenses	54,000	54,000	56,252	2,252	68,089
Non-business licenses/permits	26,297	26,297	55,287	28,990	40,718
Total - License, permits, and fees	235,662	235,662	582,349	346,687	546,121
Intergovernmental:					
Grants	-	-	13,500	13,500	153,849
Motor vehicle registration	6,000	6,000	8,146	2,146	3,419
Total - Intergovernmental	6,000	6,000	21,646	15,646	157,268
Charges for services:					
Energy mitigation fee	30,000	30,000	-	(30,000)	40,965
Vehicle maintenance	18,000	18,000	18,000	-	18,000
Recreation fees	58,475	58,475	89,679	31,204	53,808
Rent	72,000	72,000	122,565	50,565	85,111
Public safety services and fines	52,402	52,402	136,330	83,928	54,809
Administration fees	65,000	65,000	65,000	-	65,000
Total - Charges for services	295,877	295,877	431,574	135,697	317,693
Investment income	84,740	84,740	20,147	(64,593)	60,661
Miscellaneous:					
Other	2,000	2,000	14,025	12,025	32,562
Total - Miscellaneous	2,000	2,000	14,025	12,025	32,562
Total Revenues	5,419,852	5,419,852	7,755,734	2,335,882	6,712,489

(Continued)

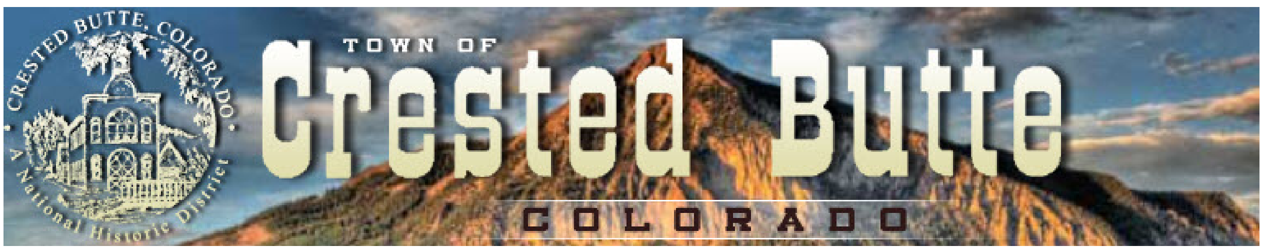
Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)
(Continued)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General government:					
Administrative	188,268	188,268	181,927	6,341	175,066
Clerk	201,452	201,452	194,362	7,090	190,850
Court	8,256	8,256	8,368	(112)	8,131
Finance	441,347	441,347	557,113	(115,766)	399,472
General	447,814	560,115	646,412	(86,297)	769,584
Legal	184,338	184,338	203,135	(18,797)	183,868
Legislative	75,571	75,571	119,425	(43,854)	86,879
Total - General government	1,547,046	1,659,347	1,910,742	(251,395)	1,813,850
Public safety	1,063,894	1,063,894	1,104,802	(40,908)	1,022,634
Public works	822,471	822,471	641,590	180,881	592,830
Community development	845,078	845,078	862,835	(17,757)	713,140
Culture and recreation	276,388	276,388	321,850	(45,462)	226,332
Transportation:					
Mountain Express	858,873	858,873	1,192,723	(333,850)	967,473
Other	-	-	2,407	(2,407)	-
Total - Transportation	858,873	858,873	1,195,130	(336,257)	967,473
Total Expenditures	5,413,750	5,526,051	6,036,949	(510,898)	5,336,259
Net Change in Fund Balance	6,102	(106,199)	1,718,785	1,824,984	1,376,230
Fund Balance - January 1	7,345,334	7,345,334	8,181,663	836,329	6,805,433
Fund Balance - December 31	7,351,436	7,239,135	9,900,448	2,661,313	8,181,663

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Affordable Housing Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Excise tax	275,000	275,000	561,823	286,823	386,966
Charges for services	44,555	44,555	78,647	34,092	75,845
Housing payment in lieu	40,000	40,000	118,972	78,972	87,781
Other	-	-	739	739	-
Total Revenues	359,555	359,555	760,181	400,626	550,592
Expenditures:					
Affordable housing	202,500	202,500	163,120	39,380	148,901
Capital outlay	50,000	2,381,214	2,341,959	39,255	324,675
Total Expenditures	252,500	2,583,714	2,505,079	78,635	473,576
Net Change in Fund Balance	107,055	(2,224,159)	(1,744,898)	479,261	77,016
Fund Balance - January 1	558,767	558,767	833,197	274,430	756,181
Fund Balance (Deficit) - December 31	665,822	(1,665,392)	(911,701)	753,691	833,197

SUPPLEMENTARY INFORMATION



Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Projects Funds - General Capital Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Sales and use taxes	630,680	630,680	1,290,193	659,513	809,203
Real estate transfer tax	1,600,000	1,600,000	4,243,264	2,643,264	3,285,614
Grants	397,300	397,300	262,006	(135,294)	-
Investment income	5,000	5,000	157	(4,843)	978
Miscellaneous	46,000	46,000	64,787	18,787	32,352
Total Revenues	2,678,980	2,678,980	5,860,407	3,181,427	4,128,147
Expenditures:					
Capital outlay	1,784,480	3,481,304	3,434,255	47,049	2,513,913
Total Expenditures	1,784,480	3,481,304	3,434,255	47,049	2,513,913
Excess (Deficiency) of Revenues Over Expenditures	894,500	(802,324)	2,426,152	3,228,476	1,614,234
Other Financing Sources (Uses):					
Sale of asset	-	-	-	-	5,320
Net Change in Fund Balance	894,500	(802,324)	2,426,152	3,228,476	1,619,554
Fund Balance - January 1	7,120,349	7,120,349	8,597,469	1,477,120	6,977,915
Fund Balance - December 31	8,014,849	6,318,025	11,023,621	4,705,596	8,597,469

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Project Funds - Street and Alley Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
General property taxes	927,345	927,345	920,235	(7,110)	915,772
Highway users taxes	40,000	40,000	63,087	23,087	53,449
Licenses and permits	1,000	1,000	15,600	14,600	-
Investment income	-	-	13	13	2,574
Miscellaneous	-	-	955	955	19,085
Total Revenues	968,345	968,345	999,890	31,545	990,880
Expenditures:					
Streets	496,629	516,877	640,116	(123,239)	427,996
Capital outlay	360,500	360,500	143,137	217,363	120,449
Total Expenditures	857,129	877,377	783,253	94,124	548,445
Net Change in Fund Balance	111,216	90,968	216,637	125,669	442,435
Fund Balance - January 1	2,572,393	2,572,393	2,505,787	(66,606)	2,063,352
Fund Balance - December 31	2,683,609	2,663,361	2,722,424	59,063	2,505,787

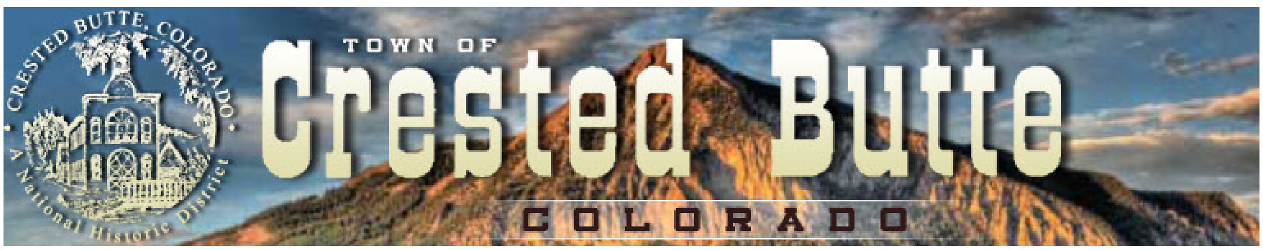
Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Conservation Trust Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Lottery proceeds	-	-	19,647	19,647	13,661
Investment income	11,820	11,820	8	(11,812)	27
Total Revenues	11,820	11,820	19,655	7,835	13,688
Net Change in Fund Balance	11,820	11,820	19,655	7,835	13,688
Fund Balance - January 1	78,017	78,017	80,328	2,311	66,640
Fund Balance - December 31	89,837	89,837	99,983	10,146	80,328

Town of Crested Butte, Colorado
Schedule of Revenues, Expenses and Change in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Enterprise Fund - Sewer, Water, and Sanitation Fund
For the Year Ended December 31, 2021
(With Comparative Actual Amounts For 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for services	1,880,339	1,880,339	2,017,190	136,851	1,934,221
Total Operating Revenues	1,880,339	1,880,339	2,017,190	136,851	1,934,221
Operating Expenses:					
Operations and maintenance	1,698,447	1,698,447	1,445,522	252,925	1,384,374
Administrative fee	65,000	65,000	65,000	-	65,000
Capital outlay	881,000	881,000	806,981	74,019	449,370
Total Expenses	2,644,447	2,644,447	2,317,503	326,944	1,898,744
Operating Income (Loss)	(764,108)	(764,108)	(300,313)	463,795	35,477
Non-operating Revenues (Expenses):					
State and federal grants	-	-	151,169	151,169	-
Investment income	100,000	100,000	11,392	(88,608)	58,639
Principal repayment	(282,286)	(282,286)	(288,182)	(5,896)	(209,182)
Interest expense	(68,779)	(68,779)	(112,728)	(43,949)	(79,484)
Debt proceeds	-	-	-	-	2,025,600
Total Non-operating Revenues (Expenses)	(251,065)	(251,065)	(238,349)	12,716	1,795,573
Capital Contributions:					
Tap fees	300,000	300,000	821,189	521,189	471,831
Total Capital Contributions	300,000	300,000	821,189	521,189	471,831
Change in Net Position - Budget Basis	(715,173)	(715,173)	282,527	997,700	2,302,881
Reconciliation to GAAP Basis:					
Adjustments:					
Debt proceeds			-		(2,025,600)
Principal repayment			288,182		209,182
Capitalized assets			695,075		344,358
Depreciation			(631,954)		(535,889)
Change in Net Position - GAAP Basis			633,830		294,932

LOCAL HIGHWAY FINANCE REPORT



Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY21

Email address: kthomas@crestedbutte-co.gov
City/County: Crested Butte

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	1,215,578.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	18,723.00
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	1,234,301.00

B. Private Contributions $ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.▒ Other local imposts

a. Property Taxes &and Assessments	$	917,743.00
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	297,835.00
Total: *(a + b) carried to 'Other local imposts' above)*	$	1,215,578.00

A.4.▒ Miscellaneous local receipts

a. Interest on Investments:	$	2,168.00
b. Traffic fines and Penalities:	$	0.00
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	15,600.00
h. Other:	$	955.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	18,723.00

C. Receipts from State Government

1. Highway User Taxes:	$	62,265.00
3. Other State funds:		
c. Motor Vehicle Registrations:	$	0.00
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	62,265.00

D. Receipts from Federal Government

2. Other Federal Agencies

a. Forest Service:	$	0.00

b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: *(2a-f)*	$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	109,008.00
2. Maintenance:	$	202,697.00
3. Road and street services		
a. Traffic control operations:	$	27,082.00
b. Snow and ice removal:	$	224,601.00
c. Other:	$	0.00
4. General administration and miscellaneous	$	190,027.00
5. Highway law enforcement and safety	$	0.00
Total: *(A.1-5)*	$	753,415.00

B. Debt service on local obligations

1. Bonds		
a. Interest	$	0.00
b. Redemption	$	0.00
2. Notes		
a. Interest	$	0.00
b. Redemption	$	0.00
SubTotal: *(1+2)*	$	0.00

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00

Total Disbursements: *(A+B+C+D)*	$ 753,415.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 5,219.00	$ 5,219.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. Capacity Improvements:	$ 0.00	$ 0.00	$ 0.00
3. System Preservation:	$ 0.00	$ 103,789.00	$ 103,789.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 103,789.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 109,008.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	**B. Total Receipts**	**C.Total Disbursements**	**D. Ending Balance**	**E. Reconciliation**
$ 3,454,216.00	$ 1,296,566.00	$ 753,415.00	$ 3,997,367.00	$ 0.00

Notes and Comments:

undefined

Please enter your name: Kyle Thomas

Please provide a telephone number where you may be reached: 970-349-5338 ext. 104

Save | Print Mode | Edit Mode

Please click on the "Save" button before viewing the data in a print format.