TOWN OF OAK CREEK
OAK CREEK, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022

TOWN OF OAK CREEK, COLORADO
BOARD OF TRUSTEES
December 31, 2022

TABLE OF CONTENTS

TABLE OF CONTENTS

FINANCIAL SECTION

Town of Oak Creek
Management Discussion and Analysis
December 31, 2022

The discussion and analysis of the Town of Oak Creek's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Oak Creek's governmental net position increased by $238,442 and business-type net position increased by $305,444 for the year.

- The assets of the Town exceeded its liabilities at the close of fiscal year 2022 by $14,331,431 *(net position).* Of this amount, $3,956,950 *(unrestricted net position)* may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2022, the Town's General Fund reported an ending fund balance of $898,162 compared to the fiscal year 2021 balance of $615,265.
- At the end of 2022 unrestricted net position for the proprietary funds (business-type activities) was $3,127,694 or 68% of total 2022 operating expenses.
- General Fund 2022 revenues increased by $168,291 to $1,272,624.
- General Fund expenditures increased in 2022 by $80,493 to $989,727.

Using the Basic Financial Statements

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

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

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

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

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

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

Financial Analysis of the Town as a Whole

The Town's total net position was $14,331,431 as of December 31, 2022, and $13,787,545 as of December 31, 2021. This represents an increase of $543,886 or 3.7%.

Government-Wide Financial Statements

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

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

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

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Oak Creek, assets exceeded liabilities by approximately $14.4 million at the close of 2022.

Net position of the Town at December 31, 2022 was as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
ASSETS						
Current Assets	$ 1,057,397	$ 772,534	$ 3,472,216	$ 3,145,469	$ 4,529,613	$ 3,918,003
Noncurrent Assets	1,591,352	1,605,835	9,857,605	9,971,761	11,448,957	11,577,596
Total Assets	2,648,749	2,378,369	13,329,821	13,117,230	15,978,570	15,495,599
DEFERRED OUTFLOWS	83,430	100,011	-	-	83,430	100,011
LIABILITIES						
Current Liabilities	42,608	40,844	274,886	266,639	317,494	307,483
Noncurrent Liabilities	134,241	148,762	1,092,386	1,193,486	1,226,627	1,342,248
Total Liabilities	176,849	189,606	1,367,272	1,460,125	1,544,121	1,649,731
DEFERRED INFOWS	186,448	158,334	-	-	186,448	158,334
NET POSITION						
Net Investment in Capital Assets	1,396,826	1,446,245	8,765,219	8,778,275	10,162,045	10,224,520
Restricted	142,800	79,852	69,636	69,152	212,436	149,004
Unrestricted	829,256	604,343	3,127,694	2,809,678	3,956,950	3,414,021
Total Net Position	$ 2,368,882	$ 2,130,440	$ 11,962,549	$ 11,657,105	$ 14,331,431	$ 13,787,545

The statement of net position reflects a cash position totaling $3,989,488 or 24.9% of total assets. The bulk of the Town's resources, $11.4 million or 72% of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining 3.3% of total assets are receivables or prepaid expenses.

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

Changes in Net Position

Governmental activities increased the Town of Oak Creek's net position by $238,442. This was mostly due to an increase in sales tax revenue, unanticipated grant revenue for a new Police Car ($28,400) and COVID relief funds.

Business activities increased the Town's net position by $305,444. American Rescue Plan Act (ARPA) revenue accounted for approximately $52,116 of this increase and collection of utility payments delayed due to COVID also providing to the increased revenue.

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

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		**Business-type Activities**		**Total**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
PROGRAM REVENUES						
Charges for Services	$ 285,265	$ 259,020	$ 2,236,615	$ 2,364,065	$ 2,521,880	$ 2,623,085
Operating Grants	255,840	121,010	-	-	255,840	121,010
Capital Grants	-	114,951	250,421	179,267	250,421	294,218
Total Program Revenues	541,105	494,981	2,487,036	2,543,332	3,028,141	3,038,313
GENERAL REVENUES						
Property Taxes	114,866	103,773	-	-	114,866	103,773
Specific Ownership Taxes	7,910	7,507	-	-	7,910	7,507
Sales and Use Taxes	539,601	463,711	-	-	539,601	463,711
Other Taxes	1,214	775	-	-	1,214	775
Interest Income	59,171	1,302	296	17	59,467	1,319
Insurance Proceeds	-	-	155	-	155	-
Other Revenues	8,757	32,284	-	-	8,757	32,284
Total General Revenues	731,519	609,352	451	17	731,970	609,369
Total Revenues & Transfers	1,272,624	1,104,333	2,487,487	2,543,349	3,747,314	3,647,682
PROGRAM EXPENSES						
General Government	270,265	27,521	-	-	270,265	27,521
Public Safety	355,087	316,665	-	-	355,087	316,665
Public Works	106,974	101,890	-	-	106,974	101,890
Culture and Recreation	301,854	221,467	-	-	301,854	221,467
Electric Operations	-	-	1,168,203	1,143,266	1,168,203	1,143,266
Water Operations	-	-	439,190	453,187	439,190	453,187
Sewer Operations	-	-	439,011	442,430	439,011	442,430
Trash Operations	-	-	135,639	156,506	135,639	156,506
Interest	2	-	-	-	2	-
Total Program Expenses	1,034,182	667,543	2,182,043	2,195,389	3,216,225	2,862,932
CHANGE IN NET POSITION	238,442	193,790	305,444	347,960	543,886	541,750
Net Position, Beginning	2,130,440	1,936,650	11,657,105	11,309,145	13,787,545	13,245,795
NET POSITION, ENDING	$ 2,368,882	$ 2,130,440	$ 11,962,549	$ 11,657,105	$ 14,331,431	13,787,545

Financial Analysis of the Town’s Funds

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

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

General Fund – The General Fund went from a balance of $615,265 to $898,162. This increase is principally the result of governmental activity revenue exceeding expenditures. Total General Fund revenues increased by $168,292, while expenditures increased by $80,493.

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

Electric Fund – Electric Fund net position increased by $119,696, following an increase of $363,143 in 2021. Expenditures increased by $189,901, including $295,926 in capital outlay. The cost to purchase power was $7,403 less than the 2021 cost.

Water Fund – Water Fund net position increased by $217,111 after a 2021 increase of $59,639.

Sewer Fund – Sewer Fund net position decreased by $58,693 compared to a decrease of $62,064 in 2021.

Trash Fund – Trash Fund net position increased by $27,330 for the current year, up from a 2021 decrease of $12,498. The Trash Fund is a tightly run enterprise to benefit the citizens of Oak Creek and includes an annual Clean-Up Day.

Capital Assets

Approximately 13.2% of the Town's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements.

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 665,605	$ -	$ -	$ 665,605
Construction in Progress	-	-	-	-
Total Capital Assets not being Depreciated	665,605	-	-	665,605
Capital Assets being Depreciated:				
Buildings & Improvements	1,613,209	-	-	1,613,209
Vehicles & Equipment	786,881	26,842	-	813,723
Total Capital Assets being Depreciated	2,400,090	26,842	-	2,426,932
Less Accumulated Depreciation:				
Buildings & Improvements	(1,015,095)	(55,617)	-	(1,070,712)
Vehicles & Equipment	(466,483)	(43,656)	-	(510,139)
Total Accumulated Depreciation	(1,481,578)	(99,273)	-	(1,580,851)
Net Capital Assets	**$ 1,584,117**	**$ (72,431)**	**$ -**	**$ 1,511,686**

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

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress - Electric System	$ 123,887	$ -	$ (123,887)	$ -
Construction in Progress - Water System	253,941	181,875	-	435,816
Total Capital Assets not being depreciated	377,828	181,875	(123,887)	435,816
Capital Assets being Depreciated:				
Electrical System	2,313,464	168,120	-	2,481,584
Water System	7,917,238	2,590	-	7,919,828
Sewer System	5,948,869	2,590	-	5,951,459
Total Capital Assets being depreciated	16,179,571	173,300	-	16,352,871
Total Capital Assets	16,557,399	355,175	(123,887)	16,788,687
Less Accumulated Depreciation:				
Electrical System	(1,867,334)	(39,458)	-	(1,906,792)
Water System	(2,666,044)	(171,873)	-	(2,837,917)
Sewer System	(2,052,260)	(134,113)	-	(2,186,373)
Total Accumulated Depreciation	(6,585,638)	(345,444)	-	(6,931,082)
Net Capital Assets	**$ 9,971,761**	**$ 9,731**	**$ (123,887)**	**$ 9,857,605**

Long-Term Debt

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

	Balance 12/31/21	Advances	Payments	Balance 12/31/22	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 18,335	$ -	$ 5,382	$ 12,953	$ 2,906	$ 508
2018 Equipment Capital Lease	7,609	-	3,666	3,943	3,943	576
2019 Equipment Capital Lease	111,928	-	13,964	97,964	14,588	5,001
Accrued Compensated Absences	10,890	8,491	-	19,381	-	-
Totals	**$ 148,762**	**$ 8,491**	**$ 23,012**	**$ 134,241**	**$ 21,437**	**$ 6,085**

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

	Balance 12/31/21	Refunding	Payments	Balance 12/31/22	Current Portion	Interest Expense
2003 CWRPDA Water Note	$ 124,550	$ -	$ 64,473	$ 60,077	$ 60,077	$ 4,378
2017 Equipment Capital Lease	49,149	-	10,293	38,856	8,718	1,502
2021 Sewer Revenue Bonds	1,019,787	-	29,768	990,019	29,817	26,856
Totals	**$ 1,193,486**	**$ -**	**$ 104,534**	**$ 1,088,952**	**$ 68,795**	**$ 5,880**

General Fund Budget

The General Fund accounts for all of the general government services provided by the Town of Oak Creek including: public safety (police), public works, parks and recreation and general government services. The Town's General Fund revenues were $197,013 more than planned, having sales and use taxes come in almost $107,700 more than budgeted. The Town's expenditures were $35,337 less than budgeted, with capital expenditures totaling over $24,000 less than planned.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

2022 was a year of recovery from the worldwide COVID-19 pandemic. In the rural mountain Town of Oak Creek residents and businesses were impacted by the shutdown of in-person, face-to-face, business and social gatherings for much of 2021 and in 2022 people were eager to socialize and businesses were ready to return to work. Inflation, worker shortages and supply chain disruptions were some of the economic results of an economy restarting, impacting the Town's capital projects, workforce and utility infrastructure maintenance. Some local highlights of people wanting to socialize again include the holding of local events like the Town's annual Labor Day Celebration, Holly Fest and the Easter Egg Hunt. A volunteer group of residents formed a Farmer's Market held in downtown Oak Creek. The library moved from Dodge Street to Main Street filling a vacant space near the museum and downtown businesses. A new restaurant was approved to fill a vacant building on Main Street, and improvements to the Main Street Park were completed.

The Town is working with municipalities throughout NW Colorado and the State of Colorado to recover from the impacts of the COVID-19 pandemic to build a more stable and resilient economy. Some regional opportunities initiated in 2022 and continuing to move forward in 2023 are regional discussions regarding transportation as the local Steamboat employee base continues moving further away to find available and affordable housing; discussions regarding redevelopment of the Hayden Station power plant continued as officials sought to replace the many regional energy generation and mining jobs that will be lost when these operations cease around 2030; and, South Routt municipalities have banded together to raise funds and undergo a South Routt housing needs assessment to help determine what are the workforce housing needs of the region.

Inflation and competition for employees in 2022 led the Town to meet with Town employees to determine a plan to provide appropriate compensation. The response was for the Town to provide a 4.5% across-the-board wage increase effective January 1, 2022 and employee bonuses in July and December 2022 of $800 per full time employee and pro-rated for non-full time employees, based on projected work hours. The Town's 2023 budget proposal includes a 4.5% across-the-board wage increase based on the Bureau of Labor Statistics 3rd quarter CPI-U applicable to this region.

The pending shutdown of the Hayden Station and Craig Station, projected to close over the next eight years, will be a regional loss of many high paying jobs and tax revenue. The loss of these industries are projected to impact the local coal mining industry as coal purchases by these two electric generating stations will end. Presently local, regional and state officials are working on potential new uses for the Hayden Station including biomass power production and salt storage of energy. The local rail road industry will also likely be impacted as the nationwide movement to renewable energy will reduce the amount of coal shipped out of the region via rail. The communities of NW Colorado and the State of Colorado are working together and with the Office of Just Transition to find ways to replace these lost jobs and lost income.

In response to the 2021 State Dam Engineer's review of the Town's wholly owned Sheriff Reservoir and Dam the Town is making outlet gate improvements and designing spillway and dam improvements to replace worn out equipment and to meet current dam regulations. In 2021 the Town hired consulting engineers, W.W. Wheeler, LLC to determine what improvements are needed to protect the overflow structure, aka spillway, and avoid dam failure during a major hydrological event. Using updated hydrological methods to calculate flooding potential in mountain environments the consulting engineers worked with the State's engineers to determine what capital improvements are needed. These updated hydrological methods reduced the projected maximum flood potential significantly then the older hydrological model projections, potentially saving the Town significant cost. In 2021 the consulting engineers designed the replacement of the dam's outlet infrastructure and replacement of the 63 year old equipment. The Town purchased new headgate and operating equipment to be installed near the base of the dam and bid the equipment installations twice in 2022. Bids received were significantly above the engineer's estimates and were rejected due to being in excess of Town funding for the project. In response the Town, in 2022, solicited funding grants from the Colorado River District and Routt County. Both applications, requesting $80,000 from each organization, were successful. The Town then sent out requests for proposal in 2023 for Construction Management/General Contractors and hired Zak Dirt, LLC to review the engineering plans for possible cost savings and to provide the equipment installations. Funding partners for the equipment purchases and installation work include the Colorado Department of Local Affairs (DOLA), Colorado Water Conservation Board (CWCB) and Routt County. In 2022 the Town's engineers, W.W. Wheeler, Inc. began the final design engineering of the Sheriff Reservoir & Dam. Funding partners to fund this $320,000 engineering project for the final design engineering, including the State Dam Engineer Office's $15,000 plan review fee and State approvals, include the Town of Oak Creek, the Upper Yampa Water Conservancy District, Routt County and the Colorado River District. The Town successfully renewed a ten-year lease with the National Forest Service for the Sheriff Reservoir & Dam in 2022.

The Town's After School and Summer Camp programs provide needed day care for some of South Routt County's families. These successful programs are funded through grants, local tax revenue and fees. The grants obtained from several granting agencies and foundations cover many of the employee, transportation and capital needs of these programs and allow for them to continue. In 2022 the Town served 8 – 12 Kindergarten through 5th Grade students in the After School program, up to forty students involved in special club activities, e.g. cooking, dance and cheerleading, and thirty six elementary and middle school students daily in the Summer Camp program. The Summer Camp program participation increased by approximately 25% in 2022 thanks to a grant from the Routt County Commissioners to repurpose the former library space at the South Routt Community Center adding space for additional participants. Additional staff and an additional van rental added expense for the programs and in 2022 were necessary means to serve the additional participating children. The Town will continue seeking grants to help fund these child care programs serving the needs of Town and South Routt families.

Sales and use taxes increased significantly in 2022, rising by approximately $75,890 (16.4%) and in 2022 providing approximately 73.7% of the General Fund revenues supporting general government services, law enforcement, street and stormwater infrastructure maintenance, and park and recreation facilities and programs. Affected positively by the allocation of internet sales taxes based on the place of delivery (South Dakota v. Wayfair, Inc.), and vibrant downtown business activity the Town's sales and use tax revenue grew by approximately 17.7% in 2021 and 16.4% in 2022. Impacted by the COVID pandemic, a good economy and local internet sales it is difficult to forecast sales and use tax revenue but the trend from 2018 to the present is positive. The Town Board is cautious in projecting the sales and use tax revenues.

Interest income increased significantly in 2022, from $1,302 collected in 2021 to $59,171 in 2022. Interest income was the General Funds third highest revenue provider in 2022. Interest is based upon fund balance and the interest rate. Beginning in mid-2022 the Federal Reserve policymakers began increasing the fed funds rate to curb inflation and the increases to the interest rate have provided this additional revenue to the Town.

The amount of Town debt service declined in 2022 due to refunding of Sewer Fund debt in 2021 and to final payment of General Fund debt for a police vehicle in 2022. Total Town debt at the end of 2022 is approximately $1.2 million.

In 2021 the Town worked with the South Routt School District, Yampa Valley Electric Association and Routt County to bring broadband and gigabyte internet service to the Town's residents and businesses. Funding for construction of this service was mostly provided through State grant programs with YVEA and SOROCO School District. YVEA, Routt County and the Town's electric utility agreed to jointly fund infrastructure, e.g. make-ready, power pole improvements for the Town's electric distribution system to accommodate broadband lines. The Town Board provided $19,439 of ARPA funding for this make-ready project. By mid-2022 this new service was available to most residents and businesses in the Town and was provided at no cost for the first year to eligible students as a benefit of the State's grant programs. The addition of this broadband internet service is likely to have a positive impact on the future of the Town as people seek to telecommute to work from home and live in rural communities. It is hoped that other internet service providers will continue updating their services and reducing service costs for Town residents and businesses.

The marijuana industry continues to have a positive revenue impact on the Town's General Fund though the revenue is projected to decline. License revenue received from this industry in 2022 increased by approximately 4.7% over 2021 as licensees paid full year fees for expanded cultivation operations and caught up on past due license fees. In 2022 the industry provided approximately 5.7% of General Fund revenue. With the Statewide approval for outdoor marijuana grow operations the competition for the Town's indoor grow operations will likely impact these local grow operations. The marijuana industry is a major user of electric service and a local employer.

Enterprise fund balances grew in 2022 primarily due to grants received for the Sheriff Reservoir & Dam improvement project and the Town's ARPA funds reserved for this project. It is anticipated that these fund balances will be used to pay for the Sheriff Reservoir & Dam engineering and capital improvements; provide a minimum twenty five percent fund balance, equal to a three month operating expense reserve for each fund, and for projected capital improvements, maintenance and upgrades. Major capital projects are discussed below.

- Projected 2022 Water Fund expenditures for the Sheriff Reservoir & Dam for headgate equipment replacement were delayed due to high bids for the work. Grant revenues for this project were received from grantors and inflate the fund balance at year end. It is anticipated this project, with additional grant funding, will be completed in 2023.

- Funds for the final design engineering of the Sheriff Reservoir & Dam improvement project were received, in part, from grantors and also from the ARPA funds received by the Town. These funds are held in the Town's Water Fund. The final design engineering is projected to cost $320,000, including costs for the State Engineer's Office for review. These grant funds have inflated the fund balance at year end and will be spent down in 2023 as the engineering is completed.

- Water Fund reserves will also be spent to purchase and install a third water filtration unit at the water treatment plant. Engineer's projected in 2018 that the cost for this necessary improvement will be $800,000 plus engineering; and may be eligible for grant assistance

- Sewer Fund reserves are projected to be spent for the required reduction of Total Inorganic Nitrogen with an estimated cost of $100,000; for Inflow and Infiltration, aka I&I, remediation projects costing approximately $25,000 annually, and security fencing at the wastewater treatment plant for an estimated $30,000.

- Electric Fund reserves will be spent to provide an additional Substation Line (Sweetland – Parker Addition) at an estimated cost of $150,000; an electric system Main Feed upsize through an underground feeder at an estimated cost of $130,000; and a 3-Phase upgrade to the distribution system (Grant Avenue to Arthur Avenue) for an estimated cost of $150,000.

Anticipated residential development opportunity projects will allow for continued, manageable growth of the Oak Creek community. The Town presently has approximately 889 residents according to the 2020 Census, maintaining a relatively stable population during the past ten years. With housing sale prices averaging over $1-million in Steamboat Springs it is likely that people will develop new homes in Oak Creek. The Town has several development sites available for residential development that could grow the Town's population and provide additional customers for local businesses. Homes continue being built in the Sierra View subdivision, Chrome Corner's tiny home development is completed, replacement of older mobile homes in the Wild Hogg and Willow Bend mobile home parks continue to improve housing opportunities, the Oak Creek Commons subdivision was approved for development of up to five homes and five auxiliary dwelling units. Working with other South Routt communities a regional housing needs assessment is likely to be completed within the next twelve months and will provide data necessary to support infrastructure development funding and allow the Town to solicit developers for workforce housing projects.

Main Street continued to improve in 2022 with the move of the South Routt Library to Main Street, the approval of a new restaurant, outdoor music events during warm weather at some local Main Street restaurants, a farmer's market held during summer months adjacent to the Main Street Park, the return of special events such as the Labor Day Celebration and Holly Fest, and use of a portion of the Main Street Park for the sale of annual outdoor plants. Completion of the Main Street Park improvements in 2022 added tables, seats, plantings, and other amenities for public enjoyment. The Town worked with the Soroco 4-H program to provide hanging flowers and flower pot plantings along Main Street.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Clerk, Town of Oak Creek, P.O. Box 128, Oak Creek, CO 80467.

Mayberry & Company, LLC
Certified Public Accountants

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

Board of Trustees
Town of Oak Creek
Oak Creek, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Oak Creek, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise Town of Oak Creek's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Oak Creek as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Oak Creek and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

8310 South Valley Highway – Suite 300
Englewood, Colorado 80112
Voice (303) 993 – 2199
Fax (720) 633 – 9763

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Town of Oak Creek's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

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

Report on Other Legal and Regulatory Requirements

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

Mayberry + Company, LLC

Englewood, CO
July 17, 2023

INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

INTENTIONALLY LEFT BLANK

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 843,140	$ 3,043,867	$ 3,887,007
Restricted Cash and Investments	100	102,381	102,481
Receivables			
Property Tax Receivable	116,627	-	116,627
Utility Receivable	-	325,968	325,968
Cash with Fiscal Agent	638	-	638
Accounts Receivable	96,892	-	96,892
Total Current Assets	1,057,397	3,472,216	4,529,613
Noncurrent Assets			
Capital Assets not being Depreciated	665,605	-	665,605
Capital Assets being Depreciated	2,426,932	16,788,687	19,215,619
Accumulated Depreciation	(1,580,851)	(6,931,082)	(8,511,933)
Net Pension Asset	79,666	-	79,666
Total Noncurrent Assets	1,591,352	9,857,605	11,448,957
TOTAL ASSETS	2,648,749	13,329,821	15,978,570
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Pension Outflows	83,430	-	83,430
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,732,179	$ 13,329,821	$ 16,062,000
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 17,510	$ 89,336	$ 106,846
Accrued Liabilities	(4,879)	-	(4,879)
Accrued Salaries and Benefits	18,817	-	18,817
Deposits and Escrow	1,160	54,300	55,460
Accrued Interest Payable	-	15,650	15,650
Unearned Revenue	10,000	115,600	125,600
Total Current Liabilities	42,608	274,886	317,494
Noncurrent Liabilities			
Due within one year	21,437	98,612	120,049
Due in more than one year	112,804	993,774	1,106,578
Total Noncurrent Liabilities	134,241	1,092,386	1,226,627
TOTAL LIABILITIES	176,849	1,367,272	1,544,121
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	116,627	-	116,627
Deferred Pension Inflows	69,821	-	69,821
TOTAL DEFERRED INFLOWS	186,448	-	186,448
NET POSITION			
Net Investment in Capital Assets	1,396,826	8,765,219	10,162,045
Restricted Net Position	142,800	102,381	245,181
Unrestricted Net Position	829,256	3,094,949	3,924,205
TOTAL NET POSITION	2,368,882	11,962,549	14,331,431
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,732,179	$ 13,329,821	$ 16,062,000

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

TOWN OF OAK CREEK

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Governmental Activities				
Current:				
General Government	$ 270,265	$ 212,810	$ 210,124	$ -
Public Safety	355,089	760	-	-
Public Works	106,974	450	34,359	-
Culture and Recreation	301,854	71,245	11,357	-
TOTAL GOVERNMENT ACTIVITIES	1,034,182	285,265	255,840	-
Business-type Activities				
Current:				
Electric	1,168,203	1,264,921	-	22,978
Water	439,190	429,183	-	226,963
Sewer	439,011	379,542	-	480
Trash	135,639	162,969	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	2,182,043	2,236,615	-	250,421
TOTAL GOVERNMENT	$ 3,216,225	$ 2,521,880	$ 255,840	$ 250,421
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales, Use and Excise Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - BEGINNING				
NET POSITION - ENDING				

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
$ 152,669	$ -	$ 152,669
(354,329)	-	(354,329)
(72,165)	-	(72,165)
(219,252)	-	(219,252)
(493,077)	-	(493,077)
-	119,696	119,696
-	216,956	216,956
-	(58,989)	(58,989)
-	27,330	27,330
-	304,993	304,993
(493,077)	304,993	(188,084)
114,866	-	114,866
7,910	-	7,910
539,601	-	539,601
1,214	-	1,214
59,171	296	59,467
-	155	155
8,757	-	8,757
731,519	451	731,970
238,442	305,444	543,886
2,130,440	11,657,105	13,787,545
$ 2,368,882	$ 11,962,549	$ 14,331,431

TOWN OF OAK CREEK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	GENERAL FUND	TOTAL 2022	TOTAL 2021
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 843,140	$ 843,140	$ 513,051
Restricted Cash and Investments	100	100	-
Receivables			
Property Tax Receivable	116,627	116,627	116,425
Intergovernmental Receivables	-	-	44,821
Cash with Fiscal Agent	638	638	537
Accounts Receivable	96,892	96,892	97,214
Prepaid Expenses	-	-	486
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,057,397	$ 1,057,397	$ 772,534
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 17,510	$ 17,510	$ 7,184
Accrued Liabilities	(4,879)	(4,879)	10,372
Accrued Salaries and Benefits	18,817	18,817	12,128
Deposits and Escrow	1,160	1,160	1,160
Unearned Revenue	10,000	10,000	10,000
TOTAL LIABILITIES	42,608	42,608	40,844
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	116,627	116,627	116,425
FUND BALANCE			
Nonspendable Fund Balance	-	-	486
Restricted Fund Balance	63,134	63,134	58,134
Committed Fund Balance	211,381	211,381	213,881
Unassigned Fund Balance	623,647	623,647	342,764
TOTAL FUND BALANCE	898,162	898,162	615,265
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 1,057,397	$ 1,057,397	$ 772,534

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

TOWN OF OAK CREEK, COLORADO

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2022

Fund Balance - Governmental Funds		$ 898,162
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 665,605	
Capital assets, being depreciated	2,426,932	
Accumulated depreciation	(1,580,851)	1,511,686
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA Statewide Defined Benefit Plan		
Deferred outflows - pensions (net)	83,430	
Net pension asset	79,666	
Deferred inflows - pensions (net)	(69,821)	93,275
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(114,860)	
Accrued compensated absences	(19,381)	(134,241)
Total Net Position - Governmental Activities		$ 2,368,882

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	GENERAL	TOTAL	
	FUND	2022	2021
REVENUES			
Taxes	$ 663,591	$ 663,591	$ 575,766
Intergovernmental Revenues	255,649	255,649	233,572
Licenses and Permits	75,472	75,472	72,108
Fines and Forfeits	484	484	851
Internal Charges	116,360	116,360	116,330
Charges for Services	92,950	92,950	65,911
Investment Earnings	59,171	59,171	1,302
Other Revenues	8,947	8,947	38,492
TOTAL REVENUES	1,272,624	1,272,624	1,104,332
EXPENDITURES			
Current:			
General Government	250,607	250,607	215,241
Public Safety	345,828	345,828	307,770
Public Works	75,663	75,663	75,189
Parks, Recreation and Other	252,258	252,258	171,700
Capital Outlay	36,274	36,274	102,486
Debt Service	29,097	29,097	36,848
TOTAL EXPENDITURES	989,727	989,727	909,234
NET CHANGE IN FUND BALANCE - GAAP BASIS	282,897	282,897	195,098
FUND BALANCE, BEGINNING	615,265	615,265	420,167
FUND BALANCE, ENDING	$ 898,162	$ 898,162	$ 615,265

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

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

Change in Fund Balance - Governmental Funds		$ 282,897
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	$ 26,842	
Depreciation Expense	(99,273)	(72,431)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred outflows - pensions (net)	(16,581)	
Change in net pension asset/liability	57,948	
Change in deferred inflows - pensions (net)	(27,912)	13,455
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on capital leases	23,012	
Change in accrued compensated absences	(8,491)	14,521
Change in Net Position - Governmental Activities		$ 238,442

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

TOWN OF OAK CREEK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	BUSINESS - TYPE ACTIVITIES		
	ELECTRIC FUND	WATER FUND	SEWER FUND
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ 1,779,116	$ 777,204	$ 490,079
Restricted Cash and Investments	-	69,636	32,745
Receivables			
Utility Receivable	205,671	55,537	47,526
Internal Balances	-	(297,500)	297,500
Prepaid Expenses	-	-	-
Total Current Assets	1,984,787	604,877	867,850
Noncurrent Assets			
Capital Assets not being depreciated	-	-	-
Capital Assets being depreciated	2,481,584	8,355,644	5,951,459
Accumulated Depreciation	(1,906,792)	(2,837,917)	(2,186,373)
Total Noncurrent Assets	574,792	5,517,727	3,765,086
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 2,559,579	$ 6,122,604	$ 4,632,936
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 78,954	$ 3,123	$ 7,259
Retainage Payable	-	-	-
Deposits and Escrow	54,300	-	-
Accrued Interest Payable	-	-	15,650
Unearned Revenue	-	115,600	-
Total Current Liabilities	133,254	118,723	22,909
Noncurrent Liabilities			
Due within one year	2,906	62,983	32,723
Due in more than one year	10,047	13,478	970,249
Total Noncurrent Liabilities	12,953	76,461	1,002,972
TOTAL LIABILITIES	146,207	195,184	1,025,881
NET POSITION			
Net Investment in Capital Assets	561,839	5,441,266	2,762,114
Restricted Net Position	-	69,636	32,745
Unrestricted Net Position	1,851,533	416,518	812,196
TOTAL NET POSITION	2,413,372	5,927,420	3,607,055
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 2,559,579	$ 6,122,604	$ 4,632,936

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

OTHER FUNDS	TOTAL 2022	TOTAL 2021
$ (2,532)	$ 3,043,867	$ 2,764,932
-	102,381	69,152
17,234	325,968	305,616
-	-	-
-	-	5,769
14,702	3,472,216	3,145,469
-	-	377,828
-	16,788,687	16,179,571
-	(6,931,082)	(6,585,638)
-	9,857,605	9,971,761
$ 14,702	$ 13,329,821	$ 13,117,230
$ -	$ 89,336	$ 147,930
-	-	1,169
-	54,300	49,750
-	15,650	15,674
-	115,600	52,116
-	274,886	266,639
-	98,612	101,113
-	993,774	1,092,373
-	1,092,386	1,193,486
-	1,367,272	1,460,125
-	8,765,219	8,778,275
-	102,381	69,152
14,702	3,094,949	2,809,678
14,702	11,962,549	11,657,105
$ 14,702	$ 13,329,821	$ 13,117,230

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	Business-type Activities			
	Electric Fund	**Water Fund**	**Sewer Fund**	**Other Funds**
Operating Revenues				
Utility Charges	$ 1,202,521	$ 427,586	$ 376,651	$ 162,969
Other Charges for Services	62,400	1,597	2,891	-
Total Revenues	1,264,921	429,183	379,542	162,969
Operating Expenses				
Management Fees	138,229	40,888	59,906	4,004
Personnel Services	221,548	129,050	124,081	4,785
Commodity Charges	689,923	-	-	-
Administrative/Office Expenses	173	300	-	-
Insurance	21,813	10,981	8,896	-
Operating Supplies	5,359	11,502	2,647	-
Professional Fees	37,555	3,125	4,037	126,850
Repairs and Maintenance	2,563	17,049	3,030	-
Travel and Training	-	22	-	-
Treatment	-	12,366	27,364	-
Telephone and Utilities	6,483	26,234	43,003	-
Other Operating Expenses	679	6,718	4,578	-
Depreciation Expense	39,458	171,873	134,113	-
Other Capital Outlay	3,919	4,204	-	-
Total Expenditures	1,167,702	434,312	411,655	135,639
Operating Income (Loss)	97,219	(5,129)	(32,113)	27,330
Other Income (Expense)				
Investment Earnings	-	-	296	-
Other Revenue	-	155	-	-
Interest Expense	(501)	(4,878)	(27,356)	-
Total Other Income (Expense)	(501)	(4,723)	(27,060)	-
Net Income (Loss)	96,718	(9,852)	(59,173)	27,330
Contributed Capital				
Plant Investment Fees	-	480	480	-
Intergovernmental Revenue	22,978	226,483	-	-
Change in Net Position	119,696	217,111	(58,693)	27,330
Net Position, Beginning	2,293,676	5,710,309	3,665,748	(12,628)
Net Position, Ending	$ 2,413,372	$ 5,927,420	$ 3,607,055	$ 14,702

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

Total	
2022	**2021**
$ 2,169,727	$ 2,284,197
66,888	79,868
2,236,615	2,364,065
243,027	228,362
479,464	439,279
689,923	697,326
473	499
41,690	32,968
19,508	45,602
171,567	213,230
22,642	22,729
22	90
39,730	24,765
75,720	64,448
11,975	16,972
345,444	352,745
8,123	13,419
2,149,308	2,152,434
87,307	211,631
296	17
155	-
(32,735)	(42,955)
(32,284)	(42,938)
55,023	168,693
960	25,460
249,461	153,807
305,444	347,960
11,657,105	11,309,145
$ 11,962,549	$ 11,657,105

TOWN OF OAK CREEK

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	BUSINESS - TYPE ACTIVITES			
	ELECTRIC FUND	**WATER FUND**	**SEWER FUND**	**OTHER FUNDS**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$ 1,268,447	$ 483,770	$ 372,652	$ 159,430
Cash Paid to Suppliers	(835,802)	(121,612)	(140,072)	(150,016)
Cash Paid for Interfund Services	(138,229)	(40,888)	(59,906)	(4,004)
Cash Paid to Employees	(168,548)	(99,006)	(94,897)	(3,705)
Net Cash Provided by Operating Activities	125,868	222,264	77,777	1,705
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Tap Fees Received	-	480	480	-
Debt Principal Payments	(3,431)	(64,473)	(33,199)	-
Grant Proceeds	22,978	226,483	-	-
Interest Payments	(501)	(4,878)	(27,379)	-
Acquisition of Capital Assets	(45,402)	(184,467)	(2,592)	-
Cash Flows Used by Capital and Related Financing Activities	(26,356)	(26,855)	(62,690)	-
CASH FLOWS (USES) FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash from Other Funds	-	(8,750)	8,750	-
Other Revenues (Expense)	-	155	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	(8,595)	8,750	-
CASH FLOWS (USES) FROM INVESTING ACTIVITIES:				
Interest Received	-	-	296	-
NET INCREASE (DECREASE) IN CASH	99,512	186,814	24,133	1,705
CASH - BEGINNING	1,679,604	660,026	498,691	(4,237)
CASH - ENDING	$ 1,779,116	$ 846,840	$ 522,824	$ (2,532)
Cash and Investments	$ 1,779,116	$ 777,204	$ 522,824	$ (2,532)
Restricted Cash and Investments	-	69,636	-	-
TOTAL	$ 1,779,116	$ 846,840	$ 522,824	$ (2,532)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 97,219	$ (5,129)	$ (32,113)	$ 27,330
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	39,458	171,873	134,113	-
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(1,024)	(8,897)	(6,890)	(3,539)
Prepaid Expenses	-	5,770	-	-
(Increase) Decrease in:				
Accounts Payable	(14,335)	(4,837)	(17,333)	(22,086)
Deposits and Escrow	4,550	-	-	-
Unearned Revenue	-	63,484	-	-
TOTAL ADJUSTMENTS	28,649	227,393	109,890	(25,625)
NET CASH USED FOR OPERATING ACTIVITIES	$ 125,868	$ 222,264	$ 77,777	$ 1,705

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

TOTAL	
2022	2021
$ 2,284,299	$ 2,435,231
(1,247,502)	(1,338,303)
(243,027)	(228,362)
(366,156)	(329,367)
427,614	539,199
960	25,460
(101,103)	(107,626)
249,461	158,807
(32,758)	(44,827)
(232,461)	(163,064)
(115,901)	(131,250)
-	-
155	-
155	-
296	17
312,164	407,966
2,834,084	2,426,118
$ 3,146,248	$ 2,834,084
$ 3,076,612	$ 2,764,932
69,636	69,152
$ 3,146,248	$ 2,834,084
$ 87,307	$ 211,631
345,444	352,745
(20,350)	48,000
5,770	(5,770)
(58,591)	(90,573)
4,550	(28,950)
63,484	52,116
340,307	327,568
$ 427,614	$ 539,199

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

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

REPORTING ENTITY

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Funds
The Town also reports the following major proprietary funds

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

- Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- Certification of mill levies to the County Commissioners by December 15 of each year.
- Final adoption of the budget and appropriations by December 31 of each year.

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

CASH AND EQUIVALENTS

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

PROPERTY TAXES

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS RECEIVABLE

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

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued $19,381 in the governmental activities presentation for accrued compensated absences at December 31, 2022.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2022 for collection in 2023. In addition, the governmental activities reports deferred inflows related to pension obligations as further described in Note 6.

NET POSITION/FUND BALANCES

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

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

COMPARATIVE DATA

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

NOTE 2: CASH AND INVESTMENTS

DEPOSITS

The Town's cash and investment balances as of December 31, 2022 are comprised of and allocated in the financial statements as follows:

Cash	$ 448,882
Investments	3,540,606
Total Cash and Investments	**$ 3,989,488**
Cash and Investments	$ 3,919,652
Restricted Cash and Investments	69,836
Total Cash and Investments	**$ 3,989,488**

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

Custodial Credit Risk - Deposits
In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2022, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Book Balance
FDIC Insured	$ 250,000	$ 250,000
PDPA Secured (Not in Entity's Name)	203,423	198,429
Cash on Hand	-	452
Total Cash	**$ 453,423**	**$ 448,881**

INVESTMENTS

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

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

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

During the year ended December 31, 2022, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner.

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation. The balance of this investment at December 31, 2022 was $3,540,606.

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

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

Custodial Credit Risk – Investments
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022, the Town did not hold any securities that required safekeeping.

RESTRICTED CASH

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

The Town's restricted cash balances at December 31, 2022 are comprised of the following:

General Fund	
Conservation Trust Funds	$ 100
Water Fund	
Water 3 Month O&M Reserve	69,636
Sewer Fund	
Sewer Debt Service Reserve	32,745
Total Restricted Cash	**$ 102,581**

NOTE 3: CAPITAL ASSETS

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

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 665,605	$ -	$ -	$ 665,605
Construction in Progress	-	-	-	-
Total Capital Assets not being Depreciated	665,605	-	-	665,605
Capital Assets being Depreciated:				
Buildings & Improvements	1,613,209	-	-	1,613,209
Vehicles & Equipment	786,881	26,842	-	813,723
Total Capital Assets being Depreciated	2,400,090	26,842	-	2,426,932
Less Accumulated Depreciation:				
Buildings & Improvements	(1,015,095)	(55,617)	-	(1,070,712)
Vehicles & Equipment	(466,483)	(43,656)	-	(510,139)
Total Accumulated Depreciation	(1,481,578)	(99,273)	-	(1,580,851)
Net Capital Assets	**$ 1,584,117**	**$ (72,431)**	**$ -**	**$ 1,511,686**

Depreciation by Function:

General Government	$ 9,750
Public Safety	14,941
Public Works	21,331
Parks and Recreation	53,251
Total Depreciation	**$ 99,273**

A summary of changes in business-type activity capital assets at December 31, 2022 is as follows:

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress - Electric System	$ 123,887	$ -	$ (123,887)	$ -
Construction in Progress - Water System	253,941	181,875	-	435,816
Total Capital Assets not being depreciated	377,828	181,875	(123,887)	435,816
Capital Assets being Depreciated:				
Electrical System	2,313,464	168,120	-	2,481,584
Water System	7,917,238	2,590	-	7,919,828
Sewer System	5,948,869	2,590	-	5,951,459
Total Capital Assets being depreciated	16,179,571	173,300	-	16,352,871
Total Capital Assets	16,557,399	355,175	(123,887)	16,788,687
Less Accumulated Depreciation:				
Electrical System	(1,867,334)	(39,458)	-	(1,906,792)
Water System	(2,666,044)	(171,873)	-	(2,837,917)
Sewer System	(2,052,260)	(134,113)	-	(2,186,373)
Total Accumulated Depreciation	(6,585,638)	(345,444)	-	(6,931,082)
Net Capital Assets	**$ 9,971,761**	**$ 9,731**	**$ (123,887)**	**$ 9,857,605**

NOTE 4: LONG TERM DEBT – GOVERNMENTAL ACTIVITIES

At December 31, 2022, the Town had the following governmental long term debt obligations:

	Balance 12/31/21	Advances	Payments	Balance 12/31/22	Current Portion	Interest Paid
2017 Equipment Capital Lease	$ 18,335	$ -	$ 5,382	$ 12,953	$ 2,906	$ 508
2018 Equipment Capital Lease	7,609	-	3,666	3,943	3,943	576
2019 Equipment Capital Lease	111,928	-	13,964	97,964	14,588	5,001
Accrued Compensated Absences	10,890	8,491	-	19,381	-	-
Totals	**$ 148,762**	**$ 8,491**	**$ 23,012**	**$ 134,241**	**$ 21,437**	**$ 6,085**

Capital Leases

In 2017, the Town entered into a capital lease agreement for the purchase of a 2015 Ford Van, 2016 Ford Explorer Police Interceptor, Caterpillar Backhoe Loader, and a 2017 Dodge Ram 3500 Pickup. As part of this agreement the Town agreed to trade in the 2002 Cat Loader that the Town owned, which had no remaining basis. The lease requires monthly payments of $3,318. The lease bears interest at 3.46%. Payments related to this lease will be paid by the General, Water, Sewer and Electric Funds. The allocation of the assets and lease liability are 46.75% General, 17.75% Electric, 17.75 % Water and 17.75% Sewer. The Town has capitalized assets with a remaining basis of $120,380 related to this lease, the General Fund will be responsible for their proportionate share of $67,608. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

NOTE 4: <u>LONG TERM DEBT – GOVERNMENTAL ACTIVITIES</u> (Continued)

Capital Leases (Continued)

The following is a schedule of the future minimum lease payments required under the capital lease for the General Fund proportionate share:

Year	Principal	Interest	Total
2023	$ 2,906	$ 401	$ 3,307
2024	3,007	300	3,307
2025	3,111	196	3,307
2026	3,219	88	3,307
2027	710	117	827
Total	$ 12,953	$ 1,102	$ 14,055

In 2018, the Town entered into a capital lease agreement for the purchase of four portable police radios. The lease requires annual payments of $4,241. The lease bears interest at 7.08%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $1,736 related to this lease. In the event of a default, the lessor shall have the right to take one or any combination of the following remedial steps; with or without terminating the contract, the lessor may declare all contract payments and other amounts payable by the lessee hereunder to the end of the then current budget year to be immediately due and payable, redelivery of any and all equipment at lessee's expense while being liable for any damages to the equipment and any additional collateral caused by the lessee or its employees or agents and the lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights with the lessee being responsible for all costs incurred in the enforcement of its rights under this contract including reasonable attorney fees.

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

Year	Principal	Interest	Total
2023	$ 3,943	$ 298	$ 4,241

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

Capital Leases (Continued)

In 2019, the Town entered into a capital lease agreement for the purchase of one Caterpillar Loader. The lease requires annual payments of $18,965. The lease bears interest at 4.47%. Payments related to this lease will be paid by the General Fund. The Town has capitalized assets with a remaining basis of $127,791 related to this lease. In the event of a default the lessor may terminate the affected lease and any other lease or lessee's rights thereunder and in any such event repossess the equipment at the lessor's expense. The equipment shall be repossessed free and clear of all liens and security interests. Upon repossession, if the equipment is damages or otherwise made less suitable for the purposes for which it was manufactured then the lessee has the option to repair and restore to the same condition in which it was received or pay the lessor the reasonable costs of such a repair and restoration. In the event the lessor liquidates the equipment following an event of default and realizes net proceeds in excess of total rental payments under the lease, the lessor shall immediately pay the amount of any such excess to the lessee. If the lessee continues to use the equipment leased and refuses to pay rental payments the lessor may declare the rental payments due and owing for the fiscal period for which such appropriations have been made to be immediately due and payable and shall be entitled to bring such action at law or in equity to recover money and other damages attributable to such holdover period under the lease. The lessor shall also be entitled to exercise any and all remedies available under the applicable Uniform Commercial Code and all other rights and remedies that the lessor may have at law or in equity. The lessee is liable for any expense reasonably incurred with respect to the enforcement of any remedy available to the lessor, but only from legally available funds.

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

Year	Principal	Interest	Total
2023	$ 14,588	$ 4,377	$ 18,965
2024	15,240	3,725	18,965
2025	15,921	3,044	18,965
2026	16,632	2,333	18,965
2027	17,375	1,590	18,965
2028	18,208	757	18,965
Total	**$ 97,964**	**$ 15,826**	**$ 113,790**

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

Changes in long-term debt for the year ended December 31, 2022 are as follows:

	Balance 12/31/21	Refunding	Payments	Balance 12/31/22	Current Portion	Interest Expense
2003 CWRPDA Water Note	$ 124,550	$ -	$ 64,473	$ 60,077	$ 60,077	$ 4,378
2017 Equipment Capital Lease	49,149	-	10,293	38,856	8,718	1,502
2021 Sewer Revenue Bonds	1,019,787	-	29,768	990,019	29,817	26,856
Totals	**$ 1,193,486**	**$ -**	**$ 104,534**	**$ 1,088,952**	**$ 68,795**	**$ 5,880**

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

WATER FUND

In November 2003, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority ("CWRPDA") for the purpose of constructing water system improvements. CWRPDA has committed funding up to $981,198. The loan has a 20 year term and bears interest at 4% per annum. Payments of $32,710 principal and interest are due semiannually on May 1 and November 1 of each year through November 1, 2023. The first payment was due May 1, 2004. The loan requires a three month operations and maintenance reserve computed to be $69,636 as of December 31, 2022.

Year	Principal	Interest	Total
2023	$ 60,077	$ 5,343	$ 65,420

SEWER FUND

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

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

Year	Principal	Interest	Total
2023	$ 29,817	$ 26,829	$ 56,646
2024	30,625	26,021	56,646
2025	31,455	25,191	56,646
2026	32,308	24,339	56,647
2027	33,183	23,463	56,646
2028-2032	179,902	103,330	283,232
2033-2037	205,638	77,597	283,235
2038-2042	235,052	48,181	283,233
2043-2046	212,039	14,558	226,597
Totals	**$ 990,019**	**$ 369,509**	**$ 1,359,528**

NOTE 5: <u>LONG-TERM DEBT – BUSINESS-TYPE ACTIVITIES</u> (Continued)

In addition, the Enterprise Funds will be responsible for their proportionate share of the 2017 equipment lease with a remaining balance of $67,608 as described in the Governmental Activities Long-Term Debt shown above (Note 4).

The following is a schedule of the future minimum lease payments required under the capital lease for the Electric, Water and Sewer Funds proportionate share:

Year	Principal	Interest	Total
2023	$ 8,718	$ 1,203	$ 9,921
2024	9,021	900	9,921
2025	9,333	588	9,921
2026	9,657	264	9,921
2027	2,127	351	2,478
Total	**$ 38,856**	**$ 3,306**	**$ 42,162**

Coverage for the rate maintenance agreement and calculation of the three-month operating reserve requirement is as follows:

	Water	Wastewater	Total
Gross Charges for Services	$ 429,183	$ 379,542	$ 808,726
Operating Expenses	258,235	277,542	535,777
Net Operating Revenues	170,948	277,542	272,949
Debt Service			
2021 Sewer Revenue Bonds		56,624	56,624
2003 CWRPDA Loan	68,851	-	68,851
Total Debt Service	68,851	56,624	125,475
Debt Coverage Ratio 110%	75,736	62,286	138,023
Excess (Shortfall)	**$ 95,212**	**$ 215,256**	**$ 134,926**
2023 Operating Budget	**$ 278,545**		**$ 278,545**
3 Month Required O & M Reserve	**$ 69,636**		**$ 69,636**

NOTE 8: <u>EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS</u>

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

Contributions. 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 will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

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

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the City were $10,059 for the plan year ended December 31, 2021 and $11,272 for the fiscal year ended December 31, 2022. The current year contributions will be expensed in 2023 for FPPA purposes, December 31, 2022 employer contributions for reporting as of December 31, 2023, and are a timing difference at year end.

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

At December 31, 2022, the City reported an asset of $79,666 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension liability was based on City's contributions to the SWDB for the calendar year 2021 relative to the total contributions of participating employers to the SWDB.

At December 31, 2022, the City's proportion was 0.01470%, which was a decrease of 0.00470% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the City recognized pension expense of $2,183. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 24,551	$ (1,857)
Changes of assumptions or other inputs	$ 24,676	$ -
Net difference between projected and actual earnings on pension plan investments	$ 5,965	$ (54,132)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 16,966	$ (13,832)
Contributions subsequent to the measurement date	$ 11,272	$ -
Total	**$ 83,430**	**$ (69,821)**

$11,272 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2023.

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

Year Ended December 31:	Fiscal year Total
2023	$ (2,037)
2024	(8,002)
2025	(2,301)
2026	835
2027	7,831
2028-2031	6,011
Total	**$ 2,337**

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

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

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	$ 10,986	$ 79,666	$ 136,564

NOTE 6: <u>EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS</u> (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Subsequent Event

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administrative, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study. During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT PLAN (FPPA)

<u>PARTICIPATION</u>
A Member shall become eligible for membership in the Plan on the first day of employment, provided that the Employer withholds Member contributions on behalf of the Member and the necessary forms for administration of the Plan are completed and submitted to the FPPA.

<u>CONTRIBUTIONS</u>
Member Contributions: Every Member covered under the Plan for normal retirement benefits shall pay, as a contribution to the Plan, a percentage of the Member's Base Salary. The percentage shall be eight percent of the Member's Base Salary or such higher amount as approved locally pursuant to the provisions of C.R.S. §31-31-502(4), as amended.

Employer Contributions: (a) Every Employer who employs Members covered by the Plan shall pay the eight percent of Base Salary for each Member or such higher amount as approved locally as set forth in C.R.S. §31-31-502(4)(b) as amended, as an Employer contribution to the Plan.

<u>ALLOCATIONS TO MEMBERS' ACCOUNTS</u>
Individual Accounts: The Board shall create and maintain adequate records to disclose the interest of each Member, Inactive Member and Beneficiary of the Plan. Such records shall be in the form of individual accounts, and credits and charges shall be made to such accounts in the manner herein described. A Member shall have multiple separate accounts, namely an Employer Account, a Member Account, Employer Voluntary Account, Member Voluntary Account, and Member Rollover Account(s), as necessary. The maintenance of individual accounts is only for accounting purposes, and a segregation of the assets of the Fund to each account shall not be required. Distribution and withdrawals made from an account shall be charged to the accounts as of the date payment is made.

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

MONEY PURCHASE COMPONENT OF THE STATEWIDE RETIREMENT PLAN (FPPA) (Continued)

VESTING
Member Contributions: From the first day of membership in the Plan, a Member is 100% vested in the Member Account, Member Voluntary Account, and any Member Rollover Account(s).

Employer Contributions: Normal Retirement: A Member shall be 100% vested in the Member's Employer Account and in the Employer Voluntary Account upon and after attaining Normal Retirement Age (if employed by the Employer on or after that date).

BENEFITS
Eligibility for Distribution: A Member's vested Aggregate Account balance will become eligible for distribution upon the Member's death, Permanent Occupational or Total Disability and subject to Section VI.11, Normal Retirement or termination of employment.

Types of Distributions: Upon becoming eligible for distribution and upon approval of the FPPA, a Member, or the beneficiary in the event of the death of the Member before distribution of the Member's Aggregate Account and subject to Section VI.11, may elect to receive the balance of the Member's Aggregate Account in one of the following methods: lump sum, periodic payments, an annuity or any combination of payments.

CURRENT YEAR CONTRIBUTIONS
The Town has one employee participating in the Money Purchase Component of the Statewide Retirement Plan (FPPA). Member contributions totaled $10,810, or 12% of compensation, and employer contributions totaled $7,207, or 8% of compensation.

DEFINED CONTRIBUTION PLAN

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

The contribution rate for the Town is 3% for covered employees or as contractually agreed to by the board. The Town’s contributions to the Benefit Plan for the year ending December 31, 2022, 2021 and 2020 were $11,798, $10,059, and $10,009, respectively, equal to their required contributions.

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

NOTE 7: INTERFUND ACTIVITY

During 2017, the Sewer Fund advanced $350,000 to the Water Fund for capital improvements. The Water Fund is making $8,750 payments annually to the Sewer Fund to return this advance, representing a forty year amortization. The advance does not bear interest. The outstanding balance as of December 31, 2022 is $306,250.

The utility funds have paid to the General Fund the following management and overhead fees for the fiscal year ended December 31, 2022:

	Overhead Allocations	Management Fees
General Fund	$ 126,668	$ 116,359
Electric Fund	(40,888)	(97,341)
Water Fund	(40,888)	-
Sewer Fund	(40,888)	(19,018)
Trash Fund	(4,004)	-
	$ -	**$ -**

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2022.

Tax Spending and Debt Limitations

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

The Town's financial activity for the year ended December 31, 2022 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

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

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

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

NOTE 8: COMMITMENTS AND CONTINGENCIES (Continued)

Tax Spending and Debt Limitations (Continued)

The Article requires an emergency reserve be set aside for 2022 in the amount of 3% or more of its fiscal year spending. At December 31, 2022, the Town has reserved the following for emergencies:

General Fund	$ 38,000

NOTE 9: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Subsequent Appropriations/Other Restrictions and Commitments

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

	Restricted Equity
Governmental Activities	
Conservation Trust Fund	$ 100
TABOR Emergency Reserve	38,000
Parking Impact Fees	20,534
Coal Queen Scholarship	4,500
Nett Pesnsion Assett	79,666
Total Government Activities	**$ 142,800**
Business-type Activity	
Water CWRPDA O&M Reserve	$ 69,636
Sewer Debt Service Reserve	32,745
Total Business-type Activities	**$ 102,381**

	Fund Equity	
General Fund	Committed	Restricted
Conservation Trust Fund	$ -	$ 100
TABOR Emergency Reserve	-	38,000
Coal Queen Scholarship	-	4,500
Parking Fee in Lieu	-	20,534
Operating Reserve	193,573	-
Capital Reserve - Parks	21	-
Capital Reserve - Police	11,055	-
Capital Reserve - Public Works	6,732	-
Total General Fund	**$ 211,381**	**$ 63,134**
Water Fund		
CWRPDA O&M Reserve		**$ 69,636**
Sewer Fund		
Sewer Debt Service Reserve		**$ 32,745**

NOTE 10: RISK MANAGEMENT

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

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2022.

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

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

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

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

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2022.

NOTE 11: CONSERVATION TRUST FUNDS

A summary of the Town's Conservation Trust activity for the year ended December 31, 2022 is as follows:

Beginning balance	$ 100
Cons. Trust receipts	11,357
Expenditures	(11,357)
Ending Balance	**$ 100**

Under intergovernmental agreements, the Town allocates and disburses at least 50 percent of lottery receipts to other local governments for conservation projects.

NOTE 12: BUDGET VIOLATION

The Town had budget violations in the Electric and Sewer Funds in the amounts of $91,229 and 3,189, which may be a violation of state statutes.

INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules – Unaudited)

TOWN OF OAK CREEK

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

Fiscal Year Ended	Town's proportion of the net pension asset (liability)	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2014	0.021324%	$ 19,067	$ 142,663	13.37%	105.83%
December 31, 2015	0.014438%	$ 16,294	$ 123,650	13.18%	106.83%
December 31, 2016	0.014525%	$ 256	$ 141,225	0.18%	100.10%
December 31, 2017	0.019547%	$ (7,063)	$ 148,575	4.75%	98.21%
December 31, 2018	0.017643%	$ 25,382	$ 105,675	24.02%	106.34%
December 31, 2019	0.015901%	$ (20,103)	$ 106,513	-18.87%	95.20%
December 31, 2020	0.015734%	$ 8,898	$ 115,963	7.67%	101.94%
December 31, 2021	0.010004%	$ 21,718	$ 80,350	27.03%	106.72%
December 31, 2022	0.014700%	$ 79,666	$ 125,738	63.36%	116.16%

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

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

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

Fiscal Year Ended	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	$ 7,409	(7,409)	$ -	$ 142,663	8.00%
December 31, 2015	$ 5,194	(5,194)	$ -	$ 123,650	8.00%
December 31, 2016	$ 5,633	(5,633)	$ -	$ 141,225	8.00%
December 31, 2017	$ 8,003	(8,003)	$ -	$ 148,575	8.00%
December 31, 2018	$ 8,256	(8,256)	$ -	$ 105,675	8.00%
December 31, 2019	$ 8,521	$ (8,521)	$ -	$ 76,550	8.00%
December 31, 2020	$ 9,277	$ (9,277)	$ -	$ 115,963	8.00%
December 31, 2021	$ 6,428	$ (6,428)	$ -	$ 80,350	8.00%
December 31, 2022	$ 10,059	$ (10,059)	$ -	$ 125,738	8.00%

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

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

See the accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2021 ACTUAL
REVENUES					
Taxes					
Property Taxes	$ 115,796	$ 115,796	$ 114,866	$ (930)	$ 103,773
Specific Ownership Taxes	7,566	7,566	7,910	344	7,507
Sales, Use and Excise Taxes	432,000	432,000	539,601	107,601	463,711
Other Taxes	600	600	1,214	614	775
Total Tax Revenue	555,962	555,962	663,591	107,629	575,766
Intergovernmental Revenues					
Cigarette Taxes	730	730	935	205	1,167
Cons Trust Fund Revenue	10,000	10,000	11,357	1,357	11,465
Highway Users	30,000	30,000	31,155	1,155	32,677
Road and Bridge	3,172	3,172	3,203	31	3,177
Clerk/Motor Vehicle Fees	4,500	4,500	4,766	266	4,335
Mineral Lease	800	800	1,201	401	806
Severance Tax	400	400	13,455	13,055	447
State Grants	186,506	186,506	186,346	(160)	171,165
Other Intergovernmental	2,000	2,000	3,231	1,231	8,333
Total Intergovernmental Revenue	238,108	238,108	255,649	17,541	233,572
Licenses and Permits					
Liquor Licenses	1,731	1,731	2,803	1,072	1,709
Marijuana Licenses	71,000	71,000	71,943	943	68,691
Annexation/Other P&Z Fees	-	-	450	450	1,564
Animal Licenses	250	250	276	26	144
Total Licenses and Permits	72,981	72,981	75,472	2,491	72,108
Fines and Forfeits	1,250	1,250	484	(766)	851
Internal Charges					
Administrative/Management Fees	116,330	116,330	116,360	30	116,330
Charges for Services					
Recreation/Comm Ctr Charges	66,000	66,000	71,245	5,245	42,268
Other Charges for Services	21,600	21,600	21,705	105	23,642
Total Charges for Services	87,600	87,600	92,950	5,350	65,910
Investment Earnings	1,600	1,600	59,171	57,571	1,302
Other Revenues					
Donations	-	-	190	190	2,387
Other Miscellaneous Revenue	1,780	1,780	8,757	6,977	36,106
Total Other Revenue	1,780	1,780	8,947	7,167	38,493
TOTAL REVENUES	1,075,611	1,075,611	1,272,624	197,013	1,104,332

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	115,585	115,585	116,397	(812)	83,892
Contract labor	1,000	4,000	7,726	(3,726)	28,819
Equipment Rentals	600	600	770	(170)	610
Insurance	19,890	19,890	20,490	(600)	18,415
Professional Fees	32,381	35,381	34,026	1,355	31,892
Repairs and Maintenance	19,300	22,300	23,354	(1,054)	22,999
Supplies	11,000	11,000	10,754	246	10,757
Telephone and Utilities	15,760	15,760	10,209	5,551	14,835
Travel and Training	5,200	5,200	2,543	2,657	295
Overhead	(63,108)	(63,108)	(48,048)	(15,060)	(58,892)
Other Expenses	55,500	69,500	72,386	(2,886)	61,619
Total General Government	213,108	236,108	250,607	(14,499)	215,241
Public Safety					
Personnel Services	299,062	299,062	306,531	(7,469)	280,113
Fuel and Automotive	4,500	4,500	4,985	(485)	3,693
Insurance	-	-	386	(386)	-
Professional Fees	4,670	4,670	2,299	2,371	2,744
Repairs and Maintenance	8,000	8,000	21,343	(13,343)	1,875
Supplies	5,000	5,000	1,585	3,415	2,435
Telephone and Utilities	1,600	1,600	2,312	(712)	1,369
Travel and Training	8,200	8,200	6,266	1,934	13,404
Other Expenses	1,400	1,400	121	1,279	2,137
Total Public Safety	332,432	332,432	345,828	(13,396)	307,770
Public Works					
Personnel Services	73,461	73,461	52,707	20,754	51,170
Contract Labor	1,000	1,000	-	1,000	525
Equipment Rentals	1,000	1,000	-	1,000	-
Fuel and Automotive	13,000	13,000	14,586	(1,586)	7,328
Insurance	2,097	2,097	2,643	(546)	1,941
Professional Fees	2,000	2,000	209	1,791	1,932
Repairs and Mainenance	48,900	52,900	37,220	15,680	32,745
Supplies	13,200	13,200	8,937	4,263	8,775
Telephone and Utilities	26,550	37,550	37,396	154	23,262
Travel and Training	1,000	1,000	52	948	539
Other Expenses	(52,788)	(52,788)	(78,087)	25,299	(53,028)
Total Public Works	129,420	144,420	75,663	68,757	75,189

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF OAK CREEK, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2021 ACTUAL
(Continued)					
Parks, Recreation and Other					
Personnel Services	134,136	134,136	162,102	(27,966)	122,794
Contract labor	1,100	1,100	975	125	975
Equipment Rentals	13,866	13,866	15,162	(1,296)	4,983
Fuel and Automotive	1,500	1,500	1,805	(305)	857
Professional Fees	500	500	429	71	684
Repairs and Maintenance	10,100	10,100	9,551	549	1,128
Supplies	11,500	11,500	16,872	(5,372)	9,908
Telephone and Utilities	14,300	14,300	13,642	658	14,822
Travel and Training	600	600	35	565	118
Vehicle Lease	12,000	12,000	11,699	301	5,695
Other Expenses	9,800	9,800	19,986	(10,186)	9,736
Total Parks, Recreation & Other	209,402	209,402	252,258	(42,856)	171,700
Capital Outlay					
General Government Capital Outlay	5,700	5,700	30,774	(25,074)	51,710
Public Works Capital Outlay	5,000	5,000	5,500	(500)	-
Parks, Recreation and Other Capital Outlay	50,000	50,000	-	50,000	50,776
Total Capital Outlay	60,700	60,700	36,274	24,426	102,486
Debt Service					
Principal	42,002	42,002	29,097	12,905	36,848
TOTAL EXPENDITURES	987,064	1,025,064	989,727	35,337	909,234
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	88,547	50,547	282,897	232,350	195,098
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	14,224	14,224	-	14,224	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ 102,771	$ 64,771	282,897	$ 246,574	195,098
Budget to GAAP Basis Reconciliation					
FUND BALANCE, BEGINNING			615,265		420,167
FUND BALANCE, ENDING			$ 898,162		$ 615,265

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	TRASH	TOTAL	
	FUND	**2022**	**2021**
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash and Investments	$ (2,532)	$ (2,532)	$ (4,237)
Utility Receivable	17,234	17,234	13,693
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 14,702	$ 14,702	$ 9,456
LIABILITIES			
Current Liabilities			
Accounts Payable	$ -	$ -	$ 22,084
NET POSITION			
Unrestricted Net Position	14,702	14,702	(12,628)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 14,702	$ 14,702	$ 9,456

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	TRASH FUND	TOTAL 2022	TOTAL 2021
OPERATING REVENUE			
Utility Charges	$ 162,969	$ 162,969	$ 143,748
OPERATING EXPENSES			
Management Fees	4,004	4,004	4,908
Personnel Services	4,785	4,785	6,964
Professional Fees	126,850	126,850	144,064
Other Operating Expenses	-	-	570
TOTAL EXPENDITURES	135,639	135,639	156,506
Operating Income (Loss)	27,330	27,330	(12,758)
CHANGE IN NET POSITION	27,330	27,330	(12,758)
NET POSITION - BEGINNING	(12,628)	(12,628)	130
NET POSITION - ENDING	$ 14,702	$ 14,702	$ (12,628)

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK

COMBINING SCHEDULE OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	TRASH FUND	TOTAL 2022	TOTAL 2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 159,430	$ 159,430	$ 145,454
Cash Paid to Suppliers	(150,016)	(150,016)	(124,979)
Cash Paid for Interfund Services	(4,004)	(4,004)	(4,908)
Cash Paid to Employees	(3,705)	(3,705)	(4,535)
Net Cash Provided by Operating Activities	1,705	1,705	11,032
Net Increase (Decrease) in Cash	1,705	1,705	11,032
CASH - BEGINNING	(4,237)	(4,237)	(15,269)
CASH - ENDING	$ (2,532)	$ (2,532)	$ (4,237)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:			
Operating Income (Loss)	$ 27,330	$ 27,330	$ (12,758)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	(3,539)	(3,539)	1,706
Accounts Payable	(22,086)	(22,086)	22,084
NET CASH USED FOR OPERATING ACTIVITIES	$ 1,705	$ 1,705	$ 11,032

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
ELECTRIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			2021
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
OPERATING REVENUES				
Utility Charges	$ 1,385,619	$ 1,202,521	$ (183,098)	$ 1,343,134
Other Charges for Services	100,013	62,400	(37,613)	77,874
TOTAL REVENUES	1,485,632	1,264,921	(220,711)	1,421,008
OPERATING EXPENSES				
Management Fees	117,194	138,229	(21,035)	109,488
Personnel Services	272,881	221,548	51,333	200,956
Commodity Charges	730,000	689,923	40,077	697,326
Administrative/Office Expenses	1,000	173	827	224
Insurance	16,000	21,813	(5,813)	15,533
Operating Supplies	29,000	5,359	23,641	20,433
Professional Fees	10,000	37,555	(27,555)	29,944
Repairs and Maintenance	23,300	2,563	20,737	11,164
Travel and Training	2,000	-	2,000	-
Telephone and Utilities	6,105	6,483	(378)	6,482
Other Operating Expenses	10,000	679	9,321	8,324
Other Capital Outlay	106,800	295,926	(189,126)	130,476
TOTAL EXPENDITURES	1,324,280	1,420,251	(95,971)	1,230,350
Operating Income (Loss)	161,352	(155,330)	(316,682)	190,658
OTHER INCOME (EXPENSE)				
Other Revenue	500	-	(500)	-
Debt Service	(8,673)	(3,931)	4,742	(5,806)
TOTAL OTHER INCOME (EXPENSE)	(8,173)	(3,931)	4,242	(5,806)
Net Income (Loss) before Transfers	153,179	(159,261)	(312,440)	184,852
CONTRIBUTED CAPITAL				
Intergovernmental Revenue	-	22,978	22,978	85,401
Change in Net Position (Budget Basis)	$ 153,179	(136,283)	$ (289,462)	270,253
BUDGET TO GAAP RECONCILIATION				
Principal Paid		3,430		5,151
Depreciation Expense		(39,458)		(36,148)
Capital Outlay		292,007		123,887
CHANGE IN NET POSITION - GAAP BASIS		119,696		363,143
NET POSITION - BEGINNING		2,293,676		1,930,533
NET POSITION - ENDING		$ 2,413,372		$ 2,293,676

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			2021
	Final Budget	Actual	Variance with Final Budget	Actual
OPERATING REVENUES				
Utility Charges	$ 449,280	$ 427,586	$ (21,694)	$ 431,048
Other Charges for Services	600	1,597	997	892
TOTAL REVENUES	449,880	429,183	(20,697)	431,940
OPERATING EXPENSES				
Management Fees	19,883	40,888	(21,005)	59,240
Personnel Services	157,807	129,050	28,757	116,072
Administrative/Office Expenses	325	300	25	275
Insurance	10,194	10,981	(787)	9,438
Operating Supplies	18,200	11,502	6,698	20,823
Professional Fees	6,000	3,125	2,875	-
Repairs and Maintenance	15,000	17,049	(2,049)	5,222
Travel and Training	2,000	22	1,978	90
Treatment	12,800	12,366	434	8,623
Telephone and Utilities	29,800	26,234	3,566	26,343
Other Operating Expenses	4,600	6,718	(2,118)	7,989
Other Capital Outlay	550,000	205,095	344,905	21,256
TOTAL EXPENDITURES	826,609	463,330	363,279	275,371
Operating Income (Loss)	(376,729)	(34,147)	342,582	156,569
OTHER INCOME (EXPENSE)				
Other Revenue	250	155	(95)	-
Debt Service	(74,102)	(69,350)	4,752	(71,226)
TOTAL OTHER INCOME (EXPENSE)	(73,852)	(69,195)	4,657	(71,226)
Net Income (Loss) before Transfers	(450,581)	(103,342)	347,239	85,343
CONTRIBUTED CAPITIAL				
Plant Investment Fees	5,500	480	(5,020)	12,480
Intergovernmental Revenue	466,522	226,483	(240,039)	68,406
Total Contributed Capital	472,022	226,963	(245,059)	80,886
CHANGE IN NET POSITION (BUDGET BASIS)	$ 21,441	123,621	$ 102,180	166,229
BUDGET TO GAAP RECONCILATION				
Principal Paid		64,472		63,823
Depreciation Expense		(171,873)		(186,839)
Capital Outlay		200,891		16,426
CHANGE IN NET POSITION - GAAP BASIS		217,111		59,639
NET POSITON - BEGINNING		5,710,309		5,650,670
NET POSITION - ENDING		$ 5,927,420		$ 5,710,309

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2021 ACTUAL
OPERATING REVENUES				
Utility Charges	$ 365,614	$ 376,651	$ 11,037	$ 366,267
Other Charges for Services	850	2,891	2,041	1,102
TOTAL REVENUES	366,464	379,542	13,078	367,369
OPERATING EXPENSES				
Management Fees	38,901	59,906	(21,005)	54,726
Personnel Services	157,416	124,081	33,335	115,287
Insurance	8,112	8,896	(784)	7,997
Operating Supplies	6,000	2,647	3,353	4,345
Professional Fees	10,000	4,037	5,963	39,222
Repairs and Maintenance	5,500	3,030	2,470	6,343
Travel and Training	500	-	500	-
Treatment	11,000	27,364	(16,364)	16,142
Telephone and Utilities	32,000	43,003	(11,003)	31,623
Other Operating Expenses	500	4,578	(4,078)	90
Other Capital Outlay	25,000	25,341	(341)	24,751
TOTAL EXPENDITURES	294,929	302,883	(7,954)	300,526
Operating Income (Loss)	71,535	76,659	5,124	66,843
OTHER INCOME (EXPENSE)				
Investment Earnings	50	296	246	17
Other Revenue	8,750	-	(8,750)	-
Debt Service	(65,319)	(60,554)	4,765	(1,093,337)
TOTAL OTHER INCOME (EXPENSE)	(56,519)	(60,258)	(3,739)	(1,093,320)
Net Income (Loss) before Transfers	15,016	16,401	1,385	(1,026,477)
CONTRIBUTED CAPITAL				
Plant Investment Fees	5,500	480	(5,020)	12,980
Debt Proceeds	-	-	-	1,019,787
CHANGE IN NET POSITION (BUDGET BASIS)	$ 20,516	16,881	$ (3,635)	6,290
BUDGET TO GAAP RECONCILATION				
Debt Proceeds		-		(1,019,787)
Principal Paid		33,198		1,058,440
Depreciation Expense		(134,113)		(129,758)
Capital Outlay		25,341		22,751
CHANGE IN NET POSITION - GAAP BASIS		(58,693)		(62,064)
NET POSITION - BEGINNING		3,665,748		3,727,812
NET POSITION - ENDING		$ 3,607,055		$ 3,665,748

See accompanying Independent Auditors' Report.

TOWN OF OAK CREEK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
TRASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			2021
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
OPERATING REVENUES				
Utility Charges	$ 157,066	$ 162,969	$ 5,903	$ 143,748
OPERATING EXPENSES				
Management Fees	5,259	4,004	1,255	4,908
Personnel Services	7,115	4,785	2,330	6,964
Professional Fees	139,530	126,850	12,680	144,064
Other Operating Expenses	-	-	-	570
TOTAL EXPENDITURES	151,904	135,639	16,265	156,506
CHANGE IN NET POSITION (BUDGET BASIS)	$ 5,162	27,330	$ 22,168	(12,758)
NET POSITION - BEGINNING		(12,628)		130
NET POSITION - ENDING		$ 14,702		$ (12,628)

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.	Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: Town of Oak Creek	Prepared By: Jennifer Hewes

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	$ 105.52
3. Other local imposts (from page 2)	$ 189,468.40
4. Miscellaneous local receipts (from page 2)	$ -
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.)	$ -
7. Total (1 through 6)	$ 189,573.92
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 35,677.24
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 225,251.16

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ -
2. Maintenance:	$ 48,275.67
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	$ 48,275.66
c. Other	
d. Total (a. through c.)	$ 48,275.66
4. General administration & miscellaneous	$ 21,465.25
5. Highway law enforcement and safety	$ 107,234.58
6. Total (1 through 5)	$ 225,251.16
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 225,251.16

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ -	$ 225,251.16	$ 225,251.16	$ -	$ -

Notes and Comments:

See accompanying Independent Auditors' Report.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22

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 Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	$ 181,558.69	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 7,909.71	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 189,468.40	h. Other	
c. Total (a. + b.)	$ 189,468.40	i. Total (a. through h.)	$ -
(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 (from Item I.C.5.)	$ 30,911.25	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 4,765.99	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (ie. ARPA)		f. Other Federal	
f. Total (a. through e.)	$ 4,765.99	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 35,677.24	3. Total (1. + 2.g)	
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES 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			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation			$ -
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ -	$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ -	$ -
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

page 2