

TOWN OF CRESTONE
FINANCIAL STATEMENTS

December 31, 2021



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

TOWN OF CRESTONE
TABLE OF CONTENTS
December 31, 2021

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements	
Balance Sheet	6
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Proprietary Fund Financial Statements	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Net Position	11
Statement of Cash Flows	12
Notes to the Basic Financial Statements	13
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual Major Funds	
General Fund	24
Conservation Trust Fund	25
Supplementary Information	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	
Water and Sewer Fund	26
Other Schedules and Reports	
Local Highway Finance Report	27

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor
and Board of Trustees
Town of Crestone
Crestone, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Crestone (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 referred to above 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the Town determined that construction in progress costs should have been recorded as expenses and were incorrectly capitalized in the Water and Sewer Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by

the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The proprietary fund budgetary comparison information and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary fund budgetary comparison information and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 20, 2022

**TOWN OF CRESTONE
BASIC FINANCIAL STATEMENTS**

TOWN OF CRESTONE
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 648,365	\$ 210,925	\$ 859,290
Property Taxes Receivable	13,675	-	13,675
Sales Tax Receivable	91,288	-	91,288
Accounts Receivable	35	8,363	8,398
Grant Receivable	-	-	-
Internal Balances	(8,734)	8,734	-
Total Current Assets	744,629	228,022	972,651
Noncurrent Assets			
Land	422,855	16,847	439,702
Construction in Progress	-	-	-
Buildings and Improvements	866,554	-	866,554
Infrastructure	1,738,680	-	1,738,680
Vehicles and Equipment	90,456	-	90,456
Utility System	-	1,419,454	1,419,454
Less: Accumulated Depreciation	(712,483)	(572,159)	(1,284,642)
Total Noncurrent Assets	2,406,062	864,142	3,270,204
TOTAL ASSETS	3,150,691	1,092,164	4,242,855
LIABILITIES			
Current Liabilities			
Accounts Payable	20	-	20
Payroll Taxes Payable	4,885	-	4,885
Rental Deposits	2,404	-	2,404
Unearned Revenue	16,994	-	16,994
Loan Payable	-	8,207	8,207
Total Current Liabilities	24,303	8,207	32,510
Noncurrent Liabilities			
Loan Payable	-	47,992	47,992
Total Noncurrent Liabilities	-	47,992	47,992
TOTAL LIABILITIES	24,303	56,199	80,502
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	13,675	-	13,675
TOTAL DEFERRED INFLOWS OF RESOURCES	13,675	-	13,675
NET POSITION			
Net Investment in Capital Assets	2,406,062	807,943	3,214,005
Restricted for:			
TABOR	19,000	5,500	24,500
Conservation Trust Fund	2,469	-	2,469
Unrestricted	685,182	222,522	907,704
TOTAL NET POSITION	\$ 3,112,713	\$ 1,035,965	\$ 4,148,678

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General Government	\$ 336,564	\$ 28,221	\$ 2,301	\$ 9,097	\$ (296,945)	\$ -	\$ (296,945)
Public Safety	9,066	-	-	-	(9,066)	-	(9,066)
Highways and Streets	135,088	-	24,181	37,866	(73,041)	-	(73,041)
Culture and Recreation	56,205	-	7,195	-	(49,010)	-	(49,010)
Health and Welfare	1,900	-	-	-	(1,900)	-	(1,900)
Total Governmental Activities	538,823	28,221	33,677	46,963	(429,962)	-	(429,962)
Business-Type Activities:							
Water	60,654	37,815	-	-	-	(22,839)	(22,839)
Sewer	85,725	48,987	-	2,400	-	(34,338)	(34,338)
Total Business-Type Activities	146,379	86,802	-	2,400	-	(57,177)	(57,177)
Total Primary Government	\$ 685,202	\$ 115,023	\$ 33,677	\$ 49,363	(429,962)	(57,177)	(487,139)
General Revenues:							
Taxes:							
General Property Taxes					15,453	-	15,453
Sales Taxes					486,856	92,830	579,686
Other Taxes					25,833	-	25,833
Interest on Accounts					668	553	1,221
Total General Revenues					528,810	93,383	622,193
Change in Net Position					98,848	36,206	135,054
Net Position - Beginning of Year, As Previously Stated					3,013,865	1,031,015	4,044,880
Prior Period Adjustment					-	(31,256)	(31,256)
Net Position, Beginning of Year, Restated					3,013,865	999,759	4,013,624
Net Position - End of Year					\$ 3,112,713	\$ 1,035,965	\$ 4,148,678

The accompanying notes are an integral part of this financial statement.

**TOWN OF CRESTONE
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2021**

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 645,896	\$ 2,469	\$ 648,365
Property Taxes Receivable	13,675	-	13,675
Sales Tax Receivable	91,288	-	91,288
Accounts Receivable	35	-	35
Grant Receivable	-	-	-
Due From Other Funds	-	-	-
TOTAL ASSETS	\$ 750,894	\$ 2,469	\$ 753,363
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 20	\$ -	\$ 20
Payroll Taxes Payable	4,885	-	4,885
Due to Other Funds	8,734	-	8,734
Rental Deposits	2,404	-	2,404
Unearned Grant Revenue	16,994	-	16,994
TOTAL LIABILITIES	33,037	-	33,037
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue- Property Taxes	13,675	-	13,675
FUND BALANCE			
Restricted:			
TABOR Reserve	19,000	-	19,000
Conservation Trust Fund	-	2,469	2,469
Assigned:			
Designated for Future Use	177,500	-	177,500
Unassigned	507,682	-	507,682
TOTAL FUND BALANCE	704,182	2,469	706,651
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 750,894	\$ 2,469	\$ 753,363

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2021

Total governmental fund balances	\$ 706,651
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>2,406,062</u>
Net position of governmental activities	<u><u>\$ 3,112,713</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
For the Year Ended December 31, 2021

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 528,142	\$ -	\$ 528,142
Intergovernmental Revenue	23,581	2,295	25,876
Licenses and Permits	10,830	-	10,830
Grant Revenue	38,554	-	38,554
Interest on Accounts	667	1	668
Charges for Sales and Services	16,820	-	16,820
Miscellaneous	16,781	-	16,781
TOTAL REVENUES	635,375	2,296	637,671
EXPENDITURES			
General Government	289,368	-	289,368
Public Safety	4,923	-	4,923
Highways and Streets	78,287	-	78,287
Culture and Recreation	41,340	-	41,340
Health and Welfare	1,900	-	1,900
Capital Outlay	46,364	-	46,364
TOTAL EXPENDITURES	462,182	-	462,182
Excess (Deficiency) of Revenues Over Expenditures	173,193	2,296	175,489
OTHER FINANCING SOURCES (USES)			
Transfers In	1,728	-	1,728
Transfers Out	-	(1,728)	(1,728)
TOTAL OTHER FINANCING SOURCES (USES)	1,728	(1,728)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	174,921	568	175,489
Fund Balances at Beginning of Year	529,261	1,901	531,162
Fund Balances at End of Year	\$ 704,182	\$ 2,469	\$ 706,651

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds \$ 175,489

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions	\$ 37,681	
Depreciation expense	(114,322)	
		(76,641)
Change in net position of governmental activities		\$ 98,848

TOWN OF CRESTONE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2021

	<u>WATER AND SEWER FUND</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 210,925
Accounts Receivable	8,363
Due From General Fund	8,734
Other	-
	-
Total Current Assets	228,022
Noncurrent Assets	
Land	16,847
Construction in Progress	-
Utility System	1,419,454
Less: Accumulated Depreciation	(572,159)
	864,142
Total Noncurrent Assets	864,142
TOTAL ASSETS	1,092,164
LIABILITIES	
Current Liabilities	
Loan Payable	8,207
	8,207
Total Current Liabilities	8,207
Noncurrent Liabilities	
Loan Payable	47,992
	47,992
TOTAL LIABILITIES	56,199
NET POSITION	
Net Investment in Capital Assets	807,943
Restricted	
TABOR Reserve	5,500
Unrestricted	222,522
	228,022
TOTAL NET POSITION	\$ 1,035,965

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2021

	WATER AND SEWER FUND
OPERATING REVENUES	
Taxes	\$ 92,830
Charges for Services	86,802
	179,632
OPERATING EXPENSES	
Salaries and Benefits	27,574
Professional Services	62,540
Utilities	2,566
Supplies	4,644
Repairs and Maintenance	1,720
Miscellaneous	1,438
Depreciation	42,343
	142,825
Total Operating Expenses	142,825
Operating Income (Loss)	36,807
NONOPERATING REVENUES (EXPENSES)	
Interest on Accounts	553
Interest Expense	(3,554)
	(3,001)
Total Nonoperating Revenues (Expenses)	(3,001)
Net Income (Loss) Before Other Revenue	33,806
CAPITAL CONTRIBUTIONS	
Tap Fees and Line Extensions	2,400
	2,400
Total Capital Contributions	2,400
Net Income (Loss)	36,206
Net Position, Beginning of Year, As Previously Stated	1,031,015
Prior Period Adjustment	(31,256)
Net Position, Beginnig of Year, Restated	999,759
Net Position, End of Year	\$ 1,035,965

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	WATER AND SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 76,153
Cash Received from Taxes	92,830
Cash Payments to Suppliers for Goods and Services	(72,908)
Cash Payments to Employees for Services	(27,574)
	<u>68,501</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>68,501</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Received from Tap Fees and Line Extensions	2,400
Interest Paid on Loan Payable	(3,554)
Principal Paid on Loan Payable	(7,444)
	<u>(8,598)</u>
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(8,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Accounts	553
	<u>553</u>
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	<u>553</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,456
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>150,469</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 210,925</u>
Operating Income (Loss)	<u>\$ 36,807</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	42,343
Change in Assets and Liabilities	
Decrease (Increase) in:	
Accounts Receivable	(4,845)
Due From Other Funds	(5,804)
	<u>(10,649)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 68,501</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Crestone (the Town) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Town was incorporated in 1902, and became a statutory town under State Statute (CRS 31-1-101). The Town operates under Mayor-Council form of government and provides the following services as authorized by its charter: highways and streets, culture and recreation, planning and zoning, water and sewer systems, and general administrative services.

Component Units

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town of Crestone has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Town. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Conservation Trust Fund* is used to account for the Town's share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

The Town reports the following major proprietary fund:

- The *Enterprise Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's water and sewer systems.

Proprietary fund financial statements are used to account for activities similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Expenses include the cost of sales and services, administrative expenses and depreciation on capital assets.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with maturity of three months or less.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Town's property taxes are collected by the County Treasurer who remits monthly receipts to the Town. Property tax revenue is recognized when received by the County Treasurer. The 2021 property tax levy due January 1, 2022, has been recorded in the financial statements as a receivable and corresponding deferred inflow of resources.

Receivables/Payables From Other Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

Capital Assets

Capital assets, which include construction in progress, land, infrastructure, buildings and improvements, vehicles, machinery and equipment, and water and sewer system, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-50
Infrastructure	20
Vehicles and Equipment	2-15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position/fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as an expense.

Compensated Absences

The Town does not accrue sick and personal days for employees. The Town does accrue vacation days for employees; however, the liability is deemed to be immaterial and is not recorded in the financial statements.

Unearned Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid expenditures.
- *Restricted Fund Balance*- amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

- *Committed Fund Balance*- amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Encumbrances

The Town does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain amounts in 2020 have been reclassified to conform to the 2021 financial statement presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Town of Crestone follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the Town. Governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

(GAAP). Proprietary funds present a reconciliation to the GAAP-basis. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did not adopt supplemental appropriations during fiscal year 2021.

NOTE 3 CASH AND DEPOSITS

A summary of cash and deposits for the Town are as follows:

Cash on Hand and in Banks	\$ 859,290
Total cash and deposits on the Statement of Net Position	\$ 859,290

Cash and Deposits

Colorado State Statutes govern the Town’s deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989 during 2021.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At December 31, 2021, \$485,087 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2021, the Town had an estimated property tax receivable of \$13,675.

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The Town reported interfund receivable and payable balances from the General Fund to the Water and Sewer Fund. Grant funds were directly deposited into the General for the Water and Sewer Fund. The General Fund will transfer the funds in 2022.

Receivable Fund	Payable Fund	Amount
Water and Sewer Fund	General Fund	\$ 8,734

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Interfund transfers for the year ended December 31, 2021 were as follows:

Transfer Out	Transfer In	Amount
Conservation Trust Fund	General Fund	\$ 1,728

This transfers were to reimburse the General Fund.

NOTE 6 CAPITAL ASSETS

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

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 422,855	\$ -	\$ -	\$ 422,855
Construction in Progress	3,405	-	(3,405)	-
Total capital assets not being depreciated	426,260	-	(3,405)	422,855
Capital assets being depreciated				
Buildings and Improvements	834,124	32,430	-	866,554
Infrastructure	1,738,680	-	-	1,738,680
Vehicles and Equipment	81,800	8,656	-	90,456
Total capital assets being depreciated	2,654,604	41,086	-	2,695,690
Less accumulated depreciation for:				
Buildings and Improvements	191,364	19,846	-	211,210
Infrastructure	387,485	86,390	-	473,875
Vehicles and Equipment	19,312	8,086	-	27,398
Total accumulated depreciation	598,161	114,322	-	712,483
Total capital assets being depreciated	2,056,443	(73,236)	-	1,983,207
Governmental Activities Capital Assets, net	\$ 2,482,703	\$ (73,236)	\$ (3,405)	\$ 2,406,062

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<i>Business-type Activities:</i>				
Capital Assets not being depreciated				
Land	\$ 16,847	\$ -	\$ -	\$ 16,847
Construction In Progress	31,256	-	(31,256)	-
Total capital assets not being depreciated	<u>48,103</u>	<u>-</u>	<u>(31,256)</u>	<u>16,847</u>
Capital Assets being depreciated				
Utility System	1,419,454	-	-	1,419,454
Less: Accumulated Depreciation	529,816	42,343	-	572,159
Total capital assets being depreciated	<u>889,638</u>	<u>42,343</u>	<u>-</u>	<u>847,295</u>
Business-type Activities Capital Assets, net	<u>\$ 937,741</u>	<u>\$ 42,343</u>	<u>\$ (31,256)</u>	<u>\$ 864,142</u>

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

<i>Governmental activities:</i>	
General Government	\$ 47,196
Public Safety	4,143
Highways and Streets	55,499
Culture and Recreation	7,484
Total depreciation expense – governmental activities	<u>\$ 114,322</u>
<i>Business-type activities:</i>	
Water	\$ 26,126
Sewer	16,217
Total depreciation expense – business-type activities	<u>\$ 42,343</u>

NOTE 7 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

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

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021	Due Within One Year
<i>Business-type Activities:</i>					
Loan Payable	\$ 63,643	\$ -	\$ 7,444	\$ 56,199	\$ 8,207

Business-type Activities - Loan Payable

The Town entered into a loan payable of \$138,220 in 2007 payable in annual installments of \$10,999 beginning in 2008 at an interest rate of 5% for the Crestone Water System Phase I. This capital asset is recorded as part of the

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

Utility System in the Water and Sewer Fund at \$606,910 less accumulated depreciation of \$238,418. The annual payment requirements are based on the entire loan balance and are as follows:

	Principal	Interest	Total
2022	\$ 8,207	\$ 2,791	\$ 10,999
2023	8,618	2,381	10,999
2024	9,049	1,950	10,999
2025	9,501	1,498	10,999
2026	9,976	1,023	10,999
2027	10,848	524	11,371
Total	<u>\$ 56,199</u>	<u>\$ 10,166</u>	<u>\$ 66,365</u>

NOTE 8 SEGMENT INFORMATION FOR THE PROPRIETARY FUND

The following is a summary of operating income and expense and portion of balance sheet information on the water and sewer segments of the proprietary fund. All services are provided from a single proprietary fund.

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Taxes	\$ 46,415	\$ 46,415	\$ 92,830
Charges for Services	37,815	48,987	86,802
Total Operating Revenue	<u>84,230</u>	<u>95,402</u>	<u>179,632</u>
Operating Expense	30,974	69,508	100,482
Depreciation	26,126	16,217	42,343
Total Operating Expense	<u>57,100</u>	<u>85,725</u>	<u>142,825</u>
Operating Income (Loss)	<u>27,130</u>	<u>9,677</u>	<u>36,807</u>
Non-Operating Revenue/(Expense)			
Interest on Accounts	200	353	553
Interest Expense	(3,554)	-	(3,554)
Total Non-Operating Expense	<u>(3,354)</u>	<u>353</u>	<u>(3,001)</u>
Income (Loss) Before Other Revenues	<u>23,776</u>	<u>10,030</u>	<u>33,806</u>
Capital Contributions (Water & Sewer Taps)	-	2,400	2,400
Change in Net Position	<u>\$ 23,776</u>	<u>\$ 12,430</u>	36,206
Net Position at Beginning of Year, As Previously Stated			1,031,015
Prior Period Adjustment			<u>(31,256)</u>
Net Position at Beginning of Year, Restated			999,759
Net Position at End of Year			<u>\$ 1,035,965</u>

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Assets			
Current Assets			
CDs and Savings Accounts	\$ 21,657	\$ 57,263	\$ 78,920
Noncurrent Assets			
Land	\$ 11,847	\$ 5,000	\$ 16,847
Construction in Progress	-	-	-
Utility System	786,250	633,204	1,419,454
Accumulated Depreciation	(293,176)	(278,983)	(572,159)
Total Capital Assets (Net)	<u>\$ 504,921</u>	<u>\$ 359,221</u>	<u>\$ 864,142</u>

NOTE 9 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

In November 1998, the voters of the Town approved a ballot issue to allow the Town “to collect, retain or expend all revenues and other funds received from any source, notwithstanding any restriction or limit on fiscal year revenue or spending generated during 1988 and each subsequent year thereafter, without limiting the restrictions of Article X, Section 20 of the Colorado Constitution”.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. The Emergency Reserve has been presented as restricted fund balance/net position in the financial statements. The Town is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On April 2, 2020 the voters approved an increase to sales tax of 0.5% of which the proceeds will be allocated to the Water and Sewer Fund for operational expenses. The sales tax revenue exceeds the TABOR enterprise designation requirements, therefore an emergency reserve has been established for the Water and Sewer Fund as well as the General Fund.

NOTE 10 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

TOWN OF CRESTONE
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 COMMITMENTS AND CONTINGENCIES

Grants

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

Litigation

The Town is party to various legal actions normally associated with governmental activities, aggregate effect which, in management's and legal counsel's opinion, would not be material to the financial statements.

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have the potential to negatively impact net income. Other financial impact could occur though such potential impact is unknown at this time.

NOTE 12 PRIOR PERIOD ADJUSTMENT

In 2021 the Town determined that construction in progress costs associated with an ongoing hydrology study and legal fees from 2009-2019 should have been recorded as expenses and were incorrectly capitalized. A prior period adjustment of \$31,256 was recorded in the Water and Sewer Fund to expense this amount from prior years.

TOWN OF CRESTONE

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and if applicable, each of the Town's major special revenue funds.

TOWN OF CRESTONE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 329,000	\$ 329,000	\$ 528,142	\$ 199,142
Highway Users Tax	17,500	17,500	23,581	6,081
Licenses and Permits	6,350	6,350	10,830	4,480
Grant Revenue	20,000	20,000	38,554	18,554
Interest on Accounts	1,000	1,000	667	(333)
Charges for Sales and Services	13,250	13,250	16,820	3,570
Miscellaneous	2,500	2,500	16,781	14,281
TOTAL REVENUES	389,600	389,600	635,375	245,775
EXPENDITURES				
General Government	338,590	338,590	289,368	49,222
Public Safety	30,000	30,000	4,923	25,077
Highways and Streets	143,650	143,650	78,287	65,363
Culture and Recreation	30,000	30,000	41,340	(11,340)
Health and Welfare	10,000	10,000	1,900	8,100
Capital Outlay	10,000	10,000	46,364	(36,364)
TOTAL EXPENDITURES	562,240	562,240	462,182	100,058
Excess (Deficiency) of Revenues over Expenditures	(172,640)	(172,640)	173,193	345,833
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	1,728	1,728
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,728	1,728
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(172,640)	(172,640)	174,921	347,561
Fund Balance at Beginning of Year	266,849	266,849	529,261	262,412
Fund Balance at End of Year	\$ 94,209	\$ 94,209	\$ 704,182	\$ 609,973

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

TOWN OF CRESTONE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Intergovernmental Revenue				
Lottery Funds	\$ 2,200	\$ 2,200	\$ 2,295	\$ 95
Interest on Accounts	7	7	1	(6)
TOTAL REVENUES	<u>2,207</u>	<u>2,207</u>	<u>2,296</u>	<u>89</u>
EXPENDITURES				
Culture and Recreation				
Maintenance	2,200	2,200	-	2,200
TOTAL EXPENDITURES	<u>2,200</u>	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7</u>	<u>7</u>	<u>2,296</u>	<u>2,289</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	(1,728)	(1,728)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(1,728)</u>	<u>(1,728)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>7</u>	<u>7</u>	<u>568</u>	<u>561</u>
Fund Balance at Beginning of Year	<u>107</u>	<u>107</u>	<u>1,901</u>	<u>1,794</u>
Fund Balance at End of Year	<u>\$ 114</u>	<u>\$ 114</u>	<u>\$ 2,469</u>	<u>\$ 2,355</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

TOWN OF CRESTONE
SUPPLEMENTARY INFORMATION

TOWN OF CRESTONE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
PROPRIETARY FUND TYPE - WATER AND SEWER FUND
For the Year Ended December 31, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUES				
Taxes	\$ 48,100	\$ 48,100	\$ 92,830	\$ 44,730
Charges for Services	71,256	71,256	86,802	15,546
Total Operating Revenues	119,356	119,356	179,632	60,276
OPERATING EXPENSES				
Salaries and Benefits	32,500	32,500	27,574	4,926
Purchased Services	62,800	62,800	62,540	260
Utilities	4,070	4,070	2,566	1,504
Supplies	3,700	3,700	4,644	(944)
Repairs and Maintenance	26,200	26,200	1,720	24,480
Miscellaneous	10,700	10,700	1,438	9,262
Total Operating Expenses	139,970	139,970	100,482	39,488
Operating income (loss)	(20,614)	(20,614)	79,150	99,764
NONOPERATING REVENUES (EXPENSES)				
Grant Revenue	600,000	600,000	-	(600,000)
Grant Expense	(600,000)	(600,000)	-	600,000
Interest on Accounts	450	450	553	103
Interest Expense	(10,999)	(10,999)	(3,554)	7,445
Total Nonoperating Revenues (Expenses)	(10,549)	(10,549)	(3,001)	7,548
CAPITAL CONTRIBUTIONS				
Tap Fees and Line Extensions	3,500	3,500	2,400	(1,100)
Total capital contributions	3,500	3,500	2,400	(1,100)
Net Income - Budget Basis	(27,663)	(27,663)	78,549	106,212
Less: Depreciation			(42,343)	
Net Income (Loss)			36,206	
Net Position at Beginning of Year, As Previously Stated	110,901	110,901	1,031,015	920,114
Prior Period Adjustment	-	-	(31,256)	(31,256)
Net Position at Beginning of Year, Restated	110,901	110,901	999,759	888,858
Net Position at End of Year	\$ 83,238	\$ 83,238	\$ 1,035,965	\$ 952,727

TOWN OF CRESTONE
OTHER SCHEDULES AND REPORTS

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Town of Crestone, CO
YEAR ENDING :
December 31, 2021

This Information From The Records Of Town of Crestone

Prepared By: Andrew D'Ambruoso, Deputy Clerk
Phone: (719) 256-4313

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	64,288
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,624
2. General fund appropriations	0	b. Snow and ice removal	12,375
3. Other local imposts (from page 2)	53,817	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	13,999
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	78,287
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	53,817	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	24,470	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	78,287	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	78,287

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	78,287	78,287	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 31, 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	53,817	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	53,817	h. Other	0
c. Total (a. + b.)	53,817	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	23,581	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	889	d. Federal Transit Admin	0
d. Other (DOLA Grant)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	889	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	24,470	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: