TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

TOWN OF OAK CREEK, COLORADO
BOARD OF TRUSTEES
December 31, 2021

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FINANCIAL SECTION

Town of Oak Creek
Management Discussion and Analysis
December 31, 2021

The discussion and analysis of the Town of Oak Creek's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Oak Creek's governmental net position increased by $193,790 and business-type net position increased by $347,960 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2021 by $13,787,545 *(net position).* Of this amount, $3,414,021 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2021, the Town's General Fund reported an ending fund balance of $615,265 compared to the fiscal year 2020 balance of $420,167.
- At the end of 2021 unrestricted net position for the proprietary funds (business-type activities) was $2,809,678 or 75% of total 2021 operating expenses.
- General Fund 2021 revenues increased by $110,879 to $1,104,333.
- General Fund expenditures increased in 2021 by $192,136 to $909,234.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Oak Creek as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail. The governmental fund statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town's one governmental fund is the General Fund.

Proprietary fund statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates four proprietary funds as follows:

- Electric Fund
- Water Fund
- Sewer Fund
- Trash Fund

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was $13,787,545 as of December 31, 2021 and $13,245,795 as of December 31, 2020. This represents an increase of $541,750 or 3.9%.

Government-Wide Financial Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The statements include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how it has changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, intergovernmental revenues and taxes *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include: general government, public safety (police), public works, and parks and recreation. The Business-type Activities of the Town of Oak Creek consist of electric, water, sewer, and trash services.

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Oak Creek, assets exceeded liabilities by approximately $13.8 million at the close of 2021.

Net position of the Town at December 31, 2021 was as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
ASSETS						
Current Assets	$ 772,534	$ 596,573	$ 3,145,469	$ 2,784,735	$ 3,918,003	$ 3,381,308
Noncurrent Assets	1,605,835	1,638,061	9,971,761	10,161,442	11,577,596	11,799,503
Total Assets	2,378,369	2,234,634	13,117,230	12,946,177	15,495,599	15,180,811
DEFERRED OUTFLOWS	100,011	98,308	-	-	100,011	98,308
LIABILITIES						
Current Liabilities	40,844	32,826	266,639	335,920	307,483	368,746
Noncurrent Liabilities	148,762	181,770	1,193,486	1,301,112	1,342,248	1,482,882
Total Liabilities	189,606	214,596	1,460,125	1,637,032	1,649,731	1,851,628
DEFERRED INFOWS	158,334	181,696	-	-	158,334	181,696
NET POSITION						
Net Investment in Capital Assets	1,446,245	1,461,729	8,778,275	8,860,330	10,224,520	10,322,059
Restricted	79,852	63,282	69,152	161,471	149,004	224,753
Unrestricted	604,343	411,639	2,809,678	2,287,344	3,414,021	2,698,983
Total Net Position	$ 2,130,440	$ 1,936,650	$ 11,657,105	$ 11,309,145	$ 13,787,545	$ 13,245,795

The statement of net position reflects a cash position totaling $3,347,135 or 21.6% of total assets. The bulk of the Town's resources, $11.6 million or 75% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3.4% of total assets are receivables or prepaid expenses.

The Town of Oak Creek uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Creek's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since; in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

Governmental activities increased the Town of Oak Creek's net position by $193,790. This was mostly due to an increase in sales tax revenue (+17.7%), unanticipated grant revenue for a new Police Car ($28,400) and COVID relief funds.

Business activities increased the Town's net position by $347,960. American Rescue Plan Act (ARPA) revenue accounted for approximately $52,116 of this increase and collection of utility payments delayed due to COVID also providing to the increased revenue.

A summary of the changes in net position is as follows:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
PROGRAM REVENUES						
Charges for Services	$ 259,020	$ 225,674	$ 2,364,065	$ 2,283,276	$ 2,623,085	$ 2,508,950
Operating Grants	121,010	70,588	-	-	121,010	70,588
Capital Grants	114,951	161,820	179,267	25,601	294,218	187,421
Total Program Revenues	494,981	458,082	2,543,332	2,308,877	3,038,313	2,766,959
GENERAL REVENUES						
Property Taxes	103,773	104,030	-	-	103,773	104,030
Specific Ownership Taxes	7,507	6,761	-	-	7,507	6,761
Sales and Use Taxes	463,711	393,927	-	-	463,711	393,927
Other Taxes	775	782	-	-	775	782
Interest Income	1,302	14,019	17	43	1,319	14,062
Insurance Proceeds	-	-	-	81,235	-	81,235
Other Revenues	32,284	15,853	-	-	32,284	15,853
Total General Revenues	609,352	535,372	17	81,278	609,369	616,650
Total Revenues & Transfers	1,104,333	993,454	2,543,349	2,390,155	3,747,314	3,747,314
PROGRAM EXPENSES						
General Government	270,521	164,960	-	-	270,521	164,960
Public Safety	316,665	283,066	-	-	316,665	283,066
Public Works	101,890	106,798	-	-	101,890	106,798
Culture and Recreation	221,467	203,096	-	-	221,467	203,096
Electric Operations	-	-	1,143,266	1,224,697	1,143,266	1,224,697
Water Operations	-	-	453,187	467,168	453,187	467,168
Sewer Operations	-	-	442,430	410,726	442,430	410,726
Trash Operations	-	-	156,506	146,007	156,506	146,007
Interest	-	18,681	-	-	-	18,681
Total Program Expenses	910,543	776,601	2,195,389	2,248,598	3,105,932	3,025,199
CHANGE IN NET POSITION	193,790	216,853	347,960	141,557	541,750	358,410
Net Position, Beginning	1,936,650	1,719,797	11,309,145	11,167,588	13,245,795	12,887,385
NET POSITION, ENDING	$ 2,130,440	$ 1,936,650	$ 11,657,105	$ 11,309,145	$ 13,787,545	$ 13,245,795

Financial Analysis of the Town's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund – The General Fund went from a balance of $420,167 to $615,265. This increase is principally the result of governmental activity revenue exceeding expenditures. Total General Fund revenues increased by $110,879, while expenditures increased by $192,136.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Electric Fund – Electric Fund net position increased by $363,143, following an increase of $236,985 in 2020. Expenditures decreased by $84,750, including $43,905 in capital outlay. The cost to purchase power was $37,234 more than the 2020 cost.

Water Fund – Water Fund net position increased by $59,639 after a 2020 decrease of $30,241.

Sewer Fund – Sewer Fund net position decreased by $62,064 compared to a decrease of $62,212 in 2020.

Trash Fund – Trash Fund net position decreased by $12,758 for the current year, up from a 2020 decrease of $2,975. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day.

Capital Assets

Approximately 13.7% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 665,605	$ -	$ -	$ 665,605
Construction in Progress	-	-	-	-
Total Capital Assets not being Depreciated	665,605	-	-	665,605
Capital Assets being Depreciated:				
Buildings & Improvements	1,613,209	-	-	1,613,209
Vehicles & Equipment	735,171	51,710	-	786,881
Total Capital Assets being Depreciated	2,348,380	51,710	-	2,400,090
Less Accumulated Depreciation:				
Buildings & Improvements	(959,480)	(55,615)	-	(1,015,095)
Vehicles & Equipment	(425,342)	(41,141)	-	(466,483)
Total Accumulated Depreciation	(1,384,822)	(96,756)	-	(1,481,578)
Net Capital Assets	**$ 1,629,163**	**$ (45,046)**	**$ -**	**$ 1,584,117**

The Town's business-type activities capital assets consist of its investments in its utility systems and related equipment.

	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress - Electric System	$ -	$ 123,887	$ -	$ 123,887
Construction in Progress - Water System	237,515	16,426	-	253,941
Total Capital Assets not being Depreciated	237,515	140,313	-	377,828
Capital Assets being Depreciated:				
Electrical System	2,313,464	-	-	2,313,464
Water System	7,917,238	-	-	7,917,238
Sewer System	5,926,118	22,751	-	5,948,869
Total Capital Assets being Depreciated	16,156,820	22,751	-	16,179,571
Less Accumulated Depreciation:				
Electrical System	(1,831,186)	(36,148)	-	(1,867,334)
Water System	(2,479,205)	(186,839)	-	(2,666,044)
Sewer System	(1,922,502)	(129,758)	-	(2,052,260)
Total Accumulated Depreciation	(6,232,893)	(352,745)	-	(6,585,638)
Net Capital Assets	**$ 10,161,442**	**$ (189,681)**	**$ -**	**$ 9,971,761**

Long-Term Debt

The Town's governmental long-term debt consists of capital leases and accrued compensated absences payable. Governmental activities debt transactions for the year were as follows:

	Balance 12/31/20	Advances	Payments	Balance 12/31/21	Due Within One Year	Interest Paid
2017 Equipment Capital Lease	$ 31,122	$ -	$ 12,787	$ 18,335	$ 5,381	$ 855
2018 Equipment Capital Lease	11,017	-	3,408	7,609	3,666	833
2019 Equipment Capital Lease	125,295	-	13,367	111,928	13,964	5,598
Accrued Compensated Absences	14,336	-	3,446	10,890	-	-
Totals	**$ 181,770**	**$ -**	**$ 33,008**	**$ 148,762**	**$ 23,011**	**$ 7,286**

The Town's business-type activities long-term debt consists of various bonds and notes payable that were used for system improvements. Business-type activities debt transactions for the year were as follows:

	Balance 12/31/20	Refunding	Payments	Balance 12/31/21	Due Within One Year	Interest Expense
2003 CWRPDA Water Note	$ 183,222	$ -	$ 58,672	$ 124,550	$ 61,042	$ 6,748
2010 Sewer Revenue Bonds	1,053,288	(1,019,787)	33,501	-	-	18,569
2017 Equipment Capital Lease	64,602	-	15,452	49,150	10,293	1,964
2021 Sewer Revenue Bonds	-	1,019,787	-	1,019,787	29,778	15,674
Totals	**$ 1,301,112**	**$ -**	**$ 107,625**	**$ 1,193,487**	**$ 71,335**	**$ 27,281**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $168,538 more than planned, having sales and use taxes come in almost $118,000 more than budgeted. The Town's expenditures were $102,468 less than budgeted, with capital expenditures totaling over $49,000 less than planned.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

2021 was a year impacted by the continued worldwide COVID-19 pandemic. In the rural mountain Town of Oak Creek residents and businesses were impacted by the shutdown of in-person, face-to-face, business and social gatherings for much of the year. Economically local retail businesses were hit hardest as customers stayed away from restaurants and non-essential retailers, however some local businesses reported additional sales as people stayed closer to home for their needs. As a provider of essential services the Town employees maintained these services with a few staffing and supply-chain challenges, and the Town was able to plan for the future. Below are some of the activities and challenges the Town will work on in 2022.

Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Oak Creek
Oak Creek, Colorado

Independent Auditors' Report

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Oak Creek 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Oak Creek and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Town of Oak Creek'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' Responsibility 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Town of Oak Creek'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 Town of Oak Creek'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.

Report on Summarized Comparative Information

We have previously audited the Town of Oak Creek's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information8

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ault's basic financial statements. The combining and individual nonmajor fund financial statements 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local HighwayFinance Report is presented for purposes of legal compliance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, CO
July 12, 2022

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BASIC FINANCIAL STATEMENTS

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TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 513,051	$ 2,764,932	$ 3,277,983
Restricted Cash and Investments	-	69,152	69,152
Receivables			
Property Tax Receivable	116,425	-	116,425
Intergovernmental Receivables	44,821	-	44,821
Utility Receivable	-	305,616	305,616
Cash with Fiscal Agent	537	-	537
Accounts Receivable	97,214	-	97,214
Prepaid Expenses	486	5,769	6,255
Total Current Assets	772,534	3,145,469	3,918,003
Noncurrent Assets			
Capital Assets not being Depreciated	665,605	377,828	1,043,433
Capital Assets being Depreciated	2,400,090	16,179,571	18,579,661
Accumulated Depreciation	(1,481,578)	(6,585,638)	(8,067,216)
Net Pension Asset	21,718	-	21,718
Total Noncurrent Assets	1,605,835	9,971,761	11,577,596
TOTAL ASSETS	2,378,369	13,117,230	15,495,599
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Pension Outflows	100,011	-	100,011
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,478,380	$ 13,117,230	$ 15,595,610
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 7,184	$ 147,930	$ 155,114
Accrued Liabilities	10,372	-	10,372
Accrued Salaries and Benefits	12,128	-	12,128
Retainage Payable	-	1,169	1,169
Deposits and Escrow	1,160	49,750	50,910
Accrued Interest Payable	-	15,674	15,674
Unearned Revenue	10,000	52,116	62,116
Total Current Liabilities	40,844	266,639	307,483
Noncurrent Liabilities			
Due within one year	23,011	101,113	124,124
Due in more than one year	125,751	1,092,373	1,218,124
Total Noncurrent Liabilities	148,762	1,193,486	1,342,248
TOTAL LIABILITIES	189,606	1,460,125	1,649,731
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	116,425	-	116,425
Deferred Pension Inflows	41,909	-	41,909
TOTAL DEFERRED INFLOWS	158,334	-	158,334
NET POSITION			
Net Investment in Capital Assets	1,446,245	8,778,275	10,224,520
Restricted Net Position	79,852	69,152	149,004
Unrestricted Net Position	604,343	2,809,678	3,414,021
TOTAL NET POSITION	2,130,440	11,657,105	13,787,545
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,478,380	$ 13,117,230	$ 15,595,610

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

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		PROGRAM REVENUES		
			OPERATING	
		CHARGES FOR	GRANTS AND	CAPITAL
	EXPENSES	SERVICES	CONTRIBUTIONS	GRANTS
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES				
Current:				
General Government	$ 270,521	$ 214,193	$ 73,690	$ 114,951
Public Safety	316,665	995	-	-
Public Works	101,890	1,564	35,855	-
Culture and Recreation	221,467	42,268	11,465	-
TOTAL GOVERNMENT ACTIVITIES	910,543	259,020	121,010	114,951
BUSINESS-TYPE ACTIVITIES				
Current:				
Electric	1,143,266	1,421,008	-	85,401
Water	453,187	431,940	-	80,886
Sewer	442,430	367,369	-	12,980
Trash	156,506	143,748	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	2,195,389	2,364,065	-	179,267
TOTAL GOVERNMENT	$ 3,105,932	$ 2,623,085	$ 121,010	$ 294,218

GENERAL REVENUES
Property Taxes
Specific Ownership Taxes
Sales, Use and Excise Taxes
Other Taxes
Interest Income
Other Revenues
TOTAL GENERAL REVENUES AND TRANSFERS
CHANGE IN NET POSITION
NET POSITION - Beginning
NET POSITION - Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ 132,313	$ -	$ 132,313
(315,670)	-	(315,670)
(64,471)	-	(64,471)
(167,734)	-	(167,734)
(415,562)	-	(415,562)
-	363,143	363,143
-	59,639	59,639
-	(62,081)	(62,081)
-	(12,758)	(12,758)
-	347,943	347,943
(415,562)	347,943	(67,619)
103,773	-	103,773
7,507	-	7,507
463,711	-	463,711
775	-	775
1,302	17	1,319
32,284	-	32,284
609,352	17	609,369
193,790	347,960	541,750
1,936,650	11,309,145	13,245,795
$ 2,130,440	$ 11,657,105	$ 13,787,545

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
With Comparative Totals for December 31, 2020

	General	Total	
	Fund	**2021**	**2020**
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 513,051	$ 513,051	$ 393,606
Restricted Cash and Investments	-	-	100
Receivables			
Property Tax Receivable	116,425	116,425	103,563
Intergovernmental Receivables	44,821	44,821	-
Cash with Fiscal Agent	537	537	818
Accounts Receivable	97,214	97,214	82,459
Other Receivables	-	-	14,500
Prepaid Expenses	486	486	1,527
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 772,534	$ 772,534	$ 596,573
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 7,184	$ 7,184	$ 19,942
Accrued Liabilities	10,372	10,372	2,111
Accrued Salaries and Benefits	12,128	12,128	9,613
Deposits and Escrow	1,160	1,160	1,160
Unearned Revenue	10,000	10,000	40,017
TOTAL LIABILITIES	40,844	40,844	72,843
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	116,425	116,425	103,563
FUND BALANCE			
Nonspendable Fund Balance	486	486	1,527
Restricted Fund Balance	58,134	58,134	54,384
Committed Fund Balance	213,881	213,881	99,225
Unassigned Fund Balance	342,764	342,764	265,031
TOTAL FUND BALANCE	615,265	615,265	420,167
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 772,534	$ 772,534	$ 596,573

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2021

Fund Balance - Governmental Funds		$ 615,265
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 665,605	
Capital assets, being depreciated	2,400,090	
Accumulated depreciation	(1,481,578)	1,584,117
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA Statewide Defined Benefit Plan		
Deferred outflows - pensions (net)	100,011	
Net pension asset	21,718	
Deferred inflows - pensions (net)	(41,909)	79,820
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(137,872)	
Accrued compensated absences	(10,890)	(148,762)
Total Net Position - Governmental Activities		$ 2,130,440

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	General	Total	
	Fund	2021	2020
REVENUES			
Taxes	$ 575,766	$ 575,766	$ 505,500
Intergovernmental Revenues	233,572	233,572	230,060
Licenses and Permits	72,108	72,108	81,821
Fines and Forfeits	851	851	1,559
Internal Charges	116,330	116,330	104,575
Charges for Services	69,731	69,731	37,719
Investment Earnings	1,302	1,302	14,019
Other Revenues	34,672	34,672	18,200
TOTAL REVENUES	1,104,332	1,104,332	993,453
EXPENDITURES			
Current:			
General Government	215,241	215,241	151,852
Public Safety	307,770	307,770	272,499
Public Works	75,189	75,189	82,349
Parks, Recreation and Other	166,005	166,005	158,028
Capital Outlay	102,486	102,486	8,382
Debt Service	42,543	42,543	43,988
TOTAL EXPENDITURES	909,234	909,234	717,098
NET CHANGE IN FUND BALANCE - GAAP BASIS	195,098	195,098	276,355
FUND BALANCE, BEGINNING	420,167	420,167	143,812
FUND BALANCE, ENDING	$ 615,265	$ 615,265	$ 420,167

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

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

Change in Fund Balance - Governmental Funds		$ 195,098
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	51,710	
Depreciation Expense	(96,756)	(45,046)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred outflows - pensions (net)	1,703	
Change in net pension asset/liability	12,820	
Change in deferred inflows - pensions (net)	(3,793)	10,730
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on capital leases	29,562	
Change in accrued compensated absences	3,446	33,008
Change in Net Position - Governmental Activities		$ 193,790

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021
With Comparative Totals for December 31, 2020

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash and Investments	$ 1,679,604	$ 590,874	$ 498,691	$ (4,237)
Restricted Cash and Investments	-	69,152	-	-
Receivables				
Intergovernmental Receivables	-	-	-	-
Utility Receivable	204,647	46,640	40,636	13,693
Internal Balances	-	(306,250)	306,250	-
Prepaid Expenses	-	5,769	-	-
Total Current Assets	1,884,251	406,185	845,577	9,456
Noncurrent Assets				
Capital Assets not being depreciated	123,887	253,941	-	-
Capital Assets being depreciated	2,313,464	7,917,238	5,948,869	-
Accumulated Depreciation	(1,867,334)	(2,666,044)	(2,052,260)	-
Total Noncurrent Assets	570,017	5,505,135	3,896,609	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,454,268	$ 5,911,320	$ 4,742,186	$ 9,456
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 93,290	$ 7,962	$ 24,594	$ 22,084
Retainage Payable	1,169	-	-	-
Deposits and Escrow	49,750	-	-	-
Accrued Interest Payable	-	-	15,674	-
Unearned Revenue	-	52,116	-	-
Total Current Liabilities	144,209	60,078	40,268	22,084
Noncurrent Liabilities				
Due within one year	3,431	64,473	33,209	-
Due in more than one year	12,952	76,460	1,002,961	-
Total Noncurrent Liabilities	16,383	140,933	1,036,170	-
TOTAL LIABILITIES	160,592	201,011	1,076,438	22,084
NET POSITION				
Net Investment in Capital Assets	553,634	5,364,202	2,860,439	-
Restricted Net Position	-	69,152	-	-
Unrestricted Net Position	1,740,042	276,955	805,309	(12,628)
TOTAL NET POSITION	2,293,676	5,710,309	3,665,748	(12,628)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,454,268	$ 5,911,320	$ 4,742,186	$ 9,456

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

Total	
2021	**2020**
$ 2,764,932	$ 2,264,961
69,152	161,157
-	5,000
305,616	353,617
-	-
5,769	-
3,145,469	2,784,735
377,828	-
16,179,571	16,394,335
(6,585,638)	(6,232,893)
9,971,761	10,161,442
$ 13,117,230	$ 12,946,177
$ 147,930	$ 239,675
1,169	-
49,750	78,700
15,674	17,545
52,116	-
266,639	335,920
101,113	92,354
1,092,373	1,208,758
1,193,486	1,301,112
1,460,125	1,637,032
8,778,275	8,860,330
69,152	154,051
2,809,678	2,294,764
11,657,105	11,309,145
$ 13,117,230	$ 12,946,177

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Business-type Activities			
	Electric Fund	Water Fund	Sewer Fund	Other Funds
Operating Revenues				
Utility Charges	$ 1,343,134	$ 431,048	$ 366,267	$ 143,748
Other Charges for Services	77,874	892	1,102	-
Total Revenues	1,421,008	431,940	367,369	143,748
Operating Expenses				
Management Fees	109,488	59,240	54,726	4,908
Personnel Services	200,956	116,072	115,287	6,964
Commodity Charges	697,326	-	-	-
Administrative/Office Expenses	224	275	-	-
Insurance	15,533	9,438	7,997	-
Operating Supplies	20,433	20,824	4,345	-
Professional Fees	29,944	-	39,222	144,064
Repairs and Maintenance	11,164	5,222	6,343	-
Travel and Training	-	90	-	-
Treatment	-	8,623	16,142	-
Telephone and Utilities	6,482	26,343	31,623	-
Other Operating Expenses	8,324	7,988	90	570
Depreciation Expense	36,148	186,839	129,758	-
Other Capital Outlay	6,589	4,830	2,000	-
Total Expenditures	1,142,611	445,784	407,533	156,506
Operating Income (Loss)	278,397	(13,844)	(40,164)	(12,758)
Other Income (Expense)				
Investment Earnings	-	-	17	-
Other Revenue	-	-	-	-
Interest Expense	(655)	(7,403)	(34,897)	-
Total Other Income (Expense)	(655)	(7,403)	(34,880)	-
Net Income (Loss)	277,742	(21,247)	(75,044)	(12,758)
Contributed Capital				
Plant Investment Fees	-	12,480	12,980	-
Intergovernmental Revenue	85,401	68,406	-	-
Change in Net Position	363,143	59,639	(62,064)	(12,758)
Net Position, Beginning	1,930,533	5,650,670	3,727,812	130
Net Position, Ending	$ 2,293,676	$ 5,710,309	$ 3,665,748	$ (12,628)

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

Total	
2021	**2020**
$ 2,284,197	$ 2,159,422
79,868	123,854
2,364,065	2,283,276
228,362	231,365
439,279	454,791
697,326	660,092
499	915
32,968	47,173
45,602	118,310
213,230	133,896
22,729	37,044
90	116
24,765	25,999
64,448	61,494
16,972	9,073
352,745	352,365
13,419	61,994
2,152,434	2,194,627
211,631	88,649
17	43
-	81,235
(42,955)	(53,971)
(42,938)	27,307
168,693	115,956
25,460	20,960
153,807	4,641
347,960	141,557
11,309,145	11,167,588
$ 11,657,105	$ 11,309,145

TOWN OF OAK CREEK

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Business-type Activities			
	Electric Fund	Water Fund	Sewer Fund	Other Funds
Cash Flows From Operating Activities:				
Cash Received from Customers	$ 1,424,942	$ 493,252	$ 371,583	$ 145,454
Cash Paid to Suppliers	(910,167)	(188,498)	(114,659)	(124,979)
Cash Paid for Interfund Services	(109,488)	(59,240)	(54,726)	(4,908)
Cash Paid to Employees	(150,060)	(87,386)	(87,386)	(4,535)
Net Cash Provided by Operating Activities	255,227	158,128	114,812	11,032
Cash Flows From Capital and Related Financing Activities:				
Tap Fees Received	-	12,480	12,980	-
Debt Principal Payments	(5,151)	(63,823)	(38,652)	-
Grant Proceeds	85,401	73,406	-	-
Interest Payments	(655)	(7,403)	(36,769)	-
Acquisition of Capital Assets	(123,887)	(16,426)	(22,751)	-
Cash Flows Used by Capital and Related Financing Activities	(44,292)	(1,766)	(85,192)	-
Cash Flows (Uses) From Noncapital Financing Activities:				
Cash from Other Funds	-	(8,750)	8,750	-
Other Revenues (Expense)	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	(8,750)	8,750	-
Cash Flows (Uses) From Investing Activities:				
Interest Received	-	-	17	-
Net Increase (Decrease) in Cash	210,935	147,612	38,387	11,032
Cash - Beginning	1,468,669	512,414	460,304	(15,269)
Cash - Ending	$ 1,679,604	$ 660,026	$ 498,691	$ (4,237)
Cash and Investments	$ 1,679,604	$ 590,874	$ 498,691	$ (4,237)
Restricted Cash and Investments	-	69,152	-	-
Total	$ 1,679,604	$ 660,026	$ 498,691	$ (4,237)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	$ 278,397	$ (13,844)	$ (40,164)	$ (12,758)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	36,148	186,839	129,758	-
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	32,884	9,196	4,214	1,706
Prepaid Expenses	-	(5,770)	-	-
(Increase) Decrease in:				
Accounts Payable	(63,252)	(70,409)	21,004	22,084
Deposits and Escrow	(28,950)	-	-	-
Unearned Revenue	-	52,116	-	-
Total Adjustments	(23,170)	171,972	154,976	23,790
Net Cash Used for Operating Activities	$ 255,227	$ 158,128	$ 114,812	$ 11,032

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

Total	
2021	2020
$ 2,435,231	$ 2,221,776
(1,338,303)	(1,205,793)
(228,362)	(231,365)
(329,367)	(338,481)
539,199	446,137
25,460	20,960
(107,626)	(96,479)
158,807	4,241
(44,827)	(54,273)
(163,064)	(111,858)
(131,250)	(237,409)
-	-
-	81,235
-	81,235
17	43
407,966	290,006
2,426,118	2,136,112
$ 2,834,084	$ 2,426,118
$ 2,764,932	$ 2,264,961
69,152	161,157
$ 2,834,084	$ 2,426,118
$ 211,631	$ 88,649
352,745	352,365
48,000	(91,150)
(5,770)	-
(90,573)	66,623
(28,950)	29,650
52,116	-
327,568	357,488
$ 539,199	$ 446,137

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Oak Creek, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town was incorporated in 1907 in Routt County, Colorado. The Town is a full service entity providing public safety, public works, and parks and recreation services as well as providing electric, water, sewer and trash services.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is 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. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities presentation.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current 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.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period 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.

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

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 the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In the fund financial statements, the Town reports the following major governmental fund:

General Fund
The general fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

<u>**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**</u> (Continued)

Proprietary Funds
The Town also reports the following major proprietary funds

Electric, Water, and Sewer Funds
These funds account for the activities related to the offering of the respective services to the Town's residents.

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.

2) Certification of mill levies to the County Commissioners by December 15 of each year.

3) Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

PROPERTY TAXES

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

ACCOUNTS RECEIVABLE

Based upon a review of the existing accounts receivable and the fact that any uncollectible water and sewer receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such 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 assets lives are not capitalized.

The Town has elected to not retroactively report infrastructure and had no additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $10,890 in the governmental activities presentation for accrued compensated absences at December 31, 2021.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has pension related items as further described in Note 6.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2021 for collection in 2021. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: **CASH AND INVESTMENTS**

DEPOSITS

The Town's cash and investment balances as of December 31, 2021 are comprised of and allocated in the financial statements as follows:

Cash	$	668,703
Investments		2,678,432
Total Cash and Investments	**$**	**3,347,135**
Cash and Investments	$	3,217,071
Restricted Cash and Investments		130,064
Total Cash and Investments	**$**	**3,347,135**

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is 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 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2021, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	$ 250,000	$ 250,000
PDPA Secured (Not in Entity's Name)	416,948	418,318
Cash on Hand	-	385
Total Cash	$ 666,948	$ 668,703

INVESTMENTS

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town does not have an investment policy that would further limit its investment choices.

During the year ended December 31, 2021, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

NOTE 2: **CASH AND INVESTMENTS** (Continued)

INVESTMENTS (Continued)

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2021 was $2,678,432.

Concentration of Credit Risk
The Town places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk
Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes.

Custodial Credit Risk – Investments
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, the Town did not hold any securities that required safekeeping.

RESTRICTED CASH

Restricted cash represents those amounts collected for a particular purpose but unspent as of the end of the fiscal year.

The Town's restricted cash balances at December 31, 2021 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 100
Water Fund	
Water 3 Month O&M Reserve	69,152
Sewer Fund	
Sewer Debt Service Reserve	60,812
Sewer O&M and Short-Lived Asset Reserve	-
Total Sewer Fund	60,812
Total Restricted Cash	**$ 130,064**

NOTE 3: CAPITAL ASSETS

Changes in governmental capital assets for the year were as follows:

	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 665,605	$ -	$ -	$ 665,605
Construction in Progress	-	-	-	-
Total Capital Assets not being Depreciated	665,605	-	-	665,605
Capital Assets being Depreciated:				
Buildings & Improvements	1,613,209	-	-	1,613,209
Vehicles & Equipment	735,171	51,710	-	786,881
Total Capital Assets being Depreciated	2,348,380	51,710	-	2,400,090
Less Accumulated Depreciation:				
Buildings & Improvements	(959,480)	(55,615)	-	(1,015,095)
Vehicles & Equipment	(425,342)	(41,141)	-	(466,483)
Total Accumulated Depreciation	(1,384,822)	(96,756)	-	(1,481,578)
Net Capital Assets	**$ 1,629,163**	**$ (45,046)**	**$ -**	**$ 1,584,117**

Depreciation by Function:	
General Government	$ 9,749
Public Safety	12,425
Public Works	21,331
Parks and Recreation	53,251
Total Depreciation	**$ 96,756**

A summary of changes in business-type activity capital assets at December 31, 2021 is as follows:

	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress - Electric System	$ -	$ 123,887	$ -	$ 123,887
Construction in Progress - Water System	237,515	16,426	-	253,941
Total Capital Assets not being Depreciated	237,515	140,313	-	377,828
Capital Assets being Depreciated:				
Electrical System	2,313,464	-	-	2,313,464
Water System	7,917,238	-	-	7,917,238
Sewer System	5,926,118	22,751	-	5,948,869
Total Capital Assets being Depreciated	16,156,820	22,751	-	16,179,571
Less Accumulated Depreciation:				
Electrical System	(1,831,186)	(36,148)	-	(1,867,334)
Water System	(2,479,205)	(186,839)	-	(2,666,044)
Sewer System	(1,922,502)	(129,758)	-	(2,052,260)
Total Accumulated Depreciation	(6,232,893)	(352,745)	-	(6,585,638)
Net Capital Assets	**$ 10,161,442**	**$ (189,681)**	**$ -**	**$ 9,971,761**

NOTE 4: LONG TERM DEBT – GOVERNMENTAL ACTIVITIES

At December 31, 2021, the Town had the following governmental long term debt obligations:

	Balance 12/31/20	Advances	Payments	Balance 12/31/21	Due Within One Year	Interest Paid
2017 Equipment Capital Lease	$ 31,122	$ -	$ 12,787	$ 18,335	$ 5,381	$ 855
2018 Equipment Capital Lease	11,017	-	3,408	7,609	3,666	833
2019 Equipment Capital Lease	125,295	-	13,367	111,928	13,964	5,598
Accrued Compensated Absences	14,336	-	3,446	10,890	-	-
Totals	**$ 181,770**	**$ -**	**$ 33,008**	**$ 148,762**	**$ 23,011**	**$ 7,286**

Capital Leases

In 2017, the Town entered into a capital lease agreement for the purchase of a 2015 Ford Van, 2016 Ford Explorer Police Interceptor, Caterpillar Backhoe Loader, and a 2017 Dodge Ram 3500 Pickup. As part of this agreement the Town agreed to trade in the 2002 Cat Loader that the Town owned, which had no remaining basis. The lease requires monthly payments of $3,318. The lease bears interest at 3.46%. Payments related to this lease will be paid by the General, Water, Sewer and Electric Funds. The allocation of the assets and lease liability are 46.75% General, 17.75% Electric, 17.75 % Water and 17.75% Sewer. The Town has capitalized assets with a remaining basis of $138,983 related to this lease, the General Fund will be responsible for their proportionate share of $62,462. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

The following is a schedule of the future minimum lease payments required under the capital lease, to be made proportionally by fund based on the amounts shown above, for the vehicle and equipment purchase, and the present value of the remaining payments as of December 31, 2021.

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES** (Continued)

Capital Leases (Continued)

Year	Public Safety	Public Works	Electric Fund	Water Fund	Sewer Fund	Total Payment
2022	$ 1,961	$ 3,931	$ 3,931	$ 3,931	$ 3,931	$ 17,685
2023	-	3,307	3,307	3,307	3,307	13,228
2024	-	3,307	3,307	3,307	3,307	13,228
2025	-	3,307	3,307	3,307	3,307	13,228
2026	-	3,307	3,307	3,307	3,307	13,228
2027	-	827	827	827	827	3,308
Future Minimum Lease Pmts	1,961	17,986	17,986	17,986	17,986	73,905
Less: Interest at 4.47%	(9)	(1,603)	(1,603)	(1,603)	(1,603)	(6,421)
Present Value of Payments	$ 1,952	$ 16,383	$ 16,383	$ 16,383	$ 16,383	$ 67,484

In 2018, the Town entered into a capital lease agreement for the purchase of four portable police radios. The lease requires annual payments of $4,241. The lease bears interest at 7.08%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $5,207 related to this lease. In the event of a default, the lessor shall have the right to take one or any combination of the following remedial steps; with or without terminating the contract, the lessor may declare all contract payments and other amounts payable by the lessee hereunder to the end of the then current budget year to be immediately due and payable, redelivery of any and all equipment at lessee's expense while being liable for any damages to the equipment and any additional collateral caused by the lessee or its employees or agents and the lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights with the lessee being responsible for all costs incurred in the enforcement of its rights under this contract including reasonable attorney fees.

The following is a schedule of the future minimum lease payments required under the capital lease:

Year	Total Payment
2022	$ 4,241
2023	4,241
Future Min. Lease Pmt	8,482
Less: Interest 7.56%	(873)
Present Value of Payments	$ 7,609

NOTE 4: **LONG TERM DEBT – GOVERNMENTAL ACTIVITIES** (Continued)

Capital Leases (Continued)

In 2019, the Town entered into a capital lease agreement for the purchase of one Caterpillar Loader. The lease requires annual payments of $18,965. The lease bears interest at 4.47%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $135,536 related to this lease. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damages or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

The following is a schedule of the future minimum lease payments required under the capital lease:

Year	Total Payment
2022	$ 18,965
2023	18,965
2024	18,965
2025	18,965
2026	18,965
2027-2028	37,930
Future Minimum Lease Pmts	132,755
Less: Interest at 4.47%	(20,827)
Present Value of Payments	$ 111,928

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES

Changes in long-term debt for the year ended December 31, 2021 are as follows:

	Balance 12/31/20	Refunding	Payments	Balance 12/31/21	Due Within One Year	Interest Expense
2003 CWRPDA Water Note	$ 183,222	$ -	$ 58,672	$ 124,550	$ 61,042	$ 6,748
2010 Sewer Revenue Bonds	1,053,288	(1,019,787)	33,501	-	-	18,569
2017 Equipment Capital Lease	64,602	-	15,452	49,150	10,293	1,964
2021 Sewer Revenue Bonds	-	1,019,787	-	1,019,787	29,778	15,674
Totals	**$ 1,301,112**	**$ -**	**$ 107,625**	**$ 1,193,487**	**$ 71,335**	**$ 27,281**

Details of the Town's outstanding business-type activity debt are as follows:

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $69,152 as of December 31, 2021.

Year	Principal	Interest	Total
2022	$ 61,042	$ 4,378	$ 65,420
2023	63,508	1,933	65,441
Totals	**$ 124,550**	**$ 6,311**	**$ 130,861**

NOTE 5: LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES (Continued)

SEWER FUND

In 2010, the Town issued Sewer Revenue Bonds in the amount of $1,208,000 through the USDA Department of Rural Development. The bonds bear interest at 4% with semi-annual payments of $30,406 due on February 1st and August 1st beginning February 1, 2011. In 2021, the Town refunded $1,019,787 bearing an interest rate at 2.71% with annual payments of $56,647 due June 1st beginning June 1, 2022, and ending June 1, 2046. There are debt service and operations and maintenance reserve requirements related to this loan, with $60,812 of restricted cash to meet the requirements as of December 31, 2021.

Future payments on long-term debt are scheduled as follows:

Year	Principal	Interest	Total
2022	$ 29,778	$ 26,869	$ 56,647
2023	29,817	26,829	56,646
2024	30,625	26,021	56,646
2025	31,455	25,191	56,646
2026	32,308	24,339	56,647
2027-2031	175,155	108,076	283,231
2032-2036	200,212	83,023	283,235
2037-2041	228,851	54,383	283,234
2042-2046	261,586	21,647	283,233
Totals	**$ 1,019,787**	**$ 396,378**	**$ 1,416,165**

In addition, the Enterprise Funds will be responsible for their proportionate share of the 2017 equipment lease with a remaining balance of $76,521 as described in the Governmental Activities Long-Term Debt shown above (Note 4).

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at htttp://www.FPPAco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, retuned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years; plus 2.5 percent for each year of service thereafter.

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

NOTE 6: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.0 percent and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent and 4.25 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were $6,428 for the plan year ended December 31, 2020 and $10,059 for the fiscal year ended December 31, 2021. The current year contributions will be expensed in 2022 for FPPA purposes, December 31, 2021 employer contributions for reporting as of December 31, 2022, and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported an asset of $21,718 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2020 relative to the total contributions of participating employers to the SWDB.

NOTE 6: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2021, the Town's proportion was 0.01000%, which was a decrease of 0.00573% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of $671. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 29,216	$ (125)
Changes of assumptions or other inputs	$ 28,929	$ -
Net difference between projected and actual earnings on pension plan investments	$ 11,931	$ (38,526)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 19,876	$ (3,258)
Contributions subsequent to the measurement date	$ 10,059	$ -
Total	$ 100,011	$ (41,909)

$10,059 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2022	$ 2,126
2023	7,229
2024	1,263
2025	6,964
2026	10,100
2027-2030	20,361
Total	$ 48,043

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

For determining the total pension liability, and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co ., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

NOTE 6: **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension li ability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	$ (21,856)	$ 21,718	$ 57,802

DEFINED CONTRIBUTION PLAN

The Town offers its employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town's contributions to the Benefit Plan for the year ending December 31, 2021, 2020 and 2019 were $10,059, $10,009, and $23,640, respectively, equal to their required contributions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The Town has no ownership interest in the Plan nor is the Town liable for any losses under the Plan.

NOTE 7: INTERFUND ACTIVITY

During 2017, the Sewer Fund advanced $350,000 to the Water Fund for capital improvements. The Water Fund is making $8,750 payments annually to the Sewer Fund to return this advance, representing a forty year amortization. The advance does not bear interest. The outstanding balance as of December 31, 2021 is $315,000.

The utility funds have paid to the General Fund the following management and overhead fees for the fiscal year ended December 31, 2021:

	Overhead Allocations	Management Fees
General Fund	$ 112,032	$ 116,329
Electric Fund	(35,708)	(73,780)
Water Fund	(35,708)	(23,531)
Sewer Fund	(35,708)	(19,018)
Trash Fund	(4,908)	-
	$ -	$ -

NOTE 8: **COMMITMENTS AND CONTINGENCIES**

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will 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.

NOTE 9: **FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2021 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November 1998, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

The Article requires an emergency reserve be set aside for 2021 in the amount of 3% or more of its fiscal year spending. At December 31, 2021, the Town has reserved the following for emergencies:

General Fund	$ 33,000

NOTE 9: **FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS** (Continued)

Subsequent Appropriations/Other Restrictions and Commitments

The Town has restricted or committed other funds as noted below:

		Restricted Equity
Governmental Activities		
Conservation Trust Fund	$	100
TABOR Emergency Reserve		28,800
Parking Impact Fees		20,534
Coal Queen Scholarship		4,500
Total Government Activities	**$**	**53,934**
Business-type Activity		
Water CWRPDA O&M Reserve	$	69,152
Sewer Bond Debt Service Reserve		60,812
Sewer Short Lived Asset Reserve		-
Total Business-type Activities	**$**	**129,964**

	Fund Equity			
General Fund		**Committed**		**Restricted**
Conservation Trust Fund	$	-	$	100
TABOR Emergency Reserve		-		28,800
Coal Queen Scholarship		-		4,500
Parking Fee in Lieu		-		20,534
Operating Reserve		193,573		-
Capital Reserve - Parks		21		-
Capital Reserve - Police		13,555		-
Capital Reserve - Public Works		6,732		-
Total General Fund	**$**	**213,881**	**$**	**53,934**
Water Fund				
CWRPDA O&M Reserve			**$**	**69,152**
Sewer Fund				
Bond Debt Service Reserve			$	60,812
Bond Short Lived Asset Reserve				-
Total Sewer Fund			**$**	**60,812**

NOTE 10: **RISK MANAGEMENT**

The Town of Oak Creek, Colorado carries commercial insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation. The Town's risk of loss transfers to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2021.

NOTE 10: RISK MANAGEMENT (Continued)

The Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons and property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2021.

NOTE 11: NET POSITION DEFICIT

The Trash Fund has a net position deficit of $(12,628) as of December 31, 2021. This deficit will be recovered through future rate adjustments and/or transfers from other operating funds. .

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules – Unaudited)

TOWN OF OAK CREEK

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA SWDB Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year Ended	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2014	0.021324%	$ 19,067	$ 142,663	13.37%	105.83%
December 31, 2015	0.014438%	$ 16,294	$ 123,650	13.18%	106.83%
December 31, 2016	0.014525%	$ 256	$ 141,225	0.18%	100.10%
December 31, 2017	0.019547%	$ (7,063)	$ 148,575	4.75%	98.21%
December 31, 2018	0.017643%	$ 25,382	$ 105,675	24.02%	106.34%
December 31, 2019	0.015901%	$ (20,103)	$ 106,513	-18.87%	95.20%
December 31, 2020	0.015734%	$ 8,898	$ 115,963	7.67%	101.94%
December 31, 2021	0.010004%	$ 21,718	$ 80,350	27.03%	106.72%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year Ended	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	$ 7,409	(7,409)	$ -	$ 142,663	8.00%
December 31, 2015	$ 5,194	(5,194)	$ -	$ 123,650	8.00%
December 31, 2016	$ 5,633	(5,633)	$ -	$ 141,225	8.00%
December 31, 2017	$ 8,003	(8,003)	$ -	$ 148,575	8.00%
December 31, 2018	$ 8,256	(8,256)	$ -	$ 105,675	8.00%
December 31, 2019	$ 8,521	$ (8,521)	$ -	$ 76,550	8.00%
December 31, 2020	$ 9,277	$ (9,277)	$ -	$ 115,963	8.00%
December 31, 2021	$ 6,428	$ (6,428)	$ -	$ 80,350	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2020 Actual
REVENUES					
Taxes					
Property Taxes	$ 103,563	$ 103,563	$ 103,773	$ 210	$ 104,030
Specific Ownership Taxes	6,000	6,000	7,507	1,507	6,761
Sales, Use and Excise Taxes	345,880	345,880	463,711	117,831	393,927
Other Taxes	500	500	775	275	782
Total Tax Revenue	455,943	455,943	575,766	119,823	505,500
Intergovernmental Revenues					
Cigarette Taxes	600	600	1,167	567	814
Cons Trust Fund Revenue	8,500	8,500	11,465	2,965	9,749
Highway Users	24,000	24,000	32,677	8,677	26,964
Road and Bridge	6,000	6,000	3,177	(2,823)	3,136
Clerk/Motor Vehicle Fees	4,000	4,000	4,335	335	4,776
Mineral Lease	1,500	1,500	806	(694)	947
Severance Tax	10,000	10,000	447	(9,553)	15,179
State Grants	163,321	163,321	171,165	7,844	165,475
Other Intergovernmental	2,000	2,000	8,333	6,333	3,020
Total Intergovernmental Revenue	219,921	219,921	233,572	13,651	230,060
Licenses and Permits					
Liquor Licenses	1,450	1,450	1,709	259	340
Marijuana Licenses	71,000	71,000	68,691	(2,309)	81,222
Annexation/Other P&Z Fees	-	-	1,564	1,564	-
Animal Licenses	300	300	144	(156)	259
Total Licenses and Permits	72,750	72,750	72,108	(642)	81,821
Fines and Forfeits	1,250	1,250	851	(399)	1,559
Internal Charges					
Administrative/Management Fees	116,330	116,330	116,330	-	104,575
Charges for Services					
Recreation/Comm Ctr Charges	28,000	28,000	42,268	14,268	21,320
Other Charges for Services	22,000	22,000	27,463	5,463	16,399
Total Charges for Services	50,000	50,000	69,731	19,731	37,719
Investment Earnings	18,000	18,000	1,302	(16,698)	14,019
Other Revenues					
Donations	-	-	2,387	2,387	2,348
Other Miscellaneous Revenue	1,600	1,600	32,285	30,685	15,852
Total Other Revenue	1,600	1,600	34,672	33,072	18,200
TOTAL REVENUES	935,794	935,794	1,104,332	168,538	993,453

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	94,287	94,287	83,892	10,395	69,792
Contract labor	1,000	1,000	28,819	(27,819)	30,452
Equipment Rentals	600	600	610	(10)	1,020
Insurance	19,734	19,734	18,415	1,319	28,003
Professional Fees	28,341	28,341	31,892	(3,551)	25,465
Repairs and Maintenance	19,300	19,300	22,999	(3,699)	21,904
Supplies	11,000	11,000	10,757	243	10,422
Telephone and Utilities	10,500	10,500	14,835	(4,335)	12,200
Travel and Training	5,200	5,200	295	4,905	6,387
Overhead	(40,110)	(40,110)	(58,892)	18,782	(65,254)
Other Expenses	79,500	79,500	61,619	17,881	11,461
Total General Government	229,352	229,352	215,241	14,111	151,852
Public Safety					
Personnel Services	274,807	274,807	280,113	(5,306)	236,752
Fuel and Automotive	4,500	4,500	3,693	807	2,304
Professional Fees	4,670	4,670	2,744	1,926	3,111
Repairs and Maintenance	8,000	8,000	1,875	6,125	14,944
Supplies	5,000	5,000	2,435	2,565	4,779
Telephone and Utilities	2,500	2,500	1,369	1,131	2,166
Travel and Training	8,200	8,200	13,404	(5,204)	4,971
Other Expenses	1,400	1,400	2,137	(737)	3,472
Total Public Safety	309,077	309,077	307,770	1,307	272,499
Public Works					
Personnel Services	60,175	60,175	51,170	9,005	52,844
Contract Labor	1,000	1,000	525	475	500
Equipment Rentals	1,000	1,000	-	1,000	-
Fuel and Automotive	13,000	13,000	7,328	5,672	18,929
Insurance	2,080	2,080	1,941	139	1,715
Professional Fees	2,000	2,000	1,932	68	620
Repairs and Mainenance	48,900	48,900	32,745	16,155	35,994
Supplies	14,200	14,200	8,775	5,425	10,508
Telephone and Utilities	22,100	22,100	23,262	(1,162)	22,552
Travel and Training	1,000	1,000	539	461	112
Other Expenses	(50,025)	(50,025)	(53,028)	3,003	(61,425)
Total Public Works	115,430	115,430	75,189	40,241	82,349

See accompanying Independent Auditors' Report.
(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2020 Actual
(Continued)					
Parks, Recreation and Other					
Personnel Services	121,347	121,347	122,794	(1,447)	107,386
Contract labor	1,000	1,000	975	25	402
Equipment Rentals	3,865	3,865	4,983	(1,118)	4,085
Fuel and Automotive	1,200	1,200	857	343	646
Professional Fees	500	500	684	(184)	306
Repairs and Maintenance	4,850	4,850	1,128	3,722	2,346
Supplies	11,500	11,500	9,908	1,592	16,918
Telephone and Utilities	11,300	11,300	14,822	(3,522)	16,542
Travel and Training	800	800	118	682	480
Other Expenses	9,800	9,800	9,736	64	8,917
Total Parks, Recreation & Other	166,162	166,162	166,005	157	158,028
Capital Outlay					
General Government Capital Outlay	1,000	52,710	51,710	1,000	2,577
Public Works Capital Outlay	5,000	5,000	-	5,000	-
Parks, Recreation and Other Capital Outlay	94,321	94,321	50,776	43,545	5,805
Total Capital Outlay	100,321	152,031	102,486	49,545	8,382
Debt Service					
Principal	39,650	39,650	42,543	(2,893)	43,988
TOTAL EXPENDITURES	959,992	1,011,702	909,234	102,468	717,098
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(24,198)	(75,908)	195,098	271,006	276,355
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	(13,100)	(13,100)	-	(13,100)	-
Transfers (Out)	-	(13,600)	-	(13,600)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (37,298)	$ (102,608)	195,098	$ 244,306	276,355
Budget to GAAP Basis Reconciliation					
FUND BALANCE, BEGINNING			420,167		143,812
FUND BALANCE, ENDING			$ 615,265		$ 420,167

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2021
With Comparative Totals for December 31, 2020

	Trash Fund	Total 2021	Total 2020
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ (4,237)	$ (4,237)	$ (15,269)
Receivables			
Utility Receivable	13,693	13,693	15,399
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 9,456	$ 9,456	$ 130
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 22,084	$ 22,084	$ -
NET POSITION			
Unrestricted Net Position	(12,628)	(12,628)	130
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 9,456	$ 9,456	$ 130

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Trash Fund	Total 2021	Total 2020
Operating Revenues			
Utility Charges	$ 143,748	$ 143,748	$ 137,132
Operating Expenses			
Management Fees	4,908	4,908	5,281
Personnel Services	6,964	6,964	7,602
Professional Fees	144,064	144,064	132,881
Other Operating Expenses	570	570	243
Total Expenditures	156,506	156,506	146,007
Operating Income (Loss)	(12,758)	(12,758)	(8,875)
Transfers			
Transfers In/(Out)	-	-	5,900
Change in Net Position	(12,758)	(12,758)	(2,975)
Net Position, Beginning	130	130	3,105
Net Position, Ending	$ (12,628)	$ (12,628)	$ 130

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Trash Fund	Total 2021	Total 2020
Cash Flows From Operating Activities:			
Cash Received from Customers	$ 145,454	$ 145,454	$ 133,535
Cash Paid to Suppliers	(124,979)	(124,979)	(146,476)
Cash Paid for Interfund Services	(4,908)	(4,908)	(5,281)
Cash Paid to Employees	(4,535)	(4,535)	(5,189)
Net Cash Provided by Operating Activities	11,032	11,032	(23,411)
Cash Flows (Uses) From Noncapital Financing Activities:			
Cash from Other Funds	-	-	5,900
Net Increase (Decrease) in Cash	11,032	11,032	(17,511)
Cash - Beginning	(15,269)	(15,269)	2,242
Cash - Ending	$ (4,237)	$ (4,237)	$ (15,269)
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	$ (12,758)	$ (12,758)	$ (8,875)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	1,706	1,706	(3,597)
Accounts Payable	22,084	22,084	(10,939)
Total Adjustments	23,790	23,790	(14,536)
Net Cash Used for Operating Activities	$ 11,032	$ 11,032	$ (23,411)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Electric Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 1,378,050	$ 1,343,134	$ (34,916)	$ 1,264,556
Other Charges for Services	97,055	77,874	(19,181)	121,791
Total Revenues	1,475,105	1,421,008	(54,097)	1,386,347
Operating Expenses				
Management Fees	103,709	109,488	(5,779)	104,778
Personnel Services	225,597	200,956	24,641	212,394
Commodity Charges	714,820	697,326	17,494	660,092
Administrative/Office Expenses	1,000	224	776	640
Insurance	15,730	15,533	197	30,546
Operating Supplies	22,000	20,433	1,567	97,197
Professional Fees	10,000	29,944	(19,944)	-
Repairs and Maintenance	23,000	11,164	11,836	26,931
Travel and Training	2,000	-	2,000	70
Telephone and Utilities	4,500	6,482	(1,982)	6,862
Other Operating Expenses	10,000	8,324	1,676	5,264
Other Capital Outlay	106,400	130,476	(24,076)	42,865
Total Expenditures	1,238,756	1,230,350	8,406	1,187,639
Operating Income (Loss)	236,349	190,658	(45,691)	198,708
Other Income (Expense)				
Other Revenue	500	-	(500)	81,235
Debt Service	(14,500)	(5,806)	8,694	(12,909)
Total Other Income (Expense)	(14,000)	(5,806)	8,194	68,326
Net Income (Loss) before Transfers	222,349	184,852	(37,497)	267,034
Transfers				
Transfers In/(Out)	-	-	-	(5,900)
Contributed Capital				
Intergovernmental Revenue	-	85,401	85,401	-
Change in Net Position (Budget Basis)	$ 222,349	270,253	$ 47,904	261,134
Budget to GAAP Reconciliation				
Principal Paid		5,151		11,999
Depreciation Expense		(36,148)		(36,148)
Capital Outlay		123,887		-
Change in Net Position - GAAP Basis		363,143		236,985
Net Position, Beginning		1,930,533		1,693,548
Net Position, Ending		$ 2,293,676		$ 1,930,533

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Water Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 449,280	$ 431,048	$ (18,232)	$ 421,192
Other Charges for Services	600	892	292	614
Total Revenues	449,880	431,940	(17,940)	421,806
Operating Expenses				
Management Fees	53,461	59,240	(5,779)	63,403
Personnel Services	129,776	116,072	13,704	117,600
Administrative/Office Expenses	325	275	50	275
Insurance	10,114	9,438	676	9,227
Operating Supplies	18,200	20,824	(2,624)	13,800
Professional Fees	3,000	-	3,000	300
Repairs and Maintenance	15,000	5,222	9,778	9,234
Travel and Training	2,000	90	1,910	46
Treatment	12,800	8,623	4,177	9,278
Telephone and Utilities	20,000	26,343	(6,343)	25,325
Other Operating Expenses	3,800	7,988	(4,188)	3,358
Other Capital Outlay	100,000	21,256	78,744	130,487
Total Expenditures	368,476	275,371	93,105	382,333
Operating Income (Loss)	81,404	156,569	75,165	39,473
Other Income (Expense)				
Other Revenue	250	-	(250)	-
Debt Service	(90,800)	(71,226)	19,574	(71,226)
Total Other Income (Expense)	(90,550)	(71,226)	19,324	(71,226)
Net Income (Loss) before Transfers	(9,146)	85,343	94,489	(31,753)
Contributed Capital				
Plant Investment Fees	5,500	12,480	6,980	10,480
Intergovernmental Revenue	15,000	68,406	53,406	4,641
Total Contributed Capital	20,500	80,886	60,386	15,121
Change in Net Position (Budget Basis)	$ 11,354	166,229	$ 154,875	(16,632)
Budget to GAAP Reconciliation				
Principal Paid		63,823		61,372
Depreciation Expense		(186,839)		(186,839)
Capital Outlay		16,426		111,858
Change in Net Position - GAAP Basis		59,639		(30,241)
Net Position, Beginning		5,650,670		5,680,911
Net Position, Ending		$ 5,710,309		$ 5,650,670

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Sewer Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			
	Final Budget	Actual	Variance with Final Budget	2020 Actual
Operating Revenues				
Utility Charges	$ 365,614	$ 366,267	$ 653	$ 336,542
Other Charges for Services	450	1,102	652	1,449
Total Revenues	366,064	367,369	1,305	337,991
Operating Expenses				
Management Fees	48,947	54,726	(5,779)	57,903
Personnel Services	130,276	115,287	14,989	117,195
Insurance	8,112	7,997	115	7,400
Operating Supplies	6,000	4,345	1,655	7,313
Professional Fees	5,000	39,222	(34,222)	715
Repairs and Maintenance	5,500	6,343	(843)	879
Travel and Training	500	-	500	-
Treatment	11,000	16,142	(5,142)	16,721
Telephone and Utilities	27,500	31,623	(4,123)	29,307
Other Operating Expenses	500	90	410	208
Other Capital Outlay	25,000	24,751	249	500
Total Expenditures	268,335	300,526	(32,191)	238,141
Operating Income (Loss)	97,729	66,843	(30,886)	99,850
Other Income (Expense)				
Investment Earnings	50	17	(33)	43
Other Revenue	8,750	-	(8,750)	-
Debt Service	(1,174,635)	(1,093,337)	81,298	(66,315)
Total Other Income (Expense)	(1,165,835)	(1,093,320)	72,515	(66,272)
Net Income (Loss) before Transfers	(1,068,106)	(1,026,477)	41,629	33,578
Contributed Capital				
Plant Investment Fees	5,500	12,980	7,480	10,480
Debt Proceeds	1,116,135	1,019,787	(96,348)	-
Total Contributed Capital	1,121,635	1,032,767	(88,868)	10,480
Change in Net Position (Budget Basis)	$ 53,529	6,290	$ (47,239)	44,058
Budget to GAAP Reconciliation				
Debt Proceeds		(1,019,787)		-
Principal Paid		1,058,440		23,108
Depreciation Expense		(129,758)		(129,378)
Capital Outlay		22,751		-
Change in Net Position - GAAP Basis		(62,064)		(62,212)
Net Position, Beginning		3,727,812		3,790,024
Net Position, Ending		$ 3,665,748		$ 3,727,812

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
Trash Fund
FOR THE YEAR ENDED DECEMBER 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Final Budget	Actual	Variance with Final Budget	Actual
Operating Revenues				
Utility Charges	$ 149,221	$ 143,748	$ (5,473)	$ 137,132
Operating Expenses				
Management Fees	3,348	4,908	(1,560)	5,281
Personnel Services	7,592	6,964	628	7,602
Professional Fees	146,955	144,064	2,891	132,881
Other Operating Expenses	-	570	(570)	243
Total Expenditures	157,895	156,506	1,389	146,007
Net Income (Loss) before Transfers	(8,674)	(12,758)	(4,084)	(8,875)
Transfers				
Transfers In/(Out)	13,600	-	(13,600)	5,900
Change in Net Position (Budget Basis)	$ 4,926	(12,758)	$ (17,684)	(2,975)
Net Position, Beginning		130		3,105
Net Position, Ending		$ (12,628)		$ 130

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Oak Creek
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		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:	50,519
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,902	b. Snow and ice removal	50,519
3. Other local imposts (from page 2)	157,841	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	50,519
5. Transfers from toll facilities		4. General administration & miscellaneous	12,972
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	80,437
a. Bonds - Original Issues		6. Total (1 through 5)	194,447
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)	159,743	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	34,704	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	194,447	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)	194,447

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
	194,447	194,447		0

Notes and Comments:

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	150,334	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	7,507	g. Other Misc. Receipts	
6. Total (1. through 5.)	157,841	h. Other	
c. Total (a. + b.)	157,841	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	30,369	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	4,335	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,335	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	34,704	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
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			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:

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