City of Wray, Colorado

Financial Statements

For the Year ended December 31, 2021

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Independent Auditors' Report

To the Honorable Mayor and Members of City Council
City of Wray
Wray, Colorado

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, the local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 other supplementary information, the local highway finance report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 7, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Wray, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2021.

FINANCIAL HIGHLIGHTS

- The City of Wray remains in good financial condition.
- The assets and deferred outflows of resources of the City of Wray exceeded its liabilities and deferred inflows of resources at the close of 2021 by $27,602,951 (net position).
- The City's total net position increased by $398,561.
- During the year, the City's revenue from taxes and other revenues for governmental programs were less than the expenses by $1,097,528.
- The General Fund ending fund balance reached $417,358, a decrease of $349,277.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Wray's basic financial statements. The City of Wray's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

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

The **statement of activities** presents information showing how the City of Wray's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities**. Most of the City' basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities**. The City charges fees to customers to recover most of the costs of certain services provided. The City's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law; however, City Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust Fund). All of the funds of the City of Wray can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

Proprietary funds. When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statements can be found starting on page 32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wray, assets exceed liabilities by $27,602,951 at the close of 2021.

Net Position

Combined net position of the City of Wray as of December 31, 2021 and 2020 are shown in Table 1 below.

Table 1
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 1,750,497	$ 1,681,482	$ 5,365,286	$ 7,331,338	$ 7,115,783	$ 9,012,820
Capital assets	13,755,049	14,619,024	14,744,263	12,593,178	28,499,312	27,212,202
Total assets	15,505,546	16,300,506	20,109,549	19,924,516	35,615,095	36,225,022
Deferred outflows of resources	617,292	416,483	161,104	87,885	778,396	504,368
Total assets and deferred outflows of resources	$ 16,122,838	$ 16,716,989	$ 20,270,653	$ 20,012,401	$ 36,393,491	$ 36,729,390
Long-term debt outstanding	$ 1,351,668	$ 1,679,946	$ 4,465,152	$ 4,750,742	$ 5,816,820	$ 6,430,688
Other liabilities	375,063	86,818	592,837	1,722,285	967,900	1,809,103
Total liabilities	1,726,731	1,766,764	5,057,989	6,473,027	6,784,720	8,239,791
Deferred inflows of resources	1,650,086	1,106,676	355,734	178,533	2,005,820	1,285,209
Net position:						
Net investment in capital assets	13,755,049	14,619,024	10,472,027	9,360,694	24,227,076	23,979,718
Restricted	405,077	325,164	10,000	175,804	415,077	500,968
Unrestricted (deficit)	(1,414,105)	(1,100,639)	4,374,903	3,824,343	2,960,798	2,723,704
Total net position	12,746,021	13,843,549	14,856,930	13,360,841	27,602,951	27,204,390
Total liabilities and net position	$ 16,122,838	$ 16,716,989	$ 20,270,653	$ 20,012,401	$ 36,393,491	$ 36,729,390

The largest portion of the City of Wray's net position reflects its investment in capital assets (land, buildings and equipment). The City of Wray uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. In addition, a portion of the City of Wray's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

The City's total revenue of $7,950,602 was more than program expenses of $7,552,041 for an increase in net position of $398,561.

Table 2 shows the summarized revenues and expenses for 2021 and 2020.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	$ 402,294	$ 292,942	$ 3,947,135	$ 3,969,621	$ 4,349,429	$ 4,262,563
Operating grants and contributions	229,606	287,440	-	-	229,606	287,440
Capital grants and contributions	19,039	389,459	1,035,030	1,191,745	1,054,069	1,581,204
General revenues						
Property taxes	411,951	406,201	-	-	411,951	406,201
Sales and use taxes	1,449,963	1,318,814	-	-	1,449,963	1,318,814
Specific ownership taxes	44,146	43,624	-	-	44,146	43,625
Franchise taxes	23,862	24,450	-	-	23,862	24,450
Severance taxes	7,423	14,975	-	-	7,423	14,975
Lodging taxes	53,150	51,667	-	-	53,150	51,667
Interest earnings	8,443	16,085	71,683	56,486	80,126	72,571
Miscellaneous	30,901	14,224	52,074	61,178	82,975	75,402
Sale of assets	151,902	48,101	-	39,711	151,902	87,812
Capital contributions	12,000	-	-	-	12,000	-
Transfers	350,000	650,000	(350,000)	(650,000)	-	-
Total revenues	3,194,680	3,557,983	4,755,922	4,668,741	7,950,602	8,226,724
Program expenses						
General government	677,973	627,143	-	-	677,973	627,143
Public safety	1,581,901	1,481,892	-	-	1,581,901	1,481,892
Public works	1,193,580	882,700	-	-	1,193,580	882,700
Culture and recreation	838,754	885,324	-	-	838,754	885,324
Interest and fiscal charges	-	49	-	-	-	49
Electric services	-	-	2,036,045	2,058,031	2,036,045	2,058,031
Water services	-	-	356,382	276,478	356,382	276,478
Sewer services	-	-	510,088	570,327	510,088	570,327
Sanitation services	-	-	357,318	346,463	357,318	346,463
Total expenses	3,259,833	3,877,108	3,259,833	3,251,299	7,552,041	7,128,407
Change in net position	(1,097,528)	(319,125)	1,496,089	1,417,442	398,561	1,098,317
Net position at beginning of year	13,843,549	14,162,674	13,360,841	11,943,399	27,204,390	26,106,073
Net position at end of year	$12,746,021	$ 13,843,549	$ 14,856,930	$ 13,360,841	$ 27,602,951	$ 27,204,390

Governmental Activities

Revenue for the City's governmental activities totaled $3,194,680 for 2021. Tax revenue produced 62% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes, severance taxes and lodging taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2021	2020	2021	2020
General government	$ 677,973	$ 627,143	$ 650,843	$ 557,391
Public safety	1,581,901	1,481,892	1,308,422	1,165,568
Public works	1,193,580	882,700	1,015,414	417,886
Culture and recreation	838,754	885,324	666,590	766,373

Table 3 presents the cost and revenue of each of the City's four largest programs – general government, public safety, public works, and culture recreation – as well as each program's *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Business-type Activities

Net position in the business-type activities increased by $1,496,089 in 2021. Business-type activities include electric, water, sewer and sanitation services.

Table 4
BUSINESS-TYPE ACTIVITIES

	Total cost of services		Net cost of services	
	2021	2020	2021	2020
Electric services	$ 2,036,045	$ 2,058,031	$ (779,404)	$ (768,177)
Water services	356,382	276,478	(1,094,193)	(1,338,538)
Sewer services	510,088	570,327	122,949	182,757
Sanitation services	357,318	346,463	28,316	13,891

Table 4, above, presents the cost and revenue of each of the City's business-type activities – electric, water, sewer, and sanitation – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of $846,455. The general fund and other governmental funds reported fund balances of $417,358, and $429,097 respectively.

CAPITAL ASSETS AND DEBT ADMINSTRATION

Capital Assets. The City of Wray's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to $28,499,312 (net of accumulated depreciation). This amount includes a broad range of capital assets; including public works equipment, electric, water, sewer, sanitation and other infrastructure.

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 1,581,135	$ 1,581,135	$ 483,661	$ 78,402	$ 2,064,796	$ 1,659,537
Other non-depreciable assets	464,189	411,235	352,000	4,381,713	816,189	4,792,948
Infrastructure	1,031,154	1,083,679	-	-	1,031,154	1,083,679
Land Improvements	6,345,617	7,045,739	-	-	6,345,617	7,045,739
Buildings and improvements	3,916,349	4,071,168	89,900	89,131	4,006,249	4,160,299
Vehicles	169,045	139,508	104,720	141,143	273,765	280,651
Machinery and equipment	247,560	286,560	239,046	295,626	486,606	582,186
Systems	-	-	13,474,936	7,607,163	13,474,936	7,607,163
Total	$ 13,755,049	$ 14,619,024	$ 14,744,263	$ 12,593,178	$ 28,499,312	$ 27,212,202

Long-term debt. The City had $4,272,236 in debt outstanding at year-end consisting of notes payable. More detailed information about the City's long-term debt is presented in Table 6 and Note F to the financial statements.

Table 6
LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes payable	$ -	$ -	$ 4,272,236	$ 4,397,707	$ 4,272,236	$ 4,397,707

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Wray provides products and services to the businesses, residents and visitors of Wray, Colorado: General Administrative services, Public Safety, Public Works, and Cultural and Recreational activities. General administrative functions include financial management and accounting in addition to customer billing for municipal services along with cash investment and fiduciary responsibility. Public Safety includes ambulance and emergent care, fire protection and response, as well as police enforcement to ensure public compliance to statutes and ordinances stipulated by the State of Colorado and by City Charter and City Ordinance.

The City of Wray also maintains all of the city's parks, ball fields, streets, and public buildings. The city provides local residents and surrounding community and its visitor's access to the municipal airport, parks, bike and walk paths, golf course, museum, library, swimming pool, and a variety of city recreational programs. The city also works cooperatively with community service groups in sponsoring and facilitating local activities and events for the community during the year.

User fees are collected from the swimming pool, museum, and other cultural and recreational programs provided by the city; fines are collected from state law and city ordinance enforcement. However, user fees for cultural and recreational programs cover only a small fraction of the cost to provide these services. Therefore, primary conventional forms of revenue used to offset these General Fund expenditures come from taxes on retail sales, property, auto, highway use, severance, cigarette, lodging, and road and bridge. Franchise fees are collected from cable, phone, and natural gas providers. Fees are also collected from public safety services such as ambulance and emergent care.

The City of Wray also receives donations to the various departments (library, ambulance, police, public works, etc.), but still does not receive sufficient revenues to offset the annual cost inherent in the quality of services and programs contained in the General Fund and provided by the local government. Therefore, each year funds are transferred from the enterprise departments – specifically the light and water enterprises- to help balance the general fund budget and help deliver all the services and cultural and recreational programs that enhance the quality of living in the city.

The City of Wray is involved in four enterprises- the sale and delivery of electricity, water, wastewater collection and treatment, plus solid waste collection. Commodity sales and delivery charges are billed and collected for electricity and water and service fees are charged for providing wastewater service in addition to collection of solid waste or trash.

The City of Wray also pursues and secures grants for infrastructure enhancements from both state and federal sources. The City's airport, parks, pool, ball fields, streets, water and wastewater systems have all benefited from aggressive grant applications and subsequent awards leveraged with local and municipal funding matches.

2022 Budgetary Important Features and Major Projects

The 2022 Budget for the City of Wray includes these *important features*:

1. The design and engineering phase of a City Complex in the amount of $477,000 is included in the 2022 budget. A DOLA Energy Impact Assistance Fund grant in the amount of $200,000 is included.
2. An Outdoor Library project to be constructed on the current Cedardale property is included. The project total is estimated at $1,116,200 and includes securing $916,200 of grant funding from multiple sources. The project costs include the abatement and razing of the Cedardale building.
3. The renovation of the airport terminal and lounge in the amount of $25,000. The purchase of a Police cruiser in the amount of $60,000 is included. A grant request in the amount of $30,000 and transfer from Police Special Fund of $30,000 is included to fund the capital purchase.
4. The replacement of boilers at the Wray Aquatic Center in the amount of $140,000 with $60,000 use of Pool Funds and $80,000 of grants or donations.
5. A Multi-Modal Opportunity Fund grant from CDOT is included in the 2022 budget with a total project amount of $485,521. The local match is 20% and includes the replacement of curb, gutter, and sidewalk along SH 34 and Yuma County Court House.
6. The expansion of utility infrastructure and curb and gutter in the East Industrial Park in the amount of $364,392 utilizing a 50/50 Rural Economic Development Initiative Grant.
7. Park improvements in the amount of $165,000 including Baker Field, softball, and tee ball field improvements are included in the 2022 budget. The projects are contingent on securing grant funding and utilizing conservation trust fund dollars and KBT as the City match.
8. The 2021 budget includes funds to complete a needs assessment through the design of a City Complex in the amount of $400,000.
9. The installation of an EV Charging Station pending successful grant application for a total of $60,000.

Many of the General Fund capital projects in the $10,000 to $100,000 range are often presented by the City Manager to the Kitzmiller-Bales Trust (KBT). KBT is a local trust that was endowed by a wealthy teacher in the community many years ago. KBT helps fund School capital projects, City Parks and Recreation projects, ambulance replacement purchases, Fire Hall expansions, broadband/fiber and a host of other opportunities.

Including grant projects and department expenses, the proposed 2022 General fund expense totals $6,747,021 which exceeds projected revenue and fund cash reserves without transferring funds from the Enterprise Departments. Contributions into the Airport, Library, Fire, Museum, Police, Street, Recreation, and Ambulance departments are anticipated and part of the budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact City of Wray, 245 West 4th Street, P.O. Box 35, Wray, Colorado 80758.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

CITY OF WRAY, COLORADO
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 357,640		$ 357,640
Cash with county treasurer	4,813		4,813
Cash with fiscal agent		$ 107,875	107,875
Certificates of deposit	165,070	4,647,623	4,812,693
Receivables	774,261	629,545	1,403,806
Internal balances	376,278	(364,839)	11,439
Inventory		345,082	345,082
Net pension asset	72,435		72,435
Capital assets, net of depreciation	13,755,049	14,744,263	28,499,312
Total assets	15,505,546	20,109,549	35,615,095
Deferred outflows of resources			
Pension deferrals	600,370	154,940	755,310
Other post-employment benefit deferrals	16,922	6,164	23,086
Total deferred outflows of resources	617,292	161,104	778,396
Total assets and deferred outflows of resources	$ 16,122,838	$ 20,270,653	$ 36,393,491

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

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Checks outstanding in excess of cash in bank		$ 27,147	$ 27,147
Accounts payable	$ 29,051	172,342	201,393
Accrued salaries and benefits	32,807	14,413	47,220
Unearned grant revenues	313,205	97,875	411,080
Customer deposits		110,416	110,416
Accrued interest payable		9,581	9,581
Current portion of notes payable		161,063	161,063
Total current liabilities	375,063	592,837	967,900
Long-term liabilities			
Notes payable		4,111,173	4,111,173
Net pension liability	1,234,085	310,781	1,544,866
Net OPEB liability	117,583	43,198	160,781
Total long-term liabilities	1,351,668	4,465,152	5,816,820
Total liabilities	1,726,731	5,057,989	6,784,720
Deferred inflows of resources			
Deferred property tax revenues	440,811		440,811
Pension deferrals	1,167,676	340,468	1,508,144
Other post-employment benefit deferrals	41,599	15,266	56,865
Total deferred inflows of resources	1,650,086	355,734	2,005,820
Net position			
Net investment in capital assets	13,755,049	10,472,027	24,227,076
Restricted for:			
Emergencies	94,000		94,000
Culture and recreation	238,642		238,642
Pensions	72,435		72,435
Water project		10,000	10,000
Unrestricted (deficit)	(1,414,105)	4,374,903	2,960,798
Total net position	12,746,021	14,856,930	27,602,951
Total liabilities, deferred inflows of resources and net position	$ 16,122,838	$ 20,270,653	$ 36,393,491

CITY OF WRAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	$ 677,973	$ 27,130		
Public safety	1,581,901	244,001	$ 29,478	
Public works	1,193,580	37,536	140,630	
Culture and recreation	838,754	93,627	59,498	$ 19,039
Total governmental activities	4,292,208	402,294	229,606	19,039
Business-type activities				
Electric services	2,036,045	2,815,449		
Water services	356,382	415,545		1,035,030
Sewer services	510,088	387,139		
Sanitation services	357,318	329,002		
Total business-type activities	3,259,833	3,947,135	-	1,035,030
Total	$ 7,552,041	$ 4,349,429	$ 229,606	$ 1,054,069
General revenues, capital contributions and transfers				
Taxes				
Property taxes, levied for general purposes				
Sales and use taxes				
Specific ownership taxes				
Franchise taxes				
Severance taxes				
Lodging taxes				
Unrestricted interest on investments				
Miscellaneous				
Sale of assets				
Capital contributions				
Transfers				
Total general revenues, capital contributions and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (650,843)		$ (650,843)
(1,308,422)		(1,308,422)
(1,015,414)		(1,015,414)
(666,590)		(666,590)
(3,641,269)	$ -	(3,641,269)
	779,404	779,404
	1,094,193	1,094,193
	(122,949)	(122,949)
	(28,316)	(28,316)
-	1,722,332	1,722,332
(3,641,269)	1,722,332	(1,918,937)
411,951		411,951
1,449,963		1,449,963
44,146		44,146
23,862		23,862
7,423		7,423
53,150		53,150
8,443	71,683	80,126
30,901	52,074	82,975
151,902		151,902
12,000		12,000
350,000	(350,000)	-
2,543,741	(226,243)	2,317,498
(1,097,528)	1,496,089	398,561
13,843,549	13,360,841	27,204,390
$ 12,746,021	$ 14,856,930	$ 27,602,951

CITY OF WRAY, COLORADO
Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Other Governmental Funds	Total
Assets			
Cash	$ 829	$ 356,811	$ 357,640
Cash with county treasurer	4,813		4,813
Certificates of deposit	165,070		165,070
Property taxes receivable	440,811		440,811
Accounts receivable	316,837	880	317,717
Due from other funds	304,872	71,424	376,296
Total assets	$ 1,233,232	$ 429,115	$ 1,662,347
Liabilities			
Accounts payable	$ 29,051		$ 29,051
Due to other funds		$ 18	18
Accrued salaries and benefits	32,807		32,807
Unearned grant revenues	313,205		313,205
Total liabilities	375,063	18	375,081
Deferred inflows of resources			
Deferred property tax revenues	440,811		440,811
Total deferred inflows of resources	440,811	-	440,811
Fund balance			
Restricted for:			
Emergencies	94,000		94,000
Culture and recreation		238,642	238,642
Committed for:			
Airport services		181,784	181,784
Youth activities		8,671	8,671
Assigned for:			
Special police fund	36,788		36,788
Equipment reserve fund	69,283		69,283
Unassigned	217,287		217,287
Total fund balance	417,358	429,097	846,455
Total liabilities, deferred inflows of resources and fund balance	$ 1,233,232	$ 429,115	$ 1,662,347

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

CITY OF WRAY, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 846,455
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	13,755,049
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.	15,733
Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	689,727
Long-term liabilities and related deferred inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,560,943)
Net position of the governmental activities	$ 12,746,021

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

CITY OF WRAY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	$ 1,991,906		$ 1,991,906
Licenses and permits	12,113		12,113
Intergovernmental	193,105	$ 32,614	225,719
Fines and forfeitures	9,374		9,374
Charges for services	365,224	24,502	389,726
Miscellaneous	54,668	6,191	60,859
Total revenues	2,626,390	63,307	2,689,697
Expenditures			
Current			
General government	667,509		667,509
Public safety	1,533,105		1,533,105
Public works	603,695		603,695
Culture and recreation	679,189		679,189
Total expenditures	3,483,498	-	3,483,498
Excess of revenues over (under) expenditures	(857,108)	63,307	(793,801)
Other financing sources (uses)			
Sale of assets	151,902		151,902
Transfers in	355,929		355,929
Transfers out		(5,929)	(5,929)
Total other financing sources (uses)	507,831	(5,929)	501,902
Net change in fund balance	(349,277)	57,378	(291,899)
Fund balance at beginning of year	766,635	371,719	1,138,354
Fund balance at end of year	$ 417,358	$ 429,097	$ 846,455

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

CITY OF WRAY, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance - governmental funds	$ (291,899)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(863,975)
Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	(8,919)
Pension and OPEB income (expense) at the fund level represents cash contributions to the plan. For the activity level presentation, the amount represent the actuarial cost of the benefits for the fiscal year.	67,265
Change in net position of governmental activities	$ (1,097,528)

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

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Assets				
Current assets				
Cash with fiscal agent		$ 107,875		
Certificates of deposit	$ 3,006,320	754,311	$ 295,260	$ 591,732
Due from other funds	150,000	25,843	561,622	
Accounts receivable	316,621	32,800	43,069	32,587
Grants receivable		204,468		
Inventory	274,070	58,891	4,404	7,717
Total current assets	3,747,011	1,184,188	904,355	632,036
Noncurrent assets				
Capital assets, net of depreciation	1,309,274	7,668,683	5,610,771	155,535
Total noncurrent assets	1,309,274	7,668,683	5,610,771	155,535
Deferred outflows of resources				
Pension deferrals	84,294	11,100	26,068	33,478
Other post-employment benefit deferrals	3,353	448	1,019	1,344
Total deferred outflows of resources	87,647	11,548	27,087	34,822
Total assets and deferred outflows of resources	$ 5,143,932	$ 8,864,419	$ 6,542,213	$ 822,393

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

Total
$ 107,875
4,647,623
737,465
425,077
204,468
345,082
6,467,590
14,744,263
14,744,263
154,940
6,164
161,104
$ 21,372,957

(continued)

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			
(continued)	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Liabilities				
Current liabilities				
Checks outstanding in excess of cash in bank	$ 27,147			
Accounts payable	168,356	$ 1,855	$ 320	$ 1,811
Customer deposits	110,171	245		
Due to other funds	759,487		150,000	192,817
Accrued salaries and benefits	9,022	838	2,007	2,546
Unearned grant revenue		97,875		
Accrued interest payable		7,382	2,199	
Current portion of note payable		81,958	79,105	
Total current liabilities	1,074,183	190,153	233,631	197,174
Long-term liabilities				
Note payable		2,870,891	1,240,282	
Net pension liability	169,096	22,260	52,255	67,170
Net OPEB liability	23,504	3,094	7,264	9,336
Total long-term liabilities	192,600	2,896,245	1,299,801	76,506
Total liabilities	1,266,783	3,086,398	1,533,432	273,680
Deferred inflows of resources				
Pension deferrals	185,280	23,677	58,170	73,341
Other post-employment benefit deferrals	8,300	1,103	2,523	3,340
Total deferred inflows of resources	193,580	24,780	60,693	76,681
Net position				
Net investment in capital assets	1,309,274	4,715,834	4,291,384	155,535
Restricted for water project		10,000		
Unrestricted	2,374,295	1,027,407	656,704	316,497
Total net position	3,683,569	5,753,241	4,948,088	472,032
Total liabilities, deferred inflows of resources and net position	$ 5,143,932	$ 8,864,419	$ 6,542,213	$ 822,393

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

Total
$ 27,147
172,342
110,416
1,102,304
14,413
97,875
9,581
161,063
1,695,141
4,111,173
310,781
43,198
4,465,152
6,160,293
340,468
15,266
355,734
10,472,027
10,000
4,374,903
14,856,930
$ 21,372,957

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Operating revenues				
Charges for services	$ 2,815,449	$ 415,545	$ 387,139	$ 329,002
Operating expenses				
Systems operation				
Salaries	135,318	40,300	99,114	123,609
Employee benefits	64,576	17,081	50,195	82,072
Electricity purchases	1,312,835			
Power purchases		55,042	65,865	
Supplies	9,604	6,924	4,259	9,050
Chemicals		8,083	9,512	
Repairs and maintenance	56,049	53,102	3,423	14,836
Vehicle expense	6,019	776	3,037	18,912
Professional services	9,640	18,658	17,972	
Training	3,372	2,090		
Landfill expense				62,263
Bad debts	81			
Water fees		17,137		
Depreciation and amortization	88,025	104,880	248,786	49,960
Total systems operation	1,685,519	324,073	502,163	360,702
Administrative and general				
Salaries	182,995			
Employee benefits	118,274			
Supplies	15,404			
Repairs and maintenance	22,080			
Training	1,406			
Professional services	11,308			
Lease expense	6,377			
Publications	2,848			
Total administrative and general	360,692	-	-	-
Total operating expenses	2,046,211	324,073	502,163	360,702
Operating income (loss)	769,238	91,472	(115,024)	(31,700)

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

Total
$ 3,947,135
398,341
213,924
1,312,835
120,907
29,837
17,595
127,410
28,744
46,270
5,462
62,263
81
17,137
491,651
2,872,457
182,995
118,274
15,404
22,080
1,406
11,308
6,377
2,848
360,692
3,233,149
713,986

(continued)

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Nonoperating revenues (expenses)				
Interest on investments	37,516	15,591	6,634	11,942
Miscellaneous revenues	24,758	19,974		7,342
Grant revenues		1,035,030		
Pension expense	10,166	1,273	5,723	3,384
Interest and fiscal charges		(33,582)	(13,648)	
Total nonoperating revenues (expenses)	72,440	1,038,286	(1,291)	22,668
Income (loss) before transfers	841,678	1,129,758	(116,315)	(9,032)
Transfers out	(350,000)			
Change in net position	491,678	1,129,758	(116,315)	(9,032)
Net position at beginning of year	3,191,891	4,623,483	5,064,403	481,064
Net position at end of year	$ 3,683,569	$ 5,753,241	$ 4,948,088	$ 472,032

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

Total
71,683
52,074
1,035,030
20,546
(47,230)
1,132,103
1,846,089
(350,000)
1,496,089
13,360,841
$ 14,856,930

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Cash flows from operating activities				
Receipts from customers	$ 2,790,387	$ 415,650	$ 386,919	$ 330,854
Internal activity - receipts from (payments to) other funds	360,799	563,303	(74,527)	27,359
Payments to suppliers	(1,618,492)	(177,878)	(160,860)	(187,774)
Payments to employees	(314,570)	(40,135)	(98,750)	(122,936)
Net cash provided by operating activities	1,218,124	760,940	52,782	47,503
Cash flows from noncapital financing activities				
Miscellaneous revenues	24,758	19,974		7,342
Transfers out	(350,000)			
Net cash provided (used) by noncapital financing activities	(325,242)	19,974	-	7,342
Cash flows from capital and related financing activities				
Grant proceeds		1,232,916		
Purchase of capital assets	(421,927)	(3,423,388)		
Principal paid on capital debt		(47,151)	(78,320)	
Interest and fiscal charges		(26,200)	(13,782)	
Net cash (used) by capital and related financing activities	(421,927)	(2,263,823)	(92,102)	-
Cash flows from investing activities				
Sale of investments and certificates		118,456		
Purchase of investments and certificates	(470,955)	(69,434)	(63,839)	(54,845)
Net cash provided (used) by investing activities	(470,955)	49,022	(63,839)	(54,845)

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

Total
$ 3,923,810
876,934
(2,145,004)
(576,391)
2,079,349
52,074
(350,000)
(297,926)
1,232,916
(3,845,315)
(125,471)
(39,982)
(2,777,852)
118,456
(659,073)
(540,617)

(continued)

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Net change in cash and cash equivalents	-	(1,433,887)	(103,159)	-
Cash and cash equivalents at beginning of year	-	1,541,762	103,159	-
Cash and cash equivalents at end of year	$ -	$ 107,875	$ -	$ -
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 769,238	$ 91,472	$ (115,024)	$ (31,700)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	88,025	104,880	248,786	49,960
Change in assets and liabilities				
Due from other funds	25,000	563,303	(49,527)	
Receivables	(14,968)	205	(220)	1,852
Inventory	(22,100)	2,471	(992)	241
Checks outstanding in excess of cash in bank	27,147			
Accounts payable	16,334	(1,456)	(5,605)	(882)
Due to other funds	335,799		(25,000)	27,359
Accrued salaries and benefits	3,743	165	364	673
Customer deposits	(10,094)	(100)		
Net cash provided by operating activities	$ 1,218,124	$ 760,940	$ 52,782	$ 47,503

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

Total
(1,537,046)
1,644,921
$ 107,875
$ 713,986
491,651
538,776
(13,131)
(20,380)
27,147
8,391
338,158
4,945
(10,194)
$ 2,079,349

CITY OF WRAY, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Pension (and Other Employee Benefit) Trust Funds
Assets	
Cash	$ 35,864
Certificate of deposit	134,582
Total assets	$ 170,446
Liabilities	
Due to other funds	$ 11,439
Net position	
Restricted for pension benefits	159,007
Total liabilities and net position	$ 170,446

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

CITY OF WRAY, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Pension (and Other Employee Benefit) Trust Funds
Additions	
Contributions	
Employer	$ 19,338
State	9,530
Specific ownership tax	4,363
Donations	10,000
Total contributions	43,231
Investment income	
Interest on investments	2,169
Total investment income	2,169
Total additions	45,400
Deductions	
Pension benefits	25,200
Professional services	4,000
Total deductions	29,200
Change in net position	16,200
Net position at beginning of year	142,807
Net position at end of year	$ 159,007

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

Note A – Summary of significant accounting policies

This summary of the City of Wray's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the City's accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The City has examined other entities that could be included as defined in numbers 2 and 3 above. Based on these criteria, the City has no component units.

A.2 – Fund accounting

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the City's major governmental fund:

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the City. It is used to account for most of the day-to-day operations of the City which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the City, except for activities of the enterprise funds.

The following are the City's nonmajor governmental funds:

Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major proprietary funds:

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the City.

Water Fund – This fund was established to account for all operations of the water utility services provided by the City.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.

Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the City's own programs. The City has one pension (and other employee benefit) trust fund.

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund financial statements – Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Note A – Summary of significant accounting policies (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds focus on net position and are reported using accounting principles similar to proprietary funds. The City's fiduciary funds are presented in the fiduciary fund financial statements by fund type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the City, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Property taxes, sales taxes, franchise taxes, licenses 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.

Note A – Summary of significant accounting policies (Continued)

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

The City does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

For the purposes of the statement of cash flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

Note A – Summary of significant accounting policies (Continued)

A.8 – Receivables

Monthly charges for electric, water, sewer, sanitation and street services are included with monthly utility billings. All receivables are reported net of estimated uncollectible accounts. An allowance for doubtful accounts has been established in the Electric Fund, Water Fund, Sewer Fund and Sanitation Fund in the amount of $40,891, $5,405, $6,595 and $6,517, respectively, based on management's review of billings.

A.9 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

A.10 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets, other than equipment, with a unit cost greater than $5,000 and an estimated useful life in excess of two years are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Equipment with a unit cost greater than $3,000 with an estimated useful life of greater than two years are capitalized by the City. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

Note A – Summary of significant accounting policies (Continued)

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-type Activities
Land improvements	15 years	15 years
Distribution systems	10-50 years	10-50 years
Buildings & Improvements	20-40 years	20-40 years
Machinery and equipment	3-10 years	3-10 years
Vehicles	5 years	5 years
Street improvements	5 years	5 years

A.11 – Compensated absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." In recognition of the varying work schedules of city employees and each employee's diverse needs for time away from work, the City provides a general leave policy for its employees. Paid time off shall be accrued by regular employees and is determined by the work period that each employee is scheduled.

Vacation leave

Full-time employees are entitled to varying hours of vacation leave depending on the number of years of eligible service, up to 160 hours per year after completing 15 years of eligible service. Upon termination of employment, employees will be paid for any unused vacation time that has not been taken through the last day of work. In the event that available vacation leave is not used by the end of the benefit year, employees will forfeit the unused amounts. As such, no amount is reported in the financial statements.

Sick leave

Full-time employees are entitled to 80 hours of sick leave annually, with accumulations up to 480 hours after completing 10 years of eligible service. Sick leave benefits are intended solely to provide income protection in the event of illness or injury. Upon termination of employment, employees will not be paid for any unused sick leave time.

A.12 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

A.14 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are service charges for electric, water, sewer and sanitation utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.15 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City council and that are either unusual in nature or infrequent in occurrence. The City had no transactions that qualify as extraordinary or special items during the year.

A.17 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, an

Unassigned fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the City council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

Note A – Summary of significant accounting policies (Continued)

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note B – Cash and investments

Cash and deposits – Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of $5,811,387, of which $500,000 was insured and $5,311,387 was collateralized with securities held by the pledging institution's trust department or agent in the City's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the City's own investment policies and procedures. Investments of the City may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States 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

At year-end, the City did not have any investments.

Note C – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	Interfund Receivables	Interfund Payables
Governmental funds		
General Fund	$ 304,872	$ -
Electric Fund	150,000	759,487
Water Fund	25,843	-
Sewer Fund	561,622	150,000
Sanitation Fund	-	192,817
Other Governmental Funds	71,424	18
Fiduciary Fund	-	11,439
Total	$ 1,113,761	$ 1,113,761

The balance of $150,000 advanced to the Sewer Fund from the Electric Fund resulted from a loan made to provide financing resources for the wastewater facility improvements. All remaining balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers In	Transfers Out	Amount
General Fund	Electric Fund	$ 350,000
General Fund	Other Governmental Funds	5,929
Totals		$ 355,929

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from certain of the Proprietary Funds (Electric Fund) to provide support for various departments within the General Fund. Additionally, the City transferred $5,929 from the Other Governmental Funds to the General Fund to support youth programs.

Note D – Receivables

Receivables at year-end consist of the following:

	Governmental Activities	Business-type Activities	Total Receivables
Utility accounts	$ -	$ 425,077	$ 425,077
Property taxes	440,811	-	440,811
Accounts	333,450	-	333,450
Grants	-	204,468	204,468
Total	$ 774,261	$ 629,545	$ 1,403,806

Note D – Receivables (Continued)

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Yuma County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the City in the subsequent month.

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,581,135	$ -	$ -	$ 1,581,135
Collection of library books	395,235	-	-	395,235
Construction in progress	16,000	52,954	-	68,954
Total capital assets, not being depreciated	1,992,370	52,954	-	2,045,324
Capital assets, being depreciated:				
Infrastructure	2,837,978	-	-	2,837,978
Land improvements	12,277,023	-	-	12,277,023
Buildings and improvements	6,416,371	7,515	-	6,423,886
Vehicles	1,901,400	95,030	(66,690)	1,929,740
Machinery and equipment	2,335,384	75,834	(3,500)	2,407,718
Total capital assets, being depreciated	25,768,156	178,379	(70,190)	25,876,345
Total capital assets	27,760,526	231,333	(70,190)	27,921,669
Less accumulated depreciation for:				
Infrastructure	(1,754,299)	(52,525)	-	(1,806,824)
Land improvements	(5,231,284)	(700,122)	-	(5,931,406)
Buildings and improvements	(2,345,203)	(162,334)	-	(2,507,537)
Vehicles	(1,761,892)	(65,493)	66,690	(1,760,695)
Machinery and equipment	(2,048,824)	(114,834)	3,500	(2,160,158)
Total accumulated depreciation	(13,141,502)	(1,095,308)	70,190	(14,166,620)
Governmental activities capital assets, net	$ 14,619,024	$ (863,975)	$ -	$ 13,755,049

Note E – Capital assets (Continued)

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 78,402	$ 405,259	$ -	$ 483,661
Water rights	352,000	-	-	352,000
Construction in progress	4,029,713	2,220,809	(6,250,522)	-
Total capital assets, not being depreciated	4,460,115	2,626,068	(6,250,522)	835,661
Capital assets, being depreciated				
Distribution systems	12,705,152	10,068	6,250,522	18,965,742
Buildings and improvements	346,572	6,600	-	353,172
Vehicles	683,219	-	-	683,219
Machinery and equipment	1,036,892	-	-	1,036,892
Total capital assets, being depreciated	14,771,835	16,668	6,250,522	21,039,025
Total capital assets	19,231,950	2,642,736	-	21,874,686
Less accumulated depreciation for:				
Distribution systems	(5,097,989)	(392,817)	-	(5,490,806)
Building and improvements	(257,441)	(5,831)	-	(263,272)
Vehicles	(542,076)	(36,423)	-	(578,499)
Machinery and equipment	(741,266)	(56,580)	-	(797,846)
Total accumulated depreciation	(6,638,772)	(491,651)	-	(7,130,423)
Business-type activities capital assets, net	$ 12,593,178	$ 2,151,085	$ -	$ 14,744,263

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

Governmental activities	
General government	$ 49,109
Public safety	139,727
Public works	712,042
Culture and recreation	194,430
Total governmental activities	1,095,308

Note E – Capital assets (Continued)

Business-type activities	
Electric	88,025
Water	104,880
Sewer	248,786
Sanitation	49,960
Total business-type activities	491,651
Total depreciation expense	$ 1,586,959

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	Beginning Balances	Additions	Adjustments/ Reductions	Ending Balances	Due within one year
Business-type activities					
Notes payable	$ 4,397,707	$ -	$ (125,471)	$ 4,272,236	$ 161,063

Notes payable

CWRPDA Note payable – Sewer Fund – The City has entered into a $1,634,200 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated September 20, 2016, due in semi-annual installments ranging from $7,530 to $46,051, including interest, through 2037. The interest rate for the agreement is 1.000%.The agreement was entered into in order to facilitate the modification of the City's wastewater treatment facility.	$ 1,319,387
CWRPDA Note payable – Water Fund – The City has entered into a $3,000,000 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated February 13, 2020, due in semi-annual installments ranging from $10,379 to $62,972, including interest, through 2050. The interest rate for the agreement is 1.500%. The agreement was entered into to update underground water lines, storm drainage lines and storm inlets along Main Street.	2,952,849
Total	$ 4,272,236

Note F – Long-term debt (Continued)

The City's outstanding notes with CWRPDA in the amount of $4,272,236 are secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to withhold disbursement of loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

The following schedule represents the City's debt service requirements to maturity for the outstanding notes payable at year-end:

Year ended December 31,	Principal	Interest
2022	$ 161,063	$ 56,983
2023	163,090	54,956
2024	165,143	52,903
2025	167,224	50,822
2026	169,331	48,715
2027-2031	879,253	210,977
2032-2036	936,251	153,979
2037-2041	574,256	101,518
2042-2046	569,432	60,292
2047-2050	487,193	16,586
Total	$ 4,272,236	$ 807,731

Note G – Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was $200,803. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H – Pension Plans

The City is covered under five separate pension plans. In addition, employees may also make voluntary contributions to the LFDTF's voluntary investment program or FPPA's deferred compensation plan as discussed in Notes J and K, respectively.

Below is a summary of the deferred inflows/outflows, net pension assets and liabilities, and pension expense for the defined benefit plans.

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension Asset	Pension Expense
PERA - LGDTF	$ 576,626	$ 1,246,376	$ 1,156,699	$ -	$ 170,527
SWDB	128,138	129,100	-	72,435	6,350
City of Wray Volunteer Fire	50,546	132,668	388,167	-	13,291
Total	$ 755,310	$ 1,508,144	$ 1,544,866	$ 72,435	$ 190,168

The City's five retirement plans and related disclosures are as follows:

PERA – Local Government Division Trust Fund

Summary of significant accounting policies

Pensions. The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

Note H – Pension Plans (Continued)

General information about the pension plan

Plan description. Eligible employees of the City are provided with pensions through the LGDTF – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, 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. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

Note H – Pension Plans (Continued)

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. Section 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. Section 24-51.413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions as of December 31, 2021. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Employee contribution rates for the year are summarized in the table below:

Note H – Pension Plans (Continued)

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employee contribution (all employees other than State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers	10.75%	12.00%	12.00%	12.50%

** Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	10.00%	10.50%	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24.51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	**12.68%**	**13.18%**	**13.20%**	**13.20%**

** Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Note H – Pension Plans (Continued)

The employer contribution rates for State Troopers are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	13.10%	13.60%	13.60%	13.60%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	12.08%	12.58%	12.58%	12.58%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24.51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	**15.78%**	**16.28%**	**16.30%**	**16.30%**

** Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were $214,719 for the year ended December 31, 2021.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At year-end, the City reported a liability of $1,156,699 for its proportionate share of the net pension liability. The net pension liability for the LGDTF 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 December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

Note H – Pension Plans (Continued)

At December 31, 2020, the City's proportion was 0.2220 percent, which was an increase of .0049% from its proportion measured as of December 31, 2019.

For the year, the City recognized pension expense of $170,527. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 55,588	$ -
Changes of assumptions or other inputs	279,528	-
Net difference between projected and actual earnings on pension plan investments	-	1,242,413
Changes in proportion and differences between contributions recognized and proportionate share of contributions	26,791	3,963
Contributions subsequent to the measurement date	214,719	-
Total	$ 576,626	$ 1,246,376

$214,719 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. 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,	Amount
2022	$ (119,700)
2023	(148,234)
2024	(419,112)
2025	(197,423)
Totals	$ (884,469)

Note H – Pension Plans (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.25% annually
PERA benefit structure hired after 12/31/06; (ad hoc, substantively automatic)[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of those benefit tiers can never exceed available assets.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females**: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled employees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Note H – Pension Plans (Continued)

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20% – 11.30%
State Troopers [1]	3.20% – 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06; (ad hoc, substantively automatic)[2]	Financed by the AIR

[1] C.R.S. Section 24-51-101(46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

[2] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of those benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Note H – Pension Plans (Continued)

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based on the PubS-2010 Employee Table with generational projection using scale MP-2019,

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males**: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females**: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males**: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

- **Females**: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

Note H – Pension Plans (Continued)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives [1]	6.00%	4.70%
Total	**100.00%**	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

Note H – Pension Plans (Continued)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Note H – Pension Plans (Continued)

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 2,664,573	$ 1,156,699	$ (102,180)

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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 H – Pension Plans (Continued)

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://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. Benefits 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, returned 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.

Note H – Pension Plans (Continued)

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 by 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.

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 13.0 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 the 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 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 resolution.

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 member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the City during the year ended December 31, 2021 were $24,560.

Note H – Pension Plans (Continued)

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

At December 31, 2021 the City reported an asset of $72,435 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At December 31, 2020, the City's proportion was .0334 percent, which was a decrease of .0014 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of $6,350. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ -	$ 85,512
Changes in assumptions and other inputs	29,085	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,302	43,027
Difference between expected and actual experience	71,191	561
Contributions subsequent to measurement date	24,560	-
Totals	$ 128,138	$ 129,100

$24,560 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note H – Pension Plans (Continued)

Year Ended December 31,	Amount
2022	$ (19,984)
2023	(5,534)
2024	(15,688)
2025	(2,450)
2026	8,660
Thereafter	9,474
Totals	$ (25,522)

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 ended December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2021	January 1, 2020
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return, net*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

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.

Note H – Pension Plans (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income – Rates	10%	4.01%
Fixed Income – Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

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).

Note H – Pension Plans (Continued)

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

	1% Decrease (6.00%)	Current Discount (7.00)	1% Increase (8.00)
Proportionate share of the net pension liability (asset)	$ 72,894	$ (72,435)	$ (192,785)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

City of Wray Volunteer Fire Pension Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Wray Volunteer Fire Pension Plan and additions to/deductions from City of Wray Volunteer Fire Pension Plan's net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note H – Pension Plans (Continued)

General information about the pension plan

Plan description. The City's defined benefit pension plan, City of Wray Volunteer Fire Pension Plan, provides retirement and death benefits to plan members and beneficiaries for volunteer firefighters. The plan is a single-employer pension plan administered by the Pension Board. The Pension Board has the authority to establish and amend the benefit provisions of the plan.

Management of the City of Wray Volunteer Fire Pension Fund is vested in the local Pension Board, which consists of one council member, the city clerk, the fire chief, one retired volunteer and one current volunteer of the local fire department serving the City.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	36
Total	68

Benefits provided. The City of Wray Volunteer Fire Department Pension Plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently $70 per month). The plan also provides for a lump-sum burial benefit of $100 upon death of an active firefighter.

Contributions. Contribution requirements of the City are established by the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2021 included $23,701 from the City (one-half mill levy and related specific ownership taxes), and $9,530 from the State of Colorado matching funds.

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

At December 31, 2021 the City reported a net pension liability of $388,167. The net pension 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.

Note H – Pension Plans (Continued)

For the year ended December 31, 2021, the City recognized pension expense of $13,291. At December 31, 2021 the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 13,327	$ 1,093
Changes of assumptions or other inputs	-	131,575
Net difference between projected and actual earnings on pension plan investments	13,518	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	23,701	-
Total	$ 50,546	$ 132,668

$23,701 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2022	$ (3,236)
2023	(3,268)
2024	(3,619)
2025	(5,275)
2026	(6,956)
Thereafter	(83,469)
Totals	$ (105,823)

Note H – Pension Plans (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age actuarial
Amortization method	Level dollar, open
Remaining amortization period	40 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	N/A
Investment rate of return	1.75% per annum compounded annually
Retirement age	Age 50 and 20 years of service

Mortality rates were based on the Modified 1994 Group Annuity Mortality Table for males.

The long-term expected rate of return on pension plan investments was determined using a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense). These amounts are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage. Best estimates of arithmetic real rates of return for the City's current holdings of cash and certificates of deposit included in the Plan's assets as of December 31, 2020, are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 4.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive volunteers. 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.

Sensitivity of the City's net pension liability to changes in the discount rate. The following presents the City's net pension liability calculated using the discount rate of 4.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.50 percent) or 1-percentage point higher (5.50 percent) than the current rate:

	1% Decrease (3.50%)	Current Discount (4.50%)	1% Increase (5.50%)
Net pension liability	$ 458,072	$ 388,167	$ 330,697

Note H – Pension Plans (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Wray Fireman Pension Fund financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Note I – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

OPEB. The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the City are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. Section 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. Section 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were $16,611 for the year ended June 30, 2021.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At year-end, the City reported a liability of $160,781 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the City's proportion was 0.0169 percent, which was a decrease of 0.0003 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the City recognized OPEB expense of $1,612. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 414	$ 34,898
Changes of assumptions or other inputs	1,177	9,859
Net difference between projected and actual earnings on OPEB plan investments	-	6,528
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,884	5,580
Contributions subsequent to the measurement date	16,611	-
Total	$ 23,086	$ 56,865

$16,611 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Year Ended June 30,	Amount
2022	$ (13,128)
2023	(12,236)
2024	(10,986)
2025	(10,240)
2026	(3,575)
2027	(225)
Total	$ (50,390)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	$588	$227	$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is $458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- **Males**: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females**: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019 to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A

1 C.R.S. Section 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.

- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives[1]	6.00%	4.70%
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 156,626	$ 160,781	$ 165,619

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020 measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 184,178	$ 160,781	$ 140,791

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the OPEB plan

The City did not report any payables to the OPEB plan at year-end.

Note J – Defined contribution pension plan

Voluntary Investment Program

Plan description. Employees of the City that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Note J – Defined contribution pension plan (Continued)

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The City does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year, program members contributed $23,915 for the Voluntary Investment Program.

Note K – Deferred compensation plan

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by the Fire and Police Pension Association through an administrative service agreement. The plan is available to all police officers of the City. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted for any other purpose.

Note L – Commitments and contingencies

Federal and state funding

The City receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate.

Note L – Commitments and contingencies (Continued)

In November, 1993, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

In November 2007, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure the full proceeds of the City's property tax revenues generated from the mill levy for general municipal purposes, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has reserved funds in the General Fund in the amount of $94,000 for the emergency reserve.

CWRPDA loan covenants – Water and Sewer Funds

Rate covenant – during the loan term, the City shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The City believes it has met this requirement for the year ended December 31, 2021.

Operations and maintenance fund – the City shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Unobligated fund balances in the Water and Sewer Funds exceeded the required reserve by $939,237 and $607,380, respectively.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the City's Proportionate Share of the Net Pension Liability – PERA's Local Government Division Trust Fund
- Schedule of City Contributions – PERA's Local Government Division Trust Fund
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Police Statewide Defined Benefit Plan
- Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios – City of Wray Volunteer Fire Pension Plan
- Schedule of City Contributions – City of Wray Volunteer Fire Pension Plan
- Schedule of the City's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of City Contributions – PERA's Health Care Trust Fund
- General Fund – Budgetary Comparison Schedule
- Notes to the Required Supplementary Information

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability [1]
PERA's Local Government Division Trust Fund
December 31, 2021

	2021	2020	2019	2018
City's proportion of the net pension liability	0.2220%	0.2171%	0.2136%	0.2111%
City's proportionate share of the net pension liability	$ 1,156,699	$ 1,588,126	$ 2,685,209	$ 2,350,739
City's covered payroll	$ 1,568,327	$ 1,496,590	$ 1,402,247	$ 1,331,871
City's proportionate share of the net pension liability as a percentage of its employee payroll	73.75%	106.12%	191.49%	176.50%
Plan fiduciary net position as a percentage of the total pension liability	90.88%	86.26%	75.96%	79.37%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016	2015	2014
0.2301%	0.2085%	0.2189%	0.2209%
$ 3,106,536	$ 2,296,570	$ 1,962,368	$ 1,817,665
$ 1,394,425	$ 1,184,001	$ 1,199,687	$ 1,178,413
222.78%	193.97%	163.57%	154.25%
73.60%	76.90%	80.70%	77.66%

CITY OF WRAY, COLORADO
Schedule of City Contributions [1]
PERA's Local Government Division Trust Fund
December 31, 2021

	2021	2020	2019	2018
Contractually required contribution	$ 214,719	$ 202,611	$ 189,606	$ 177,632
Contributions in relation to the contractually required contribution	(214,719)	(202,611)	(189,606)	(177,632)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,628,553	$ 1,568,327	$ 1,496,590	$ 1,402,247
Contributions as a percentage of covered payroll	13.18%	12.92%	12.67%	12.67%

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016	2015	2014	2013
$ 168,881	$ 176,813	$ 150,131	$ 152,120	$ 149,423
(168,881)	(176,813)	(150,131)	(152,120)	(149,423)
$ -	$ -	$ -	$ -	$ -
$ 1,331,871	$ 1,394,425	$ 1,184,001	$ 1,199,687	$ 1,178,413
12.68%	12.68%	12.68%	12.68%	12.68%

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) 1
Police Statewide Defined Benefit Plan
December 31, 2021

	2021	2020	2019	2018
City's proportion of the net pension liability/(asset)	0.0334%	0.0348%	0.0271%	0.0500%
City's proportionate share of the net pension liability/(asset)	$ (72,435)	$ (19,660)	$ 34,218	$ (71,874)
City's covered payroll	$ 267,988	$ 256,200	$ 181,300	$ 292,225
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-27.0%	-7.7%	18.9%	-24.6%
Plan fiduciary net position as a percentage of the total pension liability	106.70%	101.90%	95.20%	106.30%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016	2015	2014
0.0593%	0.0594%	0.0650%	0.0655%
$ 21,427	$ (1,048)	$ (73,401)	$ (58,547)
$ 303,475	$ 288,063	$ 292,481	$ 284,387
7.1%	-0.4%	-25.1%	-20.6%
98.21%	100.10%	106.80%	105.80%

CITY OF WRAY, COLORADO
Schedule of City Contributions [1]
Police Statewide Defined Benefit Plan
December 31, 2021

	2021	2020	2019	2018
Contractually required contribution	$ 24,560	$ 21,439	$ 20,496	$ 14,504
Contributions in relation to the contractually required contribution	(24,560)	(21,439)	(20,496)	(14,504)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 288,937	$ 267,988	$ 256,200	$ 181,300
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%	8.00%

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016	2015	2014	2013
$ 23,378	$ 24,278	$ 23,045	$ 23,398	$ 22,751
(23,378)	(24,278)	(23,045)	(23,398)	(22,751)
$ -	$ -	$ -	$ -	$ -
$ 292,225	$ 303,475	$ 288,063	$ 292,481	$ 284,387
8.00%	8.00%	8.00%	8.00%	8.00%

CITY OF WRAY, COLORADO
Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios [1]
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

	2021	2020	2019
Total pension liability			
Service cost	$ 8,657	$ 9,325	$ 9,584
Interest on the total pension liability	23,038	22,444	13,118
Benefit changes	-	-	-
Plan amendment	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	7,532	6,944	(154,794)
Benefit payments	(25,200)	(24,430)	(25,200)
Net change in total pension liability	14,027	14,283	(157,292)
Total pension liability - beginning	516,947	502,664	659,956
Total pension liability - ending (a)	$ 530,974	$ 516,947	$ 502,664
Plan fiduciary net position			
Employer contributions	$ 27,669	$ 32,511	$ 21,361
Pension plan net investment income	(2,252)	(2,658)	528
Benefit payments	(25,200)	(24,430)	(25,200)
Pension plan administrative expenses	-	-	-
State of Colorado matching funds	9,113	8,861	7,900
Adjustment to beginning balance	-	-	-
Net change in plan fiduciary net position	9,330	14,284	4,589
Plan fiduciary net position - beginning	133,477	119,193	114,604
Plan fiduciary net position - ending (b)	$ 142,807	$ 133,477	$ 119,193
City's net pension liability/(asset) - ending (a) - (b)	$ 388,167	$ 383,470	$ 383,471
Plan fiduciary net position as a percentage of the total pension liability	26.90%	25.82%	23.71%
Covered payroll	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2018	2017	2016	2015
$ 14,913	$ 10,960	$ 10,222	$ 9,966
13,106	12,785	12,527	12,214
-	-	-	-
-	94,857	-	-
(11,626)	7,614	8,184	7,979
-	40,525	-	-
(23,520)	(22,120)	(19,120)	(18,240)
(7,127)	144,621	11,813	11,919
667,083	522,462	510,649	498,730
$ 659,956	$ 667,083	$ 522,462	$ 510,649
$ 20,798	$ 20,922	$ 11,754	$ 10,715
(3,324)	(3,338)	540	537
(23,520)	(22,120)	(19,120)	(18,240)
-	-	-	-
8,463	7,884	7,530	7,417
-	(296)	-	-
2,417	3,052	704	429
112,187	109,135	108,431	108,002
$ 114,604	$ 112,187	$ 109,135	$ 108,431
$ 545,352	$ 554,896	$ 413,327	$ 402,218
17.37%	16.82%	20.89%	21.23%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

CITY OF WRAY, COLORADO
Schedule of City Contributions [1]
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2021	$ 31,426	$ 33,231	$ (1,805)	N/A	N/A
2020	$ 31,185	$ 36,783	$ (5,598)	N/A	N/A
2019	$ 31,853	$ 31,372	$ 481	N/A	N/A
2018	$ 33,456	$ 29,261	$ 4,195	N/A	N/A
2017	$ 35,203	$ 29,261	$ 5,942	N/A	N/A
2016	$ 29,053	$ 28,806	$ 247	N/A	N/A
2015	$ 35,395	$ 19,284	$ 16,111	N/A	N/A
2014	$ 35,395	$ 18,132	$ 17,263	N/A	N/A

* Includes both employer and State of Colorado matching funds.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

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CITY OF WRAY, COLORADO
Schedule of Investment Returns [1]
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	1.76%	1.44%	1.22%	0.78%

[1] Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016	2015	2014
0.62%	0.62%	0.50%	0.50%

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net OPEB Liability [1]
PERA's Health Care Trust Fund
December 31, 2021

	2021	2020	2019	2018
City's proportion of the net OPEB liability	0.0169%	0.0166%	0.0166%	0.0164%
City's proportionate share of the net OPEB liability	$ 160,781	$ 186,856	$ 225,262	$ 213,175
City's covered payroll	$ 1,564,702	$ 1,494,790	$ 1,400,322	$ 1,331,871
City's proportionate share of the net OPEB liability as a percentage of its employee payroll	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017
0.0177%
$ 228,933
$ 1,394,425
16.42%
16.72%

CITY OF WRAY, COLORADO
Schedule of City Contributions [1]
PERA's Health Care Trust Fund
December 31, 2021

	2021	2020	2019	2018
Contractually required contribution	$ 16,611	$ 15,960	$ 15,247	$ 14,283
Contributions in relation to the contractually required contribution	(16,611)	(15,960)	(15,247)	(14,283)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,628,553	$ 1,564,702	$ 1,494,790	$ 1,400,322
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2017	2016
$ 13,583	$ 14,221
(13,583)	(14,221)
$ -	$ -
$ 1,331,871	$ 1,394,425
1.02%	1.02%

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	$ 1,686,495	$ 1,686,495	$ 1,991,906	$ 305,411
Licenses and permits	13,618	13,618	12,113	(1,505)
Intergovernmental	2,334,550	2,334,550	193,105	(2,141,445)
Fines and forfeitures	12,066	12,066	9,374	(2,692)
Charges for services	397,265	397,265	365,224	(32,041)
Miscellaneous	212,889	212,889	54,668	(158,221)
Total revenues	4,656,883	4,656,883	2,626,390	(2,030,493)
Expenditures				
Current				
General government	1,216,844	1,216,844	667,509	549,335
Public safety	1,612,742	1,612,742	1,533,105	79,637
Public works	2,112,606	2,112,606	603,695	1,508,911
Culture and recreation	1,547,911	1,547,911	679,189	868,722
Appropriated reserves	81,891	81,891		81,891
Total expenditures	6,571,994	6,571,994	3,483,498	3,088,496
Excess of revenues over (under) expenditures	(1,915,111)	(1,915,111)	(857,108)	1,058,003
Other financing sources				
Sale of assets	145,000	145,000	151,902	6,902
Transfers in	1,755,929	1,755,929	355,929	(1,400,000)
Total other financing sources	1,900,929	1,900,929	507,831	(1,393,098)
Net change in fund balance	$ (14,182)	$ (14,182)	(349,277)	$ (335,095)
Fund balance at beginning of year			766,635	
Fund balance at end of year			$ 417,358	

Note A – Budgetary data

Annual budgets are established for all funds of the City as required by its local code. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (electric, water, sanitation and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by City council. Within these control levels, management may transfer appropriations without City council approval. Revisions to the budget were made throughout the year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15th of each year, or in conformity with the general state law, the City clerk submits to the City council a budget which shall be a complete financial plan for the ensuing fiscal year.

- At the same time the budget is submitted, the City clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year.

- A public hearing on the budget shall be held by City council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.

- Prior to December 15th, or in conformity with the general state law, the City council shall adopt the budget and the tax levy ordinance.

- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

PERA – Local Government Division Trust Fund and Health Care Trust Fund

Information about factors that significantly affect trends in the amounts reported in the Schedules of the City's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of City Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

FPPA – Police Statewide Defined Benefit Plan

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor
- Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Fiduciary Fund

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting of the City's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the City's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	$ 387,985	$ 387,985	$ 411,951	$ 23,966
Specific ownership taxes	46,988	46,988	44,146	(2,842)
Penalties and interest on taxes	2,000	2,000	1,411	(589)
Franchise taxes	30,734	30,734	23,862	(6,872)
Sales taxes	1,155,554	1,155,554	1,449,963	294,409
Severance taxes	12,000	12,000	7,423	(4,577)
Lodging taxes	51,234	51,234	53,150	1,916
Total taxes	1,686,495	1,686,495	1,991,906	305,411
Licenses and permits	13,618	13,618	12,113	(1,505)
Intergovernmental				
Motor vehicle assessments	9,691	9,691	10,250	559
Cigarette taxes	3,986	3,986	4,779	793
Weed & clean up	200	200		(200)
Highway users tax	78,000	78,000	95,211	17,211
Road and bridge	24,479	24,479	24,356	(123)
Fiscal health grant	29,216	29,216		(29,216)
City complex grant	200,000	200,000		(200,000)
Ambulance grants	121,200	121,200	18,241	(102,959)
Police grants	15,122	15,122	10,987	(4,135)
Airport grant	684,051	684,051		(684,051)
Pool grants	80,000	80,000		(80,000)
Parks grant	123,750	123,750		(123,750)
Library grant	315,000	315,000	14,000	(301,000)
Amphitheater grant	19,687	19,687	15,281	(4,406)
Street grant	630,168	630,168		(630,168)
Total intergovernmental	2,334,550	2,334,550	193,105	(2,141,445)
Fines and forfeitures				
Animal control	810	810	330	(480)
Police fines	10,000	10,000	8,681	(1,319)
Library fines	1,256	1,256	363	(893)
Total fines and forfeitures	12,066	12,066	9,374	(2,692)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Charges for services				
Ambulance fees	300,910	300,910	243,909	(57,001)
Street fees	546	546	13,034	12,488
Parks user fees	955	955	952	(3)
Recreation fees	22,178	22,178	25,252	3,074
Swimming pool fees	56,333	56,333	65,007	8,674
Museum fees	3,700	3,700	2,053	(1,647)
Rental income	12,643	12,643	15,017	2,374
Total charges for services	397,265	397,265	365,224	(32,041)
Miscellaneous				
Interest on investments	3,000	3,000	7,949	4,949
Donations	109,375	109,375	22,008	(87,367)
Miscellaneous	100,514	100,514	24,711	(75,803)
Total miscellaneous	212,889	212,889	54,668	(158,221)
Total revenues	$ 4,656,883	$ 4,656,883	$ 2,626,390	$ (2,030,493)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Salaries	$ 196,322	$ 196,322	$ 201,706	$ (5,384)
Employee benefits	78,546	78,546	86,915	(8,369)
Workers compensation	50,000	50,000	44,691	5,309
Contract labor	20,000	20,000	20,689	(689)
Supplies	16,000	16,000	13,601	2,399
Repairs and maintenance	5,000	5,000	905	4,095
Housekeeping	45,000	45,000	46,583	(1,583)
Insurance	160,000	160,000	162,106	(2,106)
Training	7,500	7,500	264	7,236
Professional services	35,000	35,000	13,994	21,006
Meetings and dues	13,000	13,000	7,132	5,868
Audit expense	19,500	19,500	19,300	200
Dues and donations	20,000	20,000	14,106	5,894
County treasurer fees	7,760	7,760	8,267	(507)
Election expense	7,000	7,000	2,921	4,079
Grant expenditures	506,216	506,216		506,216
Development expense	30,000	30,000	9,759	20,241
Capital outlay			14,570	(14,570)
Total general government	1,216,844	1,216,844	667,509	549,335
Public safety				
Police				
Salaries	451,185	451,185	427,556	23,629
Employee benefits	244,374	244,374	211,173	33,201
Contract labor	17,400	17,400	17,400	-
Professional services	3,000	3,000	6,434	(3,434)
Meetings and dues	4,000	4,000	4,606	(606)
Court expense	500	500	292	208
Vehicle expense	8,000	8,000	11,544	(3,544)
Repairs and maintenance	15,000	15,000	16,650	(1,650)
Supplies	11,000	11,000	17,854	(6,854)
Medical expense	1,500	1,500	167	1,333
Communications	12,000	12,000	9,364	2,636
Police operations	20,000	20,000	18,211	1,789
Lease expense	4,200	4,200	4,200	-
Grant expenditures	15,087	15,087	2,976	12,111
Capital outlay	68,500	68,500	62,311	6,189
Total police	875,746	875,746	810,738	65,008

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Animal Control				
Salaries	4,834	4,834	3,646	1,188
Employee benefits	734	734	660	74
Supplies	571	571	180	391
Capital outlay	500	500		500
Total animal control	6,639	6,639	4,486	2,153
Fire				
Supplies	12,000	12,000	2,142	9,858
Repairs and maintenance	15,000	15,000	36,445	(21,445)
Training	3,000	3,000		3,000
Professional services	10,500	10,500	1,870	8,630
Firemen's pension	23,190	23,190	23,701	(511)
Fireworks display	5,000	5,000	5,000	-
Capital outlay	15,000	15,000		15,000
Total fire	83,690	83,690	69,158	14,532
Ambulance				
Salaries	314,644	314,644	417,071	(102,427)
Employee benefits	141,423	141,423	128,180	13,243
Supplies	36,000	36,000	29,638	6,362
Repairs and maintenance	7,000	7,000	6,349	651
Vehicle expense	15,000	15,000	13,623	1,377
Training	9,000	9,000	10,734	(1,734)
Professional services	10,400	10,400	25,179	(14,779)
Transfer meals	4,500	4,500	4,255	245
Communications	7,200	7,200	6,113	1,087
Grant expenditures	90,000	90,000		90,000
Capital outlay	11,500	11,500	7,581	3,919
Total ambulance	646,667	646,667	648,723	(2,056)
Total public safety	1,612,742	1,612,742	1,533,105	79,637
Public works				
Highways and streets				
Salaries	209,142	209,142	147,058	62,084
Employee benefits	136,256	136,256	75,244	61,012

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021

(continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Street repairs	10,000	10,000	21,146	(11,146)
Maintenance and repairs	105,000	105,000	112,188	(7,188)
Supplies	3,500	3,500	6,547	(3,047)
Shop and general	25,000	25,000	25,882	(882)
Vehicle expense	30,000	30,000	40,267	(10,267)
Training	3,000	3,000		3,000
Professional services	10,500	10,500	8,218	2,282
Medical expense	2,000	2,000		2,000
Grant expenditures	786,960	786,960	7,301	779,659
Capital outlay	41,000	41,000	72,629	(31,629)
Total highways and streets	1,362,358	1,362,358	516,480	845,878
Airport				
Salaries	21,075	21,075	18,372	2,703
Employee benefits	3,200	3,200	2,706	494
Supplies	7,922	7,922	9,225	(1,303)
Repairs and maintenance	4,000	4,000	10,062	(6,062)
Professional services	10,000	10,000	15,687	(5,687)
Matching expense	4,500	4,500	3,634	866
Training	500	500	81	419
Grant expenditures	684,051	684,051	275	683,776
Capital outlay	15,000	15,000	27,173	(12,173)
Total airport	750,248	750,248	87,215	663,033
Total public works	2,112,606	2,112,606	603,695	1,508,911
Culture and recreation				
Pool				
Salaries	85,400	85,400	87,902	(2,502)
Employee benefits	13,875	13,875	13,867	8
Supplies	35,050	35,050	42,400	(7,350)
Repairs and maintenance	20,000	20,000	19,326	674
Training	6,200	6,200	7,682	(1,482)
Professional services	2,000	2,000	440	1,560
Capital outlay	140,000	140,000		140,000
Total pool	302,525	302,525	171,617	130,908

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Recreation				
Salaries	57,058	57,058	14,588	42,470
Employee benefits	32,957	32,957	4,628	28,329
Activities	12,766	12,766	16,295	(3,529)
Contract labor	2,500	2,500	985	1,515
Supplies	2,500	2,500	5,900	(3,400)
Repairs and maintenance	5,000	5,000	1,988	3,012
Training	1,500	1,500	116	1,384
Vehicle expense	1,000	1,000	10	990
Professional services	500	500	341	159
Total recreation	115,781	115,781	44,851	70,930
Parks				
Salaries	80,878	80,878	35,698	45,180
Employee benefits	61,021	61,021	15,792	45,229
Supplies	12,500	12,500	12,864	(364)
Repairs and maintenance	7,500	7,500	7,470	30
Training	500	500		500
Professional services			27	(27)
Grant expenditures	165,000	165,000		165,000
Total parks	327,399	327,399	71,851	255,548
Library				
Salaries	115,112	115,112	113,404	1,708
Employee benefits	41,846	41,846	41,363	483
Supplies	30,000	30,000	31,856	(1,856)
Repairs and maintenance	14,900	14,900	19,922	(5,022)
Training	1,800	1,800	25	1,775
Activities	7,300	7,300	8,786	(1,486)
Lease expense	1,750	1,750	1,839	(89)
Grant expenditures	414,000	414,000	28,859	385,141
Capital outlay	20,400	20,400	17,272	3,128
Total library	647,108	647,108	263,326	383,782

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021

(continued)

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Museum				
Salaries	57,485	57,485	52,405	5,080
Employee benefits	33,098	33,098	31,057	2,041
Supplies	5,500	5,500	9,381	(3,881)
Repairs and maintenance	8,000	8,000	9,777	(1,777)
Training	1,000	1,000	288	712
Professional services	4,000	4,000	1,122	2,878
Activities	250	250	316	(66)
Gift shop inventory	1,000	1,000	865	135
Lease	565	565	564	1
Memorial expenses	15,000	15,000	1,144	13,856
Capital outlay	8,750	8,750		8,750
Total museum	134,648	134,648	106,919	27,729
Amphitheater				
Grant expenditures	20,450	20,450	20,625	(175)
Total culture and recreation	1,547,911	1,547,911	679,189	868,722
Appropriated reserves	81,891	81,891		81,891
Total expenditures	$ 6,571,994	$ 6,571,994	$ 3,483,498	$ 3,088,496

Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.

- Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

- Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2021

	Airport Fund	Conservation Trust Fund	Youth Fund	Total
Assets				
Cash	$ 110,360	$ 238,642	$ 7,809	$ 356,811
Receivables			880	880
Due from other funds	71,424			71,424
Total assets	$ 181,784	$ 238,642	$ 8,689	$ 429,115
Liabilities				
Due to other funds	$ -	$ -	$ 18	$ 18
Fund balance				
Restricted for:				
Culture and recreation		238,642		238,642
Committed for:				
Airport services	181,784			181,784
Youth activities			8,671	8,671
Total fund balance	181,784	238,642	8,671	429,097
Total liabilities and fund balance	$ 181,784	$ 238,642	$ 8,689	$ 429,115

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021

	Airport Fund	Conservation Trust Fund	Youth Fund	Total
Revenues				
Intergovernmental revenue	$ 4,813	$ 27,801		$ 32,614
Charges for services	24,502			24,502
Miscellaneous	156	337	$ 5,698	6,191
Total revenues	29,471	28,138	5,698	63,307
Expenditures				-
Excess of revenues over expenditures	29,471	28,138	5,698	63,307
Other financing sources (uses)				
Transfers out			(5,929)	(5,929)
Net change in fund balances	29,471	28,138	(231)	57,378
Fund balance at beginning of year	152,313	210,504	8,902	371,719
Fund balance at end of year	$ 181,784	$ 238,642	$ 8,671	$ 429,097

CITY OF WRAY, COLORADO
Airport Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
State fuel taxes	$ 3,000	$ 3,000	$ 4,813	$ 1,813
Charges for services				
Airport leases	12,219	12,219	17,206	4,987
Airport taxes	4,500	4,500	3,662	(838)
City match	4,500	4,500	3,634	(866)
Total charges for services	21,219	21,219	24,502	3,283
Miscellaneous				
Interest on investments	100	100	156	56
Total revenues	24,319	24,319	29,471	5,152
Expenditures				
Public works	45,396	45,396		45,396
Total expenditures	45,396	45,396	-	45,396
Net change in fund balance	$ (21,077)	$ (21,077)	29,471	$ 50,548
Fund balance at beginning of year			152,313	
Fund balance at end of year			$ 181,784	

CITY OF WRAY, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
Lottery proceeds	$ 23,500	$ 23,500	$ 27,801	$ 4,301
Miscellaneous				
Interest on investments	190	190	337	147
Total revenues	23,690	23,690	28,138	4,448
Expenditures				
Culture and recreation	20,625	20,625		20,625
Total expenditures	20,625	20,625	-	20,625
Net change in fund balance	$ 3,065	$ 3,065	28,138	$ 25,073
Fund balance at beginning of year			210,504	
Fund balance at end of year			$ 238,642	

CITY OF WRAY, COLORADO
Youth Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Oil and gas lease	$ 3,000	$ 3,000	$ 5,697	$ 2,697
Interest on investments	8	8	1	(7)
Total revenues	3,008	3,008	5,698	2,690
Expenditures				
Culture and recreation				-
Excess of revenues over expenditures	3,008	3,008	5,698	2,690
Other financing sources (uses)				
Transfers out	(5,929)	(5,929)	(5,929)	-
Net change in fund balance	$ (2,921)	$ (2,921)	(231)	$ 2,690
Fund balance at beginning of year			8,902	
Fund balance at end of year			$ 8,671	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the City.

- Water Fund – This fund was established to account for all operations of the water utility service provided by the City.

- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.

- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

CITY OF WRAY, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	$ 2,595,000	$ 2,595,000	$ 2,813,199	$ 218,199
Tap fees	1,750	1,750	2,250	500
Total operating revenues	2,596,750	2,596,750	2,815,449	218,699
Operating expenses				
Systems operation				
Salaries	186,122	186,122	135,318	50,804
Employee benefits	98,314	98,314	64,576	33,738
Electricity purchases	1,571,894	1,571,894	1,312,835	259,059
Supplies	13,500	13,500	9,604	3,896
Repairs and maintenance	80,000	80,000	56,049	23,951
Vehicle expense	9,000	9,000	6,019	2,981
Professional services	9,750	9,750	9,640	110
Training	4,000	4,000	3,372	628
Bad debts	4,200	4,200	81	4,119
Total systems operation	1,976,780	1,976,780	1,597,494	379,286
Administrative and general				
Salaries	170,972	170,972	182,995	(12,023)
Employee benefits	119,614	119,614	118,274	1,340
Supplies	16,000	16,000	15,404	596
Repairs and maintenance	20,000	20,000	22,080	(2,080)
Training	3,500	3,500	1,406	2,094
Professional services	14,000	14,000	11,308	2,692
Lease expense	7,600	7,600	6,377	1,223
Publications	3,500	3,500	2,848	652
Capital outlay	424,000	424,000	421,927	2,073
Total administrative and general	779,186	779,186	782,619	(3,433)
Total operating expenses	2,755,966	2,755,966	2,380,113	375,853
Operating income (loss)	(159,216)	(159,216)	435,336	594,552

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Nonoperating revenues				
Interest on investments	5,000	5,000	37,516	32,516
Miscellaneous	57,542	57,542	24,758	(32,784)
Total nonoperating revenues	62,542	62,542	62,274	(268)
Net income (loss) before transfers	(96,674)	(96,674)	497,610	594,284
Transfers out	(2,000,000)	(2,000,000)	(350,000)	1,650,000
Change in net position	$ (2,096,674)	$ (2,096,674)	147,610	$ 2,244,284
Adjustments to GAAP Basis				
Add capital purchases			421,927	
Add pension and other post-employment benefit expense			10,166	
Deduct depreciation			(88,025)	
Change in net position - GAAP Basis			491,678	
Net position at beginning of year			3,191,891	
Net position at end of year			$ 3,683,569	

CITY OF WRAY, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	$ 448,078	$ 448,078	$ 413,295	$ (34,783)
Tap fees	1,000	1,000	2,250	1,250
Total operating revenues	449,078	449,078	415,545	(33,533)
Operating expenses				
Salaries	45,818	45,818	40,300	5,518
Employee benefits	19,239	19,239	17,081	2,158
Power purchases	55,008	55,008	55,042	(34)
Supplies	12,000	12,000	6,924	5,076
Chemicals	6,500	6,500	8,083	(1,583)
Repairs and maintenance	130,000	130,000	53,102	76,898
Vehicle expense	5,000	5,000	776	4,224
Professional services	35,000	35,000	18,658	16,342
Training	2,000	2,000	2,090	(90)
Water fees	21,000	21,000	17,137	3,863
Bad debts	500	500		500
Grant expenditures	5,013,875	5,013,875	2,220,809	2,793,066
Total operating expenses	5,345,940	5,345,940	2,440,002	2,905,938
Operating income (loss)	(4,896,862)	(4,896,862)	(2,024,457)	2,872,405
Nonoperating revenues (expenses)				
Interest on investments	1,845	1,845	15,591	13,746
Miscellaneous	15,000	15,000	19,974	4,974
Grant proceeds	2,859,280	2,859,280	1,035,030	(1,824,250)
Principal paid on notes	(47,151)	(47,151)	(47,151)	-
Interest and fiscal charges	(26,200)	(26,200)	(33,582)	(7,382)
Total nonoperating revenues (expenses)	2,802,774	2,802,774	989,862	(1,812,912)
Net income (loss) before transfers	(2,094,088)	(2,094,088)	(1,034,595)	1,059,493
Transfers in	250,000	250,000		(250,000)
Change in net position	$ (1,844,088)	$ (1,844,088)	(1,034,595)	$ 809,493

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Adjustments to GAAP Basis				
Add capital purchases			2,220,809	
Add principal paid on notes			47,151	
Add pension and other post-employment benefit expense			1,273	
Deduct depreciation			(104,880)	
Change in net position - GAAP Basis			1,129,758	
Net position at beginning of year			4,623,483	
Net position at end of year			$ 5,753,241	

CITY OF WRAY, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	$ 380,000	$ 380,000	$ 384,064	$ 4,064
Tap fees	1,000	1,000	3,075	2,075
Total operating revenues	381,000	381,000	387,139	6,139
Operating expenses				
Salaries	102,788	102,788	99,114	3,674
Employee benefits	35,436	35,436	50,195	(14,759)
Power purchases	80,000	80,000	65,865	14,135
Supplies	7,336	7,336	4,259	3,077
Chemicals	15,000	15,000	9,512	5,488
Repairs and maintenance	56,000	56,000	3,423	52,577
Vehicle expense	5,000	5,000	3,037	1,963
Training	1,800	1,800		1,800
Professional services	45,000	45,000	17,972	27,028
Total operating expenses	348,360	348,360	253,377	94,983
Operating income	32,640	32,640	133,762	101,122
Nonoperating revenues (expenses)				
Interest on investments	500	500	6,634	6,134
Miscellaneous	1,000	1,000		(1,000)
Principal paid on notes	(103,320)	(103,320)	(78,320)	25,000
Interest and fiscal charges	(13,782)	(13,782)	(13,648)	134
Total nonoperating revenues (expenses)	(115,602)	(115,602)	(85,334)	30,268
Change in net position	$ (82,962)	$ (82,962)	48,428	$ 131,390

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Adjustments to GAAP Basis				
Add principal paid on notes			78,320	
Add pension and other post-employment benefit expense			5,723	
Deduct depreciation			(248,786)	
Change in net position - GAAP Basis			(116,315)	
Net position at beginning of year			5,064,403	
Net position at end of year			$ 4,948,088	

CITY OF WRAY, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	$ 328,000	$ 328,000	$ 329,002	$ 1,002
Operating expenses				
Salaries	134,557	134,557	123,609	10,948
Employee benefits	88,283	88,283	82,072	6,211
Supplies	5,400	5,400	9,050	(3,650)
Repairs and maintenance	15,000	15,000	14,836	164
Vehicle expense	25,000	25,000	18,912	6,088
Training	700	700		700
Landfill expense	62,000	62,000	62,263	(263)
Bad debts	500	500		500
Total operating expenses	331,440	331,440	310,742	20,698
Operating income (loss)	(3,440)	(3,440)	18,260	21,700
Nonoperating revenues				
Interest on investments	1,200	1,200	11,942	10,742
Miscellaneous	4,000	4,000	7,342	3,342
Total nonoperating revenues	5,200	5,200	19,284	14,084
Change in net position	$ 1,760	$ 1,760	37,544	$ 35,784
Adjustments to GAAP Basis				
Add pension and other post-employment benefit expense			3,384	
Deduct depreciation			(49,960)	
Change in net position - GAAP Basis			(9,032)	
Net position at beginning of year			481,064	
Net position at end of year			$ 472,032	

Budgetary Comparison Schedule – Fiduciary Fund

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

The City reports the following fiduciary fund:

Pension (and other employee benefit) trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

- Fireman's Pension Fund – This fund was established to account for contributions made to a single-employer defined benefit plan on behalf of the City's volunteer fire fighters.

CITY OF WRAY, COLORADO
Fireman's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Additions				
Contributions				
Employer	$ 19,113	$ 19,113	$ 19,338	$ 225
State	7,900	7,900	9,530	1,630
Specific ownership tax	4,000	4,000	4,363	363
Donations			10,000	10,000
Total contributions	31,013	31,013	43,231	12,218
Investment income				
Interest on investments	1,100	1,100	2,169	1,069
Total investment income	1,100	1,100	2,169	1,069
Total additions	32,113	32,113	45,400	13,287
Deductions				
Pension benefits	25,300	25,300	25,200	100
Professional services	4,500	4,500	4,000	500
Total deductions	29,800	29,800	29,200	600
Change in net position	$ 2,313	$ 2,313	16,200	$ 13,887
Net position restricted for pension benefits				
Beginning of year			142,807	
End of year			$ 159,007	

Colorado Department of Highways
Local Highway Finance Report

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Wray
	YEAR ENDING : December 2021
This Information From The Records Of City of Wray:	Prepared By: Emily J Ellis, City Clerk/Treasurer Phone: 970-332-4431

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	1,769,961
3. Other local imposts (from page 2)	95,073
4. Miscellaneous local receipts (from page 2)	46,070
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,911,104
B. Private Contributions	
C. Receipts from State government (from page 2)	104,186
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	2,015,290

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	0
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	34,737
c. Other	0
d. Total (a. through c.)	34,737
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	1,980,553
6. Total (1 through 5)	2,015,290
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	2,015,290

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,015,290	2,015,290		0

Notes and Comments:

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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	8,681
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	13,033
5. Specific Ownership &/or Other	95,073	g. Other Misc. Receipts	24,356
6. Total (1. through 5.)	95,073	h. Other	
c. Total (a. + b.)	95,073	i. Total (a. through h.)	46,070
	(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	94,248	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	9,938	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	0
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	9,938	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	104,186	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:

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Single Audit Section

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

CITY OF WRAY, COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of the Interior			
Pass through program from Colorado Department of Local Affairs:			
Minerals Leasing Act	15.437	F20MLG8941	$ 828,178
Minerals Leasing Act	15.437	F20MLG8980	206,852
Total Minerals Leasing Act/U.S. Department of the Interior/expenditures of federal awards			$ 1,035,030

See accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF WRAY, COLORADO
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Wray, Colorado under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for *Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Wray, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Wray, Colorado.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual or full accrual basis of accounting, as appropriate. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

City of Wray, Colorado has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D – Subrecipients

City of Wray, Colorado did not pass through any federal grants to subrecipients.

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LAUER, SZABO & ASSOCIATES, PC
Certified Public Accountants
205 Main St. · P.O. Box 1886 · Sterling, CO 80751-7886
Phone 970-522-2218 · FAX 970-522-2220

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and Members of City Council
City of Wray
Wray, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wray, Colorado (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 7, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 7, 2022

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and Members of City Council
City of Wray
Wray, Colorado

Report on Compliance of Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Wray, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as define above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion in expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 7, 2022

CITY OF WRAY, COLORADO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Summary of auditors' results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of City of Wray, Colorado (the City) were prepared in accordance with GAAP.

2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs of the City expresses an unmodified opinion on all major federal award programs.

6. The audit did not disclose any findings relative to the major federal award programs of the City.

7. The programs tested as major programs included:

   Minerals Leasing Act — CFDA No. 15.437

8. The threshold for distinguishing between Type A and B programs was $750,000.

9. The City did not qualify as a low-risk auditee.

Findings – financial statement audit

We noted no findings that are required to be reported under *Government Auditing Standards*.

Findings and questioned costs – major federal award programs audit

We noted no findings or questioned costs that are required to be reported in accordance with the Uniform Guidance.

CITY OF WRAY, COLORADO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Prior year findings

There were no findings or questioned costs reported for the year ended December 31, 2020.