

City of Wray, Colorado
Financial Statements
For the Year ended December 31, 2022

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Independent Auditors' Report

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

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 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 Opinions

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the 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 a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension and other post-employment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of

of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 5, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Wray, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- The City of Wray remains in good financial condition.
- The assets and deferred outflows of resources of the City of Wray exceeded its liabilities and deferred inflows of resources at the close of 2022 by \$27,891,427 (net position).
- The City's total net position increased by \$288,476.
- During the year, the City's revenue from taxes and other revenues for governmental programs were more than the expenses by \$313,601.
- The General Fund ending fund balance reached \$573,1288, an increase of \$155,770.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide financial statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wray, assets exceed liabilities by \$27,891,427 at the close of 2022.

Net Position

Combined net position of the City of Wray as of December 31, 2022 and 2021 are shown in Table 1 below.

Table 1
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 2,614,986	\$ 1,750,497	\$ 5,582,622	\$ 5,365,286	\$ 8,197,608	\$ 7,115,783
Capital assets	13,172,914	13,755,049	14,163,615	14,744,263	27,336,529	28,499,312
Total assets	15,787,900	15,505,546	19,839,447	20,109,549	35,534,137	35,615,095
Deferred outflows of resources	414,080	617,292	93,210	161,104	507,290	778,396
Total assets and deferred outflows of resources	\$ 16,201,980	\$ 16,122,838	\$ 19,839,447	\$ 20,270,653	\$ 36,041,427	\$ 36,393,491
Long-term liabilities	\$ 480,417	\$ 1,351,668	\$ 3,988,622	\$ 4,465,152	\$ 4,469,039	\$ 5,816,820
Other liabilities	691,424	375,063	550,169	592,837	1,241,593	967,900
Total liabilities	1,171,841	1,726,731	4,538,791	5,057,989	5,710,632	6,784,720
Deferred inflows of resources	1,970,517	1,650,086	468,851	355,734	2,439,368	2,005,820
Net position:						
Net investment in capital assets	13,172,914	13,755,049	10,052,441	10,472,027	23,225,355	24,227,076
Restricted	685,780	405,077	51,873	10,000	737,653	415,077
Unrestricted (deficit)	(799,072)	(1,414,105)	4,727,491	4,374,903	3,928,419	2,960,798
Total net position	13,059,622	12,746,021	14,831,805	14,856,930	27,891,427	27,602,951
Total liabilities and net position	\$ 16,201,980	\$ 16,122,838	\$ 19,839,447	\$ 20,270,653	\$ 36,041,427	\$ 36,393,491

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

Changes in net position

The City's total revenue of \$7,353,065 was more than program expenses of \$7,064,589 for an increase in net position of \$288,476.

Table 2 shows the summarized revenues and expenses for 2022 and 2021.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 522,247	\$ 402,294	\$ 4,019,533	\$ 3,947,135	\$ 4,541,780	\$ 4,349,429
Operating grants and contributions	391,255	229,606	-	-	391,255	229,606
Capital grants and contributions	121,575	19,039	-	1,035,030	121,575	1,054,069
General revenues						
Property taxes	445,500	411,951	-	-	445,500	411,951
Sales and use taxes	1,530,369	1,449,963	-	-	1,530,369	1,449,963
Specific ownership taxes	45,436	44,146	-	-	45,436	44,146
Franchise taxes	21,856	23,862	-	-	21,856	23,862
Severance taxes	44,790	7,423	-	-	44,790	7,423
Lodging taxes	42,528	53,150	-	-	42,528	53,150
Interest earnings	3,455	8,443	43,793	71,683	47,248	80,126
Miscellaneous	45,212	30,901	73,737	52,074	118,949	82,975
Sale of assets	-	151,902	1,779	-	1,779	151,902
Capital contributions	-	12,000	-	-	-	12,000
Transfers	900,000	350,000	(900,000)	(350,000)	-	-
Total revenues	4,114,223	3,194,680	3,238,842	4,755,922	7,353,065	7,950,602
Program expenses						
General government	661,161	677,973	-	-	661,161	677,973
Public safety	1,385,351	1,581,901	-	-	1,385,351	1,581,901
Public works	989,713	1,193,580	-	-	989,713	1,193,580
Culture and recreation	764,397	838,754	-	-	764,397	838,754
Interest and fiscal charges	-	-	-	-	-	-
Electric services	-	-	2,085,345	2,036,045	2,085,345	2,036,045
Water services	-	-	458,344	356,382	458,344	356,382
Sewer services	-	-	414,061	510,088	414,601	510,088
Sanitation services	-	-	306,217	357,318	306,217	357,318
Total expenses	3,263,967	3,259,833	3,263,967	3,259,833	7,064,589	7,552,041
Change in net position	313,601	(1,097,528)	(25,125)	1,496,089	288,476	398,561
Net position at beginning of year	12,746,021	13,843,549	14,856,930	13,360,841	27,602,951	27,204,390
Net position at end of year	\$13,059,622	\$ 12,746,021	\$ 14,831,805	\$ 14,856,930	\$ 27,891,427	\$ 27,602,951

Governmental Activities

Revenue for the City's governmental activities totaled \$4,114,223 for 2022. Tax revenue produced 52% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes, severance taxes and lodging taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2022	2021	2022	2021
General government	\$ 661,161	\$ 677,973	\$ 613,493	\$ 650,843
Public safety	1,385,351	1,581,901	900,709	1,308,422
Public works	989,713	1,193,580	733,424	1,015,414
Culture and recreation	764,397	838,754	517,919	665,590

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

Business-type Activities

Net position in the business-type activities decreased by \$25,125 in 2022. Business-type activities include electric, water, sewer and sanitation services.

Table 4
BUSINESS-TYPE ACTIVITIES

	Total cost of services		Net cost of services	
	2022	2021	2022	2021
Electric services	\$ 2,036,045	\$ 2,036,045	\$ (731,200)	\$ (779,404)
Water services	356,382	356,382	6,189	(1,094,193)
Sewer services	510,088	510,088	(6,287)	122,949
Sanitation services	357,318	357,318	(24,268)	28,316

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

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$1,068,702. The general fund and other governmental funds reported fund balances of \$573,128, and \$495,574 respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Wray's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$27,336,529 (net of accumulated depreciation). This amount includes a broad range of capital assets; including public works equipment, electric, water, sewer, sanitation and other infrastructure.

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

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,581,135	\$ 1,581,135	\$ 396,161	\$ 483,661	\$ 1,977,296	\$ 2,064,796
Other non-depreciable assets	518,054	464,189	352,000	352,000	870,054	816,189
Infrastructure	978,630	1,031,154	-	-	978,630	1,031,154
Land Improvements	5,722,800	6,345,617	-	-	5,722,800	6,345,617
Buildings and improvements	3,836,545	3,916,349	84,069	89,900	3,920,614	4,006,249
Vehicles	142,974	169,045	84,936	104,720	227,910	273,765
Machinery and equipment	392,776	247,560	261,814	239,046	654,590	486,606
Systems	-	-	12,984,635	13,474,936	12,984,635	13,474,936
Total	\$ 13,172,914	\$ 13,755,049	\$ 14,163,615	\$ 14,744,263	\$ 27,336,529	\$ 28,499,312

Long-term debt. The City had \$4,111,174 in debt outstanding at year-end consisting of notes payable. More detailed information about the City’s long-term debt is presented in Table 6 and Note F to the financial statements.

Table 6
LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ -	\$ -	\$ 4,111,174	\$ 4,272,236	\$ 4,111,174	\$ 4,272,236

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

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

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

The cost of these “General Fund Services” has totaled between \$3.67 and \$8.49 million dollars annually since 2017. User fees are collected from the swimming pool, museum, and other cultural and recreational programs provided by the City; fines are collected from state law and city ordinance enforcement. However, user fees for cultural and recreational programs cover only a small fraction of the cost to provide these services. Therefore, primary conventional forms of revenue used to offset these General Fund expenditures come from taxes on retail sales, property, auto, highway use, severance, cigarette, lodging, and road and bridge. Franchise fees are collected from cable, phone, and natural gas providers. Fees are also collected from public safety services such as ambulance and emergent care.

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

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

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

2023 Budgetary Important Features and Major Projects

The attached 2023 Budget for the City of Wray includes these *important features*:

1. The design and engineering phase of a City Complex in the amount of \$400,000 is included in the 2023 budget. A DOLA Energy Impact Assistance Fund grant in the amount of \$200,000 is included. Securing the grant is necessary for the project to proceed.
2. An Outdoor Library project to be constructed on the current Cedardale property is included. The project total is estimated at \$1,446,283 and includes securing \$1,246,283 of grant funding from multiple sources. The project costs include the abatement and razing of the Cedardale building.
3. The purchase of a Police cruiser in the amount of \$70,000 is included. A grant request in the amount of \$35,000 and transfer from Police Special Fund of \$35,000 is included to fund the capital purchase.
4. The resurfacing of the slides at the Wray Aquatic Center in the amount of \$60,000 with use of \$20,839 use of Pool Funds and \$30,000 of grants or donations.
5. A Multi-Modal Opportunity Fund grant from CDOT is included in the 2023 budget with a total project amount of \$1.2M. The local match is 0% and includes the replacement of curb, gutter, and sidewalk along SH 34 and Yuma County Court House.
6. The expansion of utility infrastructure and curb and gutter in the East Industrial Park in the amount of \$364,392 utilizing a 50/50 Rural Economic Development Initiative Grant.
7. Park improvements in the amount of \$80,000 including Baker Field, softball, and tee ball field improvements are included in the 2023 budget. The projects are contingent on securing grant funding and utilizing conservation trust fund dollars and KBT as the City match.
8. The installation of an EV Charging Station pending successful grant application for a total of \$60,000.
9. The upsizing of electric distribution lines, installation of water, and sewer utilities, grading and site work, and installation of 550 feet of Street to the wind turbine property is included in the amount of \$377,400, utilizing a 50/50 Rural Economic Development Initiative Grant in the amount of \$149,998.
10. The purchase of a Sanitation Truck in the amount of \$250,000 is included in the sanitation enterprise fund.

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

Including grant projects and department expenses, the proposed 2023 General fund expense totals \$9,549,832 which exceeds projected revenue and fund cash reserves without transferring funds from the Enterprise Departments. Contributions into the Airport, Library, Fire, Museum, Police, Street, Recreation, and Ambulance departments are anticipated and part of the budget.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

The basic financial statements of the City include the following:

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

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

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

CITY OF WRAY, COLORADO
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 693,033		\$ 693,033
Cash with county treasurer	4,471		4,471
Cash with fiscal agent		\$ 97,875	97,875
Certificates of deposit	166,479	5,125,723	5,292,202
Receivables	871,515	429,545	1,301,060
Internal balances	551,393	(535,954)	15,439
Inventory		413,560	413,560
Net pension asset	328,095	51,873	379,968
Capital assets, net of depreciation	13,172,914	14,163,615	27,336,529
Total assets	15,787,900	19,746,237	35,534,137
Deferred outflows of resources			
Pension deferrals	395,718	86,273	481,991
Other post-employment benefit deferrals	18,362	6,937	25,299
Total deferred outflows of resources	414,080	93,210	507,290
Total assets and deferred outflows of resources	\$ 16,201,980	\$ 19,839,447	\$ 36,041,427

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

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 33,159	\$ 147,538	\$ 180,697
Accrued salaries and benefits	34,849	14,413	49,262
Unearned grant revenues	623,416	97,875	721,291
Customer deposits		117,672	117,672
Accrued interest payable		9,581	9,581
Current portion of notes payable		163,090	163,090
Total current liabilities	691,424	550,169	1,241,593
Long-term liabilities			
Notes payable		3,948,084	3,948,084
Net pension liability	374,465		374,465
Net OPEB liability	105,952	40,538	146,490
Total long-term liabilities	480,417	3,988,622	4,469,039
Total liabilities	1,171,841	4,538,791	5,710,632
Deferred inflows of resources			
Deferred property tax revenues	433,945		433,945
Pension deferrals	1,497,075	454,203	1,951,278
Other post-employment benefit deferrals	39,497	14,648	54,145
Total deferred inflows of resources	1,970,517	468,851	2,439,368
Net position			
Net investment in capital assets	13,172,914	10,052,441	23,225,355
Restricted for:			
Emergencies	88,000		88,000
Culture and recreation	269,685		269,685
Pensions	328,095	51,873	379,968
Unrestricted (deficit)	(799,072)	4,727,491	3,928,419
Total net position	13,059,622	14,831,805	27,891,427
Total liabilities, deferred inflows of resources and net position	\$ 16,201,980	\$ 19,839,447	\$ 36,041,427

CITY OF WRAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 661,161	\$ 47,668		
Public safety	1,385,351	346,316	\$ 123,326	\$ 15,000
Public works	989,713	24,285	190,364	41,640
Culture and recreation	764,397	103,978	77,565	64,935
Total governmental activities	3,800,622	522,247	391,255	121,575
Business-type activities				
Electric services	2,085,345	2,816,545		
Water services	458,344	452,155		
Sewer services	414,061	420,348		
Sanitation services	306,217	330,485		
Total business-type activities	3,263,967	4,019,533	-	-
Total	\$ 7,064,589	\$ 4,541,780	\$ 391,255	\$ 121,575
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Sales and use taxes				
Specific ownership taxes				
Franchise taxes				
Severance taxes				
Lodging taxes				
Unrestricted interest on investments				
Miscellaneous				
Sale of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (613,493)		\$ (613,493)
(900,709)		(900,709)
(733,424)		(733,424)
(517,919)		(517,919)
(2,765,545)	\$ -	(2,765,545)
	731,200	731,200
	(6,189)	(6,189)
	6,287	6,287
	24,268	24,268
-	755,566	755,566
(2,765,545)	755,566	(2,009,979)
445,500		445,500
1,530,369		1,530,369
45,436		45,436
21,856		21,856
44,790		44,790
42,528		42,528
3,455	43,793	47,248
45,212	73,737	118,949
	1,779	1,779
900,000	(900,000)	-
3,079,146	(780,691)	2,298,455
313,601	(25,125)	288,476
12,746,021	14,856,930	27,602,951
<u>\$ 13,059,622</u>	<u>\$ 14,831,805</u>	<u>\$ 27,891,427</u>

CITY OF WRAY, COLORADO
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Other Governmental Funds	Total
Assets			
Cash	\$ 287,941	\$ 405,092	\$ 693,033
Cash with county treasurer	4,471		4,471
Certificates of deposit	166,479		166,479
Property taxes receivable	433,945		433,945
Accounts receivable	343,961	789	344,750
Due from other funds	461,700	89,712	551,412
Total assets	<u>\$ 1,698,497</u>	<u>\$ 495,593</u>	<u>\$ 2,194,090</u>
Liabilities			
Accounts payable	\$ 33,159		\$ 33,159
Due to other funds		\$ 19	19
Accrued salaries and benefits	34,849		34,849
Unearned grant revenues	623,416		623,416
Total liabilities	691,424	19	691,443
Deferred inflows of resources			
Deferred property tax revenues	433,945		433,945
Total deferred inflows of resources	433,945	-	433,945
Fund balance			
Restricted for:			
Emergencies	88,000		88,000
Culture and recreation		269,685	269,685
Committed for:			
Airport services		213,197	213,197
Youth activities		12,692	12,692
Assigned for:			
Special police fund	5,056		5,056
Equipment reserve fund	69,923		69,923
Unassigned	410,149		410,149
Total fund balance	<u>573,128</u>	<u>495,574</u>	<u>1,068,702</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,698,497</u>	<u>\$ 495,593</u>	<u>\$ 2,194,090</u>

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

CITY OF WRAY, COLORADO**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2022**

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

Total fund balance - governmental funds	\$ 1,068,702
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	13,172,914
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.	92,820
Net pension assets and related deferred outflows of resources are not financial resources and therefore are not reported as assets in governmental funds.	742,175
Long-term liabilities and related deferred inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,016,989)</u>
Net position of the governmental activities	<u><u>\$ 13,059,622</u></u>

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

CITY OF WRAY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 2,131,892		\$ 2,131,892
Licenses and permits	26,082		26,082
Intergovernmental	275,062	\$ 37,187	312,249
Fines and forfeitures	19,486		19,486
Charges for services	400,311	24,150	424,461
Miscellaneous	215,294	7,671	222,965
Total revenues	3,068,127	69,008	3,137,135
Expenditures			
Current			
General government	679,858		679,858
Public safety	1,742,206		1,742,206
Public works	530,825		530,825
Culture and recreation	861,999		861,999
Total expenditures	3,814,888	-	3,814,888
Excess of revenues over (under) expenditures	(746,761)	69,008	(677,753)
Other financing sources (uses)			
Transfers in	902,531		902,531
Transfers out		(2,531)	(2,531)
Total other financing sources (uses)	902,531	(2,531)	900,000
Net change in fund balance	155,770	66,477	222,247
Fund balance at beginning of year	417,358	429,097	846,455
Fund balance at end of year	\$ 573,128	\$ 495,574	\$ 1,068,702

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

CITY OF WRAY, COLORADO**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022**

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

Net change in fund balance - governmental funds	\$ 222,247
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(582,135)
--	-----------

Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	77,088
--	--------

Pension and OPEB expense at the fund level represents cash contributions to the plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	596,401
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Change in net position of governmental activities	<u>\$ 313,601</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Assets				
Current assets				
Cash with fiscal agent		\$ 97,875		
Certificates of deposit	\$ 3,245,346	841,517	\$ 374,630	\$ 664,230
Due from other funds	125,000	256,552	606,466	
Accounts receivable	313,641	33,651	43,328	32,505
Accrued interest receivable	6,420			
Inventory	312,395	88,083	6,598	6,484
Total current assets	4,002,802	1,317,678	1,031,022	703,219
Noncurrent assets				
Capital assets, net of depreciation	1,220,314	7,461,494	5,362,399	119,408
Net pension asset	28,403	3,596	8,844	11,030
Total noncurrent assets	1,248,717	7,465,090	5,371,243	130,438
Deferred outflows of resources				
Pension deferrals	47,165	6,030	14,659	18,419
Other post-employment benefit deferrals	3,793	488	1,169	1,487
Total deferred outflows of resources	50,958	6,518	15,828	19,906
Total assets and deferred outflows of resources	<u>\$ 5,302,477</u>	<u>\$ 8,789,286</u>	<u>\$ 6,418,093</u>	<u>\$ 853,563</u>

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

Total
\$ 97,875
5,125,723
988,018
423,125
6,420
413,560
7,054,721
14,163,615
51,873
14,215,488
86,273
6,937
93,210
<u>\$ 21,363,419</u>

(continued)

CITY OF WRAY, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
(continued)				
Liabilities				
Current liabilities				
Accounts payable	\$ 138,922	\$ 5,894	\$ 684	\$ 2,038
Customer deposits	117,377	295		
Due to other funds	1,167,383		125,000	231,589
Accrued salaries and benefits	9,022	838	2,007	2,546
Unearned grant revenue		97,875		
Accrued interest payable		7,382	2,199	
Current portion of note payable		83,192	79,898	
Total current liabilities	1,432,704	195,476	209,788	236,173
Long-term liabilities				
Note payable		2,787,699	1,160,385	
Net OPEB liability	22,197	2,810	6,911	8,620
Total long-term liabilities	22,197	2,790,509	1,167,296	8,620
Total liabilities	1,454,901	2,985,985	1,377,084	244,793
Deferred inflows of resources				
Pension deferrals	247,708	31,556	78,584	96,355
Other post-employment benefit deferrals	7,974	1,047	2,460	3,167
Total deferred inflows of resources	255,682	32,603	81,044	99,522
Net position				
Net investment in capital assets	1,220,314	4,590,603	4,122,116	119,408
Restricted for pensions	28,403	3,596	8,844	11,030
Unrestricted	2,343,177	1,176,499	829,005	378,810
Total net position	3,591,894	5,770,698	4,959,965	509,248
Total liabilities, deferred inflows of resources and net position	\$ 5,302,477	\$ 8,789,286	\$ 6,418,093	\$ 853,563

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

<u>Total</u>	
\$	147,538
	117,672
	1,523,972
	14,413
	97,875
	9,581
	<u>163,090</u>
	2,074,141
	3,948,084
	<u>40,538</u>
	<u>3,988,622</u>
	6,062,763
	454,203
	<u>14,648</u>
	468,851
	10,052,441
	51,873
	<u>4,727,491</u>
	<u>14,831,805</u>
	<u><u>\$ 21,363,419</u></u>

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Operating revenues				
Charges for services	\$ 2,816,545	\$ 452,155	\$ 420,348	\$ 330,485
Operating expenses				
Systems operation				
Salaries	145,110	41,910	35,560	126,734
Employee benefits	65,982	17,827	19,627	68,191
Electricity purchases	1,410,477			
Power purchases		61,398	66,482	
Supplies	9,007	5,720	4,361	10,177
Chemicals		21,482	10,799	
Repairs and maintenance	33,517	235	31,451	14,807
Vehicle expense	8,322	1,251	5,914	25,893
Professional services	12,152	52,151	8,112	2,405
Training	4,063	1,604	228	
Landfill expense				63,042
Water fees		16,877		
Depreciation and amortization	85,060	207,189	248,372	36,127
Total systems operation	1,773,690	427,644	430,906	347,376
Administrative and general				
Salaries	224,745			
Employee benefits	136,401			
Supplies	13,617			
Repairs and maintenance	8,557			
Training	4,097			
Professional services	10,817			
Lease expense	6,449			
Publications	6,987			
Total administrative and general	411,670	-	-	-
Total operating expenses	2,185,360	427,644	430,906	347,376
Operating income (loss)	631,185	24,511	(10,558)	(16,891)

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

Total

\$ 4,019,533

349,314

171,627

1,410,477

127,880

29,265

32,281

80,010

41,380

74,820

5,895

63,042

16,877

576,748

2,979,616

224,745

136,401

13,617

8,557

4,097

10,817

6,449

6,987

411,670

3,391,286

628,247

(continued)

CITY OF WRAY, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
(continued)	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Nonoperating revenues (expenses)				
Interest on investments	26,368	7,667	3,485	6,273
Miscellaneous revenues	48,978	15,979	2,105	6,675
Gain on sale of assets	1,779			
Pension expense	100,015	13,287	29,842	41,159
Interest and fiscal charges		(43,987)	(12,997)	
Total nonoperating revenues (expenses)	177,140	(7,054)	22,435	54,107
Income before transfers	808,325	17,457	11,877	37,216
Transfers out	(900,000)			
Change in net position	(91,675)	17,457	11,877	37,216
Net position at beginning of year	3,683,569	5,753,241	4,948,088	472,032
Net position at end of year	\$ 3,591,894	\$ 5,770,698	\$ 4,959,965	\$ 509,248

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

Total
<u>43,793</u>
73,737
1,779
184,303
<u>(56,984)</u>
<u>246,628</u>
874,875
<u>(900,000)</u>
(25,125)
<u>14,856,930</u>
<u><u>\$ 14,831,805</u></u>

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Cash flows from operating activities				
Receipts from customers	\$ 2,826,731	\$ 451,354	\$ 420,089	\$ 330,567
Internal activity - receipts from (payments to) other funds	432,896	(230,709)	(69,844)	38,772
Payments to suppliers	(1,825,351)	(203,698)	(148,804)	(183,055)
Payments to employees	(369,855)	(41,910)	(35,560)	(126,734)
Net cash provided (used) by operating activities	1,064,421	(24,963)	165,881	59,550
Cash flows from noncapital financing activities				
Miscellaneous revenues	48,978	15,979	2,105	6,675
Transfers out	(900,000)			
Net cash provided (used) by noncapital financing activities	(851,022)	15,979	2,105	6,675
Cash flows from capital and related financing activities				
Grant proceeds		204,468		
Sale of capital assets	89,279			
Purchase of capital assets	(83,600)			
Principal paid on capital debt		(81,958)	(79,104)	
Interest and fiscal charges		(43,987)	(12,997)	
Net cash provided (used) by capital and related financing activities	5,679	78,523	(92,101)	-
Cash flows from investing activities				
Sale of investments and certificates	300,000			
Purchase of investments and certificates	(519,078)	(79,539)	(75,885)	(66,225)
Net cash used by investing activities	(219,078)	(79,539)	(75,885)	(66,225)

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

	<u>Total</u>
\$ 4,028,741	
171,115	
(2,360,908)	
<u>(574,059)</u>	
1,264,889	
73,737	
<u>(900,000)</u>	
(826,263)	
204,468	
89,279	
(83,600)	
(161,062)	
<u>(56,984)</u>	
(7,899)	
300,000	
<u>(740,727)</u>	
(440,727)	

(continued)

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Net change in cash and cash equivalents	-	(10,000)	-	-
Cash and cash equivalents at beginning of year	-	107,875	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 97,875</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 631,185	\$ 24,511	\$ (10,558)	\$ (16,891)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	85,060	207,189	248,372	36,127
Change in assets and liabilities				
Due from other funds	25,000	(230,709)	(44,844)	
Receivables	2,980	(851)	(259)	82
Inventory	(38,325)	(29,192)	(2,194)	1,233
Checks outstanding in excess of cash in bank	(27,147)			
Accounts payable	(29,434)	4,039	364	227
Due to other funds	407,896		(25,000)	38,772
Customer deposits	7,206	50		
Net cash provided (used) by operating activities	<u>\$ 1,064,421</u>	<u>\$ (24,963)</u>	<u>\$ 165,881</u>	<u>\$ 59,550</u>

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

Total	
	(10,000)
	107,875
	<u>\$ 97,875</u>
\$ 628,247	
	576,748
	(250,553)
	1,952
	(68,478)
	(27,147)
	(24,804)
	421,668
	<u>7,256</u>
	<u>\$ 1,264,889</u>

CITY OF WRAY, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Pension (and Other Employee Benefit) Trust Funds
Assets	
Cash	\$ 45,880
Certificate of deposit	<u>135,661</u>
Total assets	<u><u>\$ 181,541</u></u>
Liabilities	
Due to other funds	\$ 15,439
Net position	
Restricted for pension benefits	<u>166,102</u>
Total liabilities and net position	<u><u>\$ 181,541</u></u>

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

CITY OF WRAY, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Pension (and Other Employee Benefit) Trust Funds
Additions	
Contributions	
Employer	\$ 20,693
State	9,669
Specific ownership tax	4,557
Total contributions	34,919
Investment income	
Interest on investments	1,126
Total investment income	1,126
Total additions	36,045
Deductions	
Pension benefits	24,950
Professional services	4,000
Total deductions	28,950
Change in net position	7,095
Net position at beginning of year	159,007
Net position at end of year	\$ 166,102

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

CITY OF WRAY, COLORADO

Notes to Financial Statements

Note A – Summary of significant accounting policies

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

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

A.1 – Reporting entity

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

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

A.2 – Fund accounting

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

The following are the City's nonmajor governmental funds:

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

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

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

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

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

A.4 – Basis of accounting

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

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

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

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

A.5 – Encumbrances

The City does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

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

A.7 – Short-term interfund receivables/payables

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.8 – Receivables

Monthly charges for electric, water, sewer, sanitation and street services are included with monthly utility billings. All receivables are reported net of estimated uncollectible accounts. An allowance for doubtful accounts has been established in the Electric Fund, Water Fund, Sewer Fund and Sanitation Fund in the amount of \$35,166, \$5,405, \$6,595 and \$6,517, respectively, based on management's review of billings.

A.9 – Inventories

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

A.10 – Capital assets

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

A.11 – Compensated absences

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

Vacation leave

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

Sick leave

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

A.12 – Accrued liabilities and long-term obligations

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

A.13 – Net position

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

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

A.14 – Operating revenues and expenses

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

A.15 – Interfund transactions

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

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

A.17 – Fund balance

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

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

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

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Note B – Cash and investments

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$6,284,405, of which \$500,000 was insured and \$5,784,405 was collateralized with securities held by the pledging institution's trust department or agent in the City's name.

Investments

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

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities	Business-type Activities	Total Receivables
Utility accounts	\$ -	\$ 423,125	\$ 423,125
Property taxes	433,945	-	433,945
Accounts	412,700	-	412,700
Grants	24,870	-	24,870
Interest	-	6,420	6,420
Total	<u>\$ 871,515</u>	<u>\$ 429,545</u>	<u>\$ 1,301,060</u>

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

Note D – Interfund transactions

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

	Interfund Receivables	Interfund Payables
<u>Governmental funds</u>		
General Fund	\$ 461,700	\$ -
Electric Fund	125,000	1,167,383
Water Fund	256,552	-
Sewer Fund	606,466	125,000
Sanitation Fund	-	231,589
Other Governmental Funds	89,712	19
Fiduciary Fund	-	15,439
Total	<u>\$ 1,539,430</u>	<u>\$ 1,539,430</u>

The balance of \$125,000 advanced to the Sewer Fund from the Electric Fund resulted from a loan made to provide financing resources for the wastewater facility improvements. All remaining balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers In	Transfers Out	Amount
General Fund	Electric Fund	\$ 900,000
General Fund	Other Governmental Funds	<u>2,531</u>
Totals		<u>\$ 902,531</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note D – Interfund transactions (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from certain of the Proprietary Funds (Electric Fund) to provide support for various departments within the General Fund. Additionally, the City transferred \$2,531 from the Other Governmental Funds to the General Fund to support youth programs.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,581,135	\$ -	\$ -	\$ 1,581,135
Collection of library books	395,235	-	-	395,235
Construction in progress	<u>68,954</u>	<u>53,865</u>	<u>-</u>	<u>122,819</u>
Total capital assets, not being depreciated	2,045,324	53,865	-	2,099,189
Capital assets, being depreciated:				
Infrastructure	2,837,978	-	-	2,837,978
Land improvements	12,277,023	36,722	-	12,313,745
Buildings and improvements	6,423,886	83,408	-	6,507,294
Vehicles	1,929,740	37,850	-	1,967,590
Machinery and equipment	<u>2,407,718</u>	<u>244,301</u>	<u>(78,000)</u>	<u>2,574,019</u>
Total capital assets, being depreciated	<u>25,876,345</u>	<u>402,281</u>	<u>(78,000)</u>	<u>26,200,626</u>
Total capital assets	27,921,669	456,146	(78,000)	28,299,815
Less accumulated depreciation for:				
Infrastructure	(1,806,824)	(52,524)	-	(1,859,348)
Land improvements	(5,931,406)	(659,539)	-	(6,590,945)
Buildings and improvements	(2,507,537)	(163,212)	-	(2,670,749)
Vehicles	(1,760,695)	(63,921)	-	(1,824,616)
Machinery and equipment	<u>(2,160,158)</u>	<u>(99,085)</u>	<u>78,000</u>	<u>(2,181,243)</u>
Total accumulated depreciation	<u>(14,166,620)</u>	<u>(1,038,281)</u>	<u>78,000</u>	<u>(15,126,901)</u>
Governmental activities capital assets, net	<u>\$ 13,755,049</u>	<u>\$ (582,135)</u>	<u>\$ -</u>	<u>\$ 13,172,914</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 483,661	\$ -	\$ (87,500)	\$ 396,161
Water rights	<u>352,000</u>	<u>-</u>	<u>-</u>	<u>352,000</u>
Total capital assets, not being depreciated	835,661	-	(87,500)	748,161
Capital assets, being depreciated				
Distribution systems	18,965,742	4,305	-	18,970,047
Buildings and improvements	353,172	-	-	353,172
Vehicles	683,219	12,000	-	695,219
Machinery and equipment	<u>1,036,892</u>	<u>67,295</u>	<u>-</u>	<u>1,104,187</u>
Total capital assets, being depreciated	<u>21,039,025</u>	<u>83,600</u>	<u>-</u>	<u>21,122,625</u>
Total capital assets	21,874,686	83,600	(87,500)	21,870,786
Less accumulated depreciation for:				
Distribution systems	(5,490,806)	(494,606)	-	(5,985,412)
Building and improvements	(263,272)	(5,831)	-	(269,103)
Vehicles	(578,499)	(31,784)	-	(610,283)
Machinery and equipment	<u>(797,846)</u>	<u>(44,527)</u>	<u>-</u>	<u>(842,373)</u>
Total accumulated depreciation	<u>(7,130,423)</u>	<u>(576,748)</u>	<u>-</u>	<u>(7,707,171)</u>
Business-type activities capital assets, net	<u>\$ 14,744,263</u>	<u>\$ (493,148)</u>	<u>\$ -</u>	<u>\$ 14,163,615</u>

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

Governmental activities

General government	\$ 49,109
Public safety	132,509
Public works	696,044
Culture and recreation	<u>160,619</u>
Total governmental activities	1,038,281

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Business-type activities

Electric	85,060
Water	207,189
Sewer	248,372
Sanitation	<u>36,127</u>
Total business-type activities	<u>576,748</u>
Total depreciation expense	<u>\$ 1,615,029</u>

Note F – Long-term debt

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Notes payable	<u>\$ 4,272,236</u>	<u>\$ _____</u>	<u>\$ (161,062)</u>	<u>\$ 4,111,174</u>	<u>\$ 163,090</u>

Notes payable

CWRPDA Note payable – Sewer Fund – The City has entered into a \$1,634,200 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated September 20, 2016, due in semi-annual installments ranging from \$7,530 to \$46,051, including interest, through 2037. The interest rate for the agreement is 1.000%. The agreement was entered into in order to facilitate the modification of the City's wastewater treatment facility.

\$ 1,240,283

CWRPDA Note payable – Water Fund – The City has entered into a \$3,000,000 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated February 13, 2020, due in semi-annual installments ranging from \$10,379 to \$62,972, including interest, through 2050. The interest rate for the agreement is 1.500%. The agreement was entered into to update underground water lines, storm drainage lines and storm inlets along Main Street.

2,870,891

Total \$ 4,111,174

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

The City's outstanding notes with CWRPDA in the amount of \$4,111,174 are secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to withhold disbursement of loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

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

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 163,090	\$ 54,956
2024	165,143	52,903
2025	167,224	50,822
2026	169,331	48,715
2027	171,467	46,579
2028-2032	890,357	199,873
2033-2037	902,054	142,126
2038-2042	536,391	93,333
2043-2047	578,005	51,718
2048-2050	<u>368,112</u>	<u>9,723</u>
Total	<u>\$ 4,111,174</u>	<u>\$ 750,748</u>

Note G – Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was \$205,325. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans

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

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
PERA - LGDTF	\$ 314,088	\$ 1,652,145	\$ -	\$ 187,451	\$ (441,744)
SWDB	117,558	175,298	-	192,517	(32,227)
City of Wray Volunteer Fire	<u>50,345</u>	<u>123,835</u>	<u>374,465</u>	<u>-</u>	<u>2,916</u>
Total	<u>\$ 481,991</u>	<u>\$ 1,951,278</u>	<u>\$ 374,465</u>	<u>\$ 379,968</u>	<u>\$ (471,055)</u>

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

PERA – Local Government Division Trust Fund

Summary of significant accounting policies

Pensions. The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description. Eligible employees of the City are provided with pensions through the LGDTF – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. Section 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. Section 24-51.413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions as of December 31, 2022. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Employee contribution rates for the year are summarized in the table below:

	January 1, 2021 Through <u>June 30, 2021</u>	July 1, 2021 Through <u>December 31, 2021</u>	January 1, 2022 Through <u>June 30, 2022</u>	July 1, 2022 Through <u>December 31, 2022</u>
Employee contribution (all employees other than State Troopers)	8.50%	8.50%	8.50%	9.00%
State Troopers	12.00%	12.50%	12.50%	13.00%

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>	<u>(1.02)%</u>	<u>(1.02)%</u>	<u>(1.02)%</u>
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24.51-41	<u>0.02%</u>	<u>0.02%</u>	<u>0.03%</u>	<u>0.03%</u>
Total employer contribution rate to the LGDTF	<u>13.20%</u>	<u>13.20%</u>	<u>13.21%</u>	<u>13.71%</u>

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$234,097 for the year ended December 31, 2022.

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

At year-end, the City reported an asset of \$187,451 for its proportionate share of the net pension asset. The net pension asset for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The City's proportion of the net pension asset was based on the City's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

At December 31, 2021, the City's proportion was 0.2186 percent, which was a decrease of .0034% from its proportion measured as of December 31, 2020.

For the year, the City recognized pension expense of \$(441,744). At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,302	\$ 3,131
Changes of assumptions or other inputs	64,506	-
Net difference between projected and actual earnings on pension plan investments	-	1,631,822
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,183	17,192
Contributions subsequent to the measurement date	<u>234,097</u>	<u>-</u>
Total	<u>\$ 314,088</u>	<u>\$ 1,652,145</u>

\$234,097 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (361,389)
2024	(619,810)
2025	(394,189)
2026	<u>(196,766)</u>
Totals	<u>\$ (1,572,154)</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Troopers	3.20% - 11.30%
State Troopers	3.20% - 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016 through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	1% Decrease <u>(6.25%)</u>	Current Discount <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net pension liability/(asset)	\$ <u>1,285,271</u>	\$ <u>(187,451)</u>	\$ <u>(1,419,318)</u>

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

Payables to the pension plan

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

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

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 increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 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.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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 the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost or reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 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 member 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.

Contributions to the Plan from the City during the year ended December 31, 2022 were \$31,078.

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 \$192,517 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At December 31, 2021, the City's proportion was .0355 percent, which was an increase of .0021 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense of \$(32,227). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 128,919
Changes in assumptions and other inputs	24,038	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,899	41,706
Difference between expected and actual experience	59,543	4,673
Contributions subsequent to measurement date	<u>31,078</u>	<u>-</u>
Totals	<u>\$ 117,558</u>	<u>\$ 175,298</u>

\$31,078 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,___</u>	<u>Amount</u>
2023	\$ (25,172)
2024	(35,326)
2025	(22,088)
2026	(10,978)
2027	4,490
2028	1,238
2029	(17)
2030	(956)
2031	<u>(9)</u>
Totals	<u>\$ (88,818)</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (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 ended December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2022	January 1, 2021
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return, net*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

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

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

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:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Proportionate share of the net pension liability (asset)	\$ <u>(26,549)</u>	\$ <u>(192,517)</u>	\$ <u>(330,012)</u>

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

Payables to the pension plan

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

City of Wray Volunteer Fire Pension Plan

Summary of significant accounting policies

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

General information about the pension plan

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Inactive plan members or beneficiaries currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>35</u>
Total	<u>68</u>

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

Contributions. Contribution requirements of the City are established by the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2022 included \$25,250 from the City (one-half mill levy and related specific ownership taxes), and \$9,669 from the State of Colorado matching funds.

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

At December 31, 2022 the City reported a net pension liability of \$374,465. The net pension 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.

For the year ended December 31, 2022, the City recognized pension expense of \$2,916. At December 31, 2022 the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,812	\$ -
Changes of assumptions or other inputs	-	123,835
Net difference between projected and actual earnings on pension plan investments	8,283	-
Contributions subsequent to the measurement date	<u>25,250</u>	<u>-</u>
Total	<u>\$ 50,345</u>	<u>\$ 123,835</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

\$25,250 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ (3,122)
2024	(3,474)
2025	(5,129)
2026	(6,810)
2027	(6,705)
Thereafter	<u>(73,500)</u>
Totals	<u>\$ (98,740)</u>

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The long-term expected rate of return on pension plan investments was determined using a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense). These amounts are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage. Best estimates of arithmetic real rates of return for the City's current holdings of cash and certificates of deposit included in the Plan's assets as of December 31, 2021, are summarized in the above table.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Changes in the net pension liability/(asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at beginning of year	\$ 530,974	\$ 142,807	\$ 388,167
Changes for the year			
Service cost	8,622	-	8,622
Interest on total pension liability	23,668	-	23,668
Benefit changes	-	-	-
Difference between expected and actual experience	4,521	-	4,521
Changes of assumptions	-	-	-
Contributions – employer	-	33,751	(33,751)
Contributions – state of Colorado	-	9,530	(9,530)
Net investment income	-	7,232	(7,232)
Benefit payments	(25,200)	(25,200)	-
Administrative expenses	-	-	-
Net changes	11,611	25,313	(13,702)
Balances at end of year	\$ 542,585	\$ 168,120	\$ 374,465

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

	1% Decrease (3.50%)	Current Discount (4.50%)	1% Increase (5.50%)
Net pension liability	\$ (445,201)	\$ (374,465)	\$ (316,239)

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Payables to the pension plan

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

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$17,766 for the year ended December 31, 2022.

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

At year-end, the City reported a liability of \$146,490 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the City's proportion was 0.0170%, which was an increase of .0001% from its proportion measured as of December 31, 2020.

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$(1,458). At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 216	\$ 34,288
Changes of assumptions or other inputs	3,013	7,914
Net difference between projected and actual earnings on OPEB plan investments	-	9,033
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,304	2,910
Contributions subsequent to the measurement date	<u>17,766</u>	<u>-</u>
Total	<u>\$ 25,299</u>	<u>\$ 54,145</u>

\$17,766 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 30,	Amount
2023	\$ (14,302)
2024	(13,051)
2025	(12,306)
2026	(5,641)
2027	(1,147)
2028	<u>(165)</u>
Total	<u>\$ (46,612)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs for the School Division:

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the tie of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

<u>Initial Costs for Members without Medicare Part A</u>			
<u>Medicare Plan</u>	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/Self- Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TO for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

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

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

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

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 142,283	\$ 146,490	\$ 151,363

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

CITY OF WRAY, COLORADO
Notes to Financial Statements

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 170,132	\$ 146,490	\$ 126,295

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

Payables to the OPEB plan

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

Note J – Defined contribution pension plan

Voluntary Investment Program

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note J – Defined contribution pension plan (Continued)

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The City does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year, program members contributed \$17,566 for the Voluntary Investment Program.

Note K – Deferred compensation plan

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

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

Note L – Commitments and contingencies

Federal and state funding

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

TABOR Amendment

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

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

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

TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has reserved funds in the General Fund in the amount of \$88,000 for the emergency reserve.

CWRPDA loan covenants – Water and Sewer Funds

Rate covenant – during the loan term, the City shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The City believes it has met this requirement for the year ended December 31, 2022.

Operations and maintenance fund – the City shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Unobligated fund balances in the Water and Sewer Funds exceeded the required reserve by \$1,067,088 and \$775,601, respectively.

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Required Supplementary Information

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

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

CITY OF WRAY, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) ¹****PERA's Local Government Division Trust Fund****December 31, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability/(asset)	0.2186%	0.2220%	0.2171%	0.2136%
City's proportionate share of the net pension liability/(asset)	\$ (187,451)	\$ 1,156,699	\$ 1,588,126	\$ 2,685,209
City's covered payroll	\$ 1,628,778	\$ 1,568,327	\$ 1,496,590	\$ 1,402,247
City's proportionate share of the net pension liability/(asset) as a percentage of its employee payroll	-11.51%	73.75%	106.12%	191.49%
Plan fiduciary net position as a percentage of the total pension liability	101.49%	90.88%	86.26%	75.96%

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.2111%	0.2301%	0.2085%	0.2189%	0.2209%
\$ 2,350,739	\$ 3,106,536	\$ 2,296,570	\$ 1,962,368	\$ 1,817,665
\$ 1,331,871	\$ 1,394,425	\$ 1,184,001	\$ 1,199,687	\$ 1,178,413
176.50%	222.78%	193.97%	163.57%	154.25%
79.37%	73.60%	76.90%	80.70%	77.66%

CITY OF WRAY, COLORADO
Schedule of City Contributions
PERA's Local Government Division Trust Fund
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 234,097	\$ 214,742	\$ 202,611	\$ 189,606
Contributions in relation to the contractually required contribution	<u>(234,097)</u>	<u>(214,742)</u>	<u>(202,611)</u>	<u>(189,606)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,741,791	\$ 1,628,778	\$ 1,568,327	\$ 1,496,590
Contributions as a percentage of covered payroll	13.44%	13.18%	12.92%	12.67%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 177,632	\$ 168,881	\$ 176,813	\$ 150,131	\$ 152,120	\$ 149,423
<u>(177,632)</u>	<u>(168,881)</u>	<u>(176,813)</u>	<u>(150,131)</u>	<u>(152,120)</u>	<u>(149,423)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,402,247	\$ 1,331,871	\$ 1,394,425	\$ 1,184,001	\$ 1,199,687	\$ 1,178,413
12.67%	12.68%	12.68%	12.68%	12.68%	12.68%

CITY OF WRAY, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) ¹****Police Statewide Defined Benefit Plan****December 31, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability/(asset)	0.0355%	0.0334%	0.0348%	0.0271%
City's proportionate share of the net pension liability/(asset)	\$ (192,517)	\$ (72,435)	\$ (19,660)	\$ 34,218
City's covered payroll	\$ 285,976	\$ 267,988	\$ 256,200	\$ 181,300
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-67.3%	-27.0%	-7.7%	18.9%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.20%

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

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

2018	2017	2016	2015	2014
0.0500%	0.0593%	0.0594%	0.0650%	0.0655%
\$ (71,874)	\$ 21,427	\$ (1,048)	\$ (73,401)	\$ (58,547)
\$ 292,225	\$ 303,475	\$ 288,063	\$ 292,481	\$ 284,387
-24.6%	7.1%	-0.4%	-25.1%	-20.6%
106.30%	98.21%	100.10%	106.80%	105.80%

CITY OF WRAY, COLORADO
Schedule of City Contributions
Police Statewide Defined Benefit Plan
December 31, 2022

	2022	2021	2020	2019
Contractually required contribution	\$ 31,078	\$ 24,308	\$ 21,439	\$ 20,496
Contributions in relation to the contractually required contribution	(31,078)	(24,308)	(21,439)	(20,496)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 345,313	\$ 285,976	\$ 267,988	\$ 256,200
Contributions as a percentage of covered payroll	9.00%	8.50%	8.00%	8.00%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 14,504	\$ 23,378	\$ 24,278	\$ 23,045	\$ 23,398	\$ 22,751
<u>(14,504)</u>	<u>(23,378)</u>	<u>(24,278)</u>	<u>(23,045)</u>	<u>(23,398)</u>	<u>(22,751)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 181,300	\$ 292,225	\$ 303,475	\$ 288,063	\$ 292,481	\$ 284,387
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

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

	2022	2021	2020
Total pension liability			
Service cost	\$ 8,622	\$ 8,657	\$ 9,325
Interest on the total pension liability	23,668	23,038	22,444
Benefit changes	-	-	-
Plan amendment	-	-	-
Differences between expected and actual experience	4,521	7,532	6,944
Assumption changes	-	-	-
Benefit payments	(25,200)	(25,200)	(24,430)
Net change in total pension liability	11,611	14,027	14,283
Total pension liability - beginning	530,974	516,947	502,664
Total pension liability - ending (a)	<u>\$ 542,585</u>	<u>\$ 530,974</u>	<u>\$ 516,947</u>
Plan fiduciary net position			
Employer contributions	\$ 33,751	\$ 27,669	\$ 32,511
Pension plan net investment income	7,232	(2,252)	(2,658)
Benefit payments	(25,200)	(25,200)	(24,430)
Pension plan administrative expenses	-	-	-
State of Colorado matching funds	9,530	9,113	8,861
Adjustment to beginning balance	-	-	-
Net change in plan fiduciary net position	25,313	9,330	14,284
Plan fiduciary net position - beginning	142,807	133,477	119,193
Plan fiduciary net position - ending (b)	<u>\$ 168,120</u>	<u>\$ 142,807</u>	<u>\$ 133,477</u>
City's net pension liability/(asset) - ending (a) - (b)	<u>\$ 374,465</u>	<u>\$ 388,167</u>	<u>\$ 383,470</u>
Plan fiduciary net position as a percentage of the total pension liability	30.99%	26.90%	25.82%
Covered payroll	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A

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

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

2019	2018	2017	2016	2015
\$ 9,584	\$ 14,913	\$ 10,960	\$ 10,222	\$ 9,966
13,118	13,106	12,785	12,527	12,214
-	-	-	-	-
-	-	94,857	-	-
-	(11,626)	7,614	8,184	7,979
(154,794)	-	40,525	-	-
(25,200)	(23,520)	(22,120)	(19,120)	(18,240)
(157,292)	(7,127)	144,621	11,813	11,919
659,956	667,083	522,462	510,649	498,730
<u>\$ 502,664</u>	<u>\$ 659,956</u>	<u>\$ 667,083</u>	<u>\$ 522,462</u>	<u>\$ 510,649</u>
\$ 21,361	\$ 20,798	\$ 20,922	\$ 11,754	\$ 10,715
528	(3,324)	(3,338)	540	537
(25,200)	(23,520)	(22,120)	(19,120)	(18,240)
-	-	-	-	-
7,900	8,463	7,884	7,530	7,417
-	-	(296)	-	-
4,589	2,417	3,052	704	429
114,604	112,187	109,135	108,431	108,002
<u>\$ 119,193</u>	<u>\$ 114,604</u>	<u>\$ 112,187</u>	<u>\$ 109,135</u>	<u>\$ 108,431</u>
<u>\$ 383,471</u>	<u>\$ 545,352</u>	<u>\$ 554,896</u>	<u>\$ 413,327</u>	<u>\$ 402,218</u>
23.71%	17.37%	16.82%	20.89%	21.23%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

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

Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2022	\$ 30,298	\$ 34,919	\$ (4,621)	N/A	N/A
2021	\$ 31,426	\$ 33,231	\$ (1,805)	N/A	N/A
2020	\$ 31,185	\$ 36,783	\$ (5,598)	N/A	N/A
2019	\$ 31,853	\$ 31,372	\$ 481	N/A	N/A
2018	\$ 33,456	\$ 29,261	\$ 4,195	N/A	N/A
2017	\$ 35,203	\$ 29,261	\$ 5,942	N/A	N/A
2016	\$ 29,053	\$ 28,806	\$ 247	N/A	N/A
2015	\$ 35,395	\$ 19,284	\$ 16,111	N/A	N/A
2014	\$ 35,395	\$ 18,132	\$ 17,263	N/A	N/A

* Includes both employer and State of Colorado matching funds.

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

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

	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment expense	0.83%	1.76%	1.44%	1.22%

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.78%	0.62%	0.62%	0.50%	0.50%

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.0170%	0.0169%	0.0166%	0.0166%
City's proportionate share of the net OPEB liability	\$ 146,490	\$ 160,781	\$ 186,856	\$ 225,262
City's covered payroll	\$ 1,626,078	\$ 1,564,702	\$ 1,494,790	\$ 1,400,322
City's proportionate share of the net OPEB liability as a percentage of its employee payroll	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%

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

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

<u>2018</u>	<u>2017</u>
0.0164%	0.0177%
\$ 213,175	\$ 228,933
\$ 1,331,871	\$ 1,394,425
16.01%	16.42%
17.53%	16.72%

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
PERA's Health Care Trust Fund
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 17,766	\$ 16,586	\$ 15,960	\$ 15,247
Contributions in relation to the contractually required contribution	<u>(17,766)</u>	<u>(16,586)</u>	<u>(15,960)</u>	<u>(15,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,741,791	\$ 1,626,078	\$ 1,564,702	\$ 1,494,790
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

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

<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 14,283	\$ 13,583	\$ 14,221
<u>(14,283)</u>	<u>(13,583)</u>	<u>(14,221)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,400,322	\$ 1,331,871	\$ 1,394,425
1.02%	1.02%	1.02%

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,774,779	\$ 1,774,779	\$ 2,131,892	\$ 357,113
Licenses and permits	10,690	10,690	26,082	15,392
Intergovernmental	1,597,572	1,597,572	275,062	(1,322,510)
Fines and forfeitures	10,302	10,302	19,486	9,184
Charges for services	384,204	384,204	400,311	16,107
Miscellaneous	1,279,189	1,279,189	215,294	(1,063,895)
Total revenues	5,056,736	5,056,736	3,068,127	(1,988,609)
Expenditures				
Current				
General government	1,165,568	1,165,568	679,858	485,710
Public safety	1,683,597	1,683,597	1,742,206	(58,609)
Public works	1,564,693	1,564,693	530,825	1,033,868
Culture and recreation	2,265,272	2,265,272	861,999	1,403,273
Appropriated reserves	97,891	97,891		97,891
Total expenditures	6,777,021	6,777,021	3,814,888	2,962,133
Excess of revenues over (under) expenditures	(1,720,285)	(1,720,285)	(746,761)	973,524
Other financing sources				
Sale of assets	135,000	135,000		(135,000)
Transfers in	1,252,531	1,252,531	902,531	(350,000)
Total other financing sources	1,387,531	1,387,531	902,531	(485,000)
Net change in fund balance	\$ (332,754)	\$ (332,754)	155,770	\$ 488,524
Fund balance at beginning of year			417,358	
Fund balance at end of year			\$ 573,128	

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

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

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

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

- On or before October 15th of each year, or in conformity with the general state law, the City clerk submits to the City council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the City clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year.
- A public hearing on the budget shall be held by City council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the City council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

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

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

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

FPPA – Police Statewide Defined Benefit Plan

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

Other Supplementary Information

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

Such statements and schedules include:

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

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Budgetary Comparison Schedules – General Fund

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

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	\$ 387,985	\$ 387,985	\$ 445,500	\$ 57,515
Specific ownership taxes	46,210	46,210	45,436	(774)
Penalties and interest on taxes	1,161	1,161	1,413	252
Franchise taxes	28,951	28,951	21,856	(7,095)
Sales taxes	1,256,933	1,256,933	1,530,369	273,436
Severance taxes	600	600	44,790	44,190
Lodging taxes	52,939	52,939	42,528	(10,411)
Total taxes	1,774,779	1,774,779	2,131,892	357,113
Licenses and permits	10,690	10,690	26,082	15,392
Intergovernmental				
Motor vehicle assessments	9,625	9,625	8,675	(950)
Cigarette taxes	4,031	4,031	3,107	(924)
Weed & clean up	200	200		(200)
Highway users tax	85,000	85,000	91,502	6,502
Road and bridge taxes	25,551	25,551	26,696	1,145
Fiscal health grant	29,216	29,216		(29,216)
City complex grant	200,000	200,000		(200,000)
Outdoor library/community space	866,200	866,200		(866,200)
ARPA funds	295,210	295,210		(295,210)
Fire department grant	13,500	13,500		(13,500)
Ambulance grants	60,000	60,000	58,069	(1,931)
Police grants	15,000	15,000		(15,000)
Airport grants	35,000	35,000	56,462	21,462
Pool grants	20,000	20,000		(20,000)
Parks grant	123,750	123,750		(123,750)
Library grants	10,500	10,500	10,500	-
Amphitheater grant	16,406	16,406	3,281	(13,125)
Street grant	654,583	654,583	16,770	(637,813)
Total intergovernmental	2,463,772	2,463,772	275,062	(2,188,710)
Fines and forfeitures				
Animal control	694	694	960	266
Police fines	8,693	8,693	17,661	8,968
Library fines	915	915	865	(50)
Total fines and forfeitures	10,302	10,302	19,486	9,184

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services				
Ambulance fees	274,500	274,500	275,477	977
Street fees	5,005	5,005	135	(4,870)
Parks user fees	929	929	512	(417)
Recreation fees	25,590	25,590	23,758	(1,832)
Swimming pool fees	61,792	61,792	72,489	10,697
Museum fees	3,700	3,700	6,354	2,654
Rental income	12,688	12,688	21,586	8,898
Total charges for services	384,204	384,204	400,311	16,107
Miscellaneous				
Interest on investments	3,000	3,000	2,331	(669)
Donations	277,975	277,975	172,271	(105,704)
Miscellaneous	132,014	132,014	40,692	(91,322)
Total miscellaneous	412,989	412,989	215,294	(197,695)
Total revenues	<u>\$ 5,056,736</u>	<u>\$ 5,056,736</u>	<u>\$ 3,068,127</u>	<u>\$ (1,988,609)</u>

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Salaries	\$ 201,282	\$ 201,282	\$ 184,620	\$ 16,662
Employee benefits	80,211	80,211	77,882	2,329
Workers compensation	65,000	65,000	48,775	16,225
Contract labor	19,099	19,099	19,095	4
Supplies	16,000	16,000	12,743	3,257
Repairs and maintenance	5,000	5,000	1,329	3,671
Housekeeping	45,000	45,000	46,500	(1,500)
Insurance	160,000	160,000	168,038	(8,038)
Training	7,500	7,500	1,072	6,428
Professional services	35,000	35,000	15,123	19,877
Meetings and dues	13,000	13,000	8,722	4,278
Audit expense	19,500	19,500	20,900	(1,400)
Dues and donations	20,000	20,000	17,353	2,647
County treasurer fees	7,760	7,760	8,839	(1,079)
Election expense	7,000	7,000		7,000
Grant expenditures	429,216	429,216		429,216
Development expense	30,000	30,000	47,256	(17,256)
Capital outlay	5,000	5,000	1,611	3,389
Total general government	1,165,568	1,165,568	679,858	485,710
Public safety				
Police				
Salaries	480,079	480,079	467,882	12,197
Employee benefits	264,838	264,838	228,630	36,208
Contract labor	17,400	17,400	17,400	-
Professional services	13,000	13,000	14,748	(1,748)
Meetings and dues	5,000	5,000	6,306	(1,306)
Court expense	500	500	718	(218)
Vehicle expense	16,600	16,600	8,327	8,273
Repairs and maintenance	15,000	15,000	11,482	3,518
Supplies	11,000	11,000	13,199	(2,199)
Medical expense	1,500	1,500	1,303	197
Communications	12,000	12,000	7,449	4,551
Police operations	25,594	25,594	30,300	(4,706)
Lease expense	4,200	4,200	4,200	-
Grant expenditures	15,000	15,000		15,000
Capital outlay	60,000	60,000	38,012	21,988
Total police	941,711	941,711	849,956	91,755

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Animal Control				
Salaries	5,020	5,020	3,542	1,478
Employee benefits	762	762	556	206
Supplies	513	513	797	(284)
Capital outlay	500	500		500
Total animal control	6,795	6,795	4,895	1,900
Fire				
Supplies	10,000	10,000	12,432	(2,432)
Repairs and maintenance	22,000	22,000	16,063	5,937
Training	3,000	3,000	4,435	(1,435)
Professional services	3,000	3,000	1,264	1,736
Firemen's pension	23,190	23,190	25,250	(2,060)
Fireworks display	10,000	10,000	10,000	-
Capital outlay	27,000	27,000		27,000
Total fire	98,190	98,190	69,444	28,746
Ambulance				
Salaries	350,022	350,022	480,315	(130,293)
Employee benefits	153,345	153,345	146,718	6,627
Supplies	41,000	41,000	34,443	6,557
Repairs and maintenance	7,000	7,000	7,252	(252)
Vehicle expense	15,000	15,000	19,855	(4,855)
Training	7,000	7,000	8,841	(1,841)
Professional services	26,734	26,734	25,346	1,388
Transfer meals	4,500	4,500	3,949	551
Communications	10,100	10,100	5,237	4,863
Grant expenditures	20,000	20,000	81,721	(61,721)
Capital outlay	2,200	2,200	4,234	(2,034)
Total ambulance	636,901	636,901	817,911	(181,010)
Total public safety	1,683,597	1,683,597	1,742,206	(58,609)
Public works				
Highways and streets				
Salaries	231,070	231,070	144,526	86,544
Employee benefits	145,428	145,428	73,686	71,742

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Street repairs	10,000	10,000	9,778	222
Maintenance and repairs	105,000	105,000	45,099	59,901
Supplies	4,500	4,500	10,104	(5,604)
Shop and general	25,000	25,000	15,701	9,299
Vehicle expense	35,000	35,000	37,682	(2,682)
Training	3,000	3,000		3,000
Professional services	11,000	11,000		11,000
Medical expense	2,000	2,000	150	1,850
Grant expenditures	853,013	853,013	49,740	803,273
Capital outlay	36,000	36,000	22,044	13,956
Total highways and streets	1,461,011	1,461,011	408,510	1,052,501
Airport				
Salaries	21,945	21,945	17,033	4,912
Employee benefits	3,331	3,331	2,715	616
Supplies	8,406	8,406	5,734	2,672
Repairs and maintenance	4,000	4,000	(416)	4,416
Professional services	11,000	11,000	6,281	4,719
Matching expense	4,500	4,500	2,881	1,619
Training	500	500		500
Capital outlay	50,000	50,000	88,087	(38,087)
Total airport	103,682	103,682	122,315	(18,633)
Total public works	1,564,693	1,564,693	530,825	1,033,868
Culture and recreation				
Pool				
Salaries	95,095	95,095	93,111	1,984
Employee benefits	14,435	14,435	15,041	(606)
Supplies	39,918	39,918	47,930	(8,012)
Repairs and maintenance	15,000	15,000	15,288	(288)
Training	8,000	8,000	5,431	2,569
Professional services	500	500	295	205
Capital outlay	140,000	140,000	96,432	43,568
Total pool	312,948	312,948	273,528	39,420

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Recreation				
Salaries	29,926	29,926	17,085	12,841
Employee benefits	29,295	29,295	2,714	26,581
Activities	15,326	15,326	19,930	(4,604)
Contract labor	2,500	2,500	1,970	530
Supplies	5,000	5,000	5,996	(996)
Repairs and maintenance	5,000	5,000	553	4,447
Training	1,500	1,500	1,632	(132)
Vehicle expense	1,000	1,000		1,000
Professional services	500	500		500
Total recreation	90,047	90,047	49,880	40,167
Parks				
Salaries	64,860	64,860	41,000	23,860
Employee benefits	34,674	34,674	16,976	17,698
Supplies	50,000	50,000	27,968	22,032
Repairs and maintenance	7,500	7,500	6,466	1,034
Training	500	500		500
Wray Country Club donation			19,300	(19,300)
Grant expenditures	165,000	165,000	52,816	112,184
Capital outlay	7,000	7,000		7,000
Total parks	329,534	329,534	164,526	165,008
Library				
Salaries	124,306	124,306	120,211	4,095
Employee benefits	43,698	43,698	43,113	585
Supplies	31,000	31,000	35,361	(4,361)
Repairs and maintenance	17,400	17,400	12,405	4,995
Training	1,200	1,200	185	1,015
Activities	8,500	8,500	10,781	(2,281)
Lease expense	1,750	1,750	1,480	270
Grant expenditures	1,136,700	1,136,700	19,368	1,117,332
Capital outlay	13,120	13,120	10,032	3,088
Total library	1,377,674	1,377,674	252,936	1,124,738

(continued)

CITY OF WRAY, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Museum				
Salaries	60,602	60,602	56,098	4,504
Employee benefits	34,027	34,027	32,586	1,441
Supplies	5,500	5,500	6,871	(1,371)
Repairs and maintenance	4,000	4,000	1,935	2,065
Training	1,000	1,000		1,000
Professional services	4,000	4,000	2,578	1,422
Activities	250	250	239	11
Gift shop inventory	1,000	1,000	4,994	(3,994)
Lease	565	565	251	314
Memorial expenses	15,000	15,000	11,452	3,548
Capital outlay	6,000	6,000		6,000
Total museum	131,944	131,944	117,004	14,940
Amphitheater				
Grant expenditures	23,125	23,125	4,125	19,000
Total culture and recreation	2,265,272	2,265,272	861,999	1,403,273
Appropriated reserves	97,891	97,891		97,891
Total expenditures	<u>\$ 6,777,021</u>	<u>\$ 6,777,021</u>	<u>\$ 3,814,888</u>	<u>\$ 2,962,133</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The City reports the following nonmajor governmental funds:

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

- Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.
- Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.
- Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2022

	Airport Fund	Conservation Trust Fund	Youth Fund	Total
Assets				
Cash	\$ 123,485	\$ 269,685	\$ 11,922	\$ 405,092
Receivables			789	789
Due from other funds	89,712			89,712
Total assets	<u>\$ 213,197</u>	<u>\$ 269,685</u>	<u>\$ 12,711</u>	<u>\$ 495,593</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 19	\$ 19
Fund balance				
Restricted for:				
Culture and recreation		269,685		269,685
Committed for:				
Airport services	213,197			213,197
Youth activities			12,692	12,692
Total fund balance	<u>213,197</u>	<u>269,685</u>	<u>12,692</u>	<u>495,574</u>
Total liabilities and fund balance	<u>\$ 213,197</u>	<u>\$ 269,685</u>	<u>\$ 12,711</u>	<u>\$ 495,593</u>

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

	Airport Fund	Conservation Trust Fund	Youth Fund	Total
Revenues				
Intergovernmental revenue	\$ 7,029	\$ 30,158		\$ 37,187
Charges for services	24,150			24,150
Miscellaneous	234	885	\$ 6,552	7,671
Total revenues	31,413	31,043	6,552	69,008
Expenditures				-
Excess of revenues over expenditures	31,413	31,043	6,552	69,008
Other financing uses				
Transfers out			(2,531)	(2,531)
Net change in fund balances	31,413	31,043	4,021	66,477
Fund balance at beginning of year	181,784	238,642	8,671	429,097
Fund balance at end of year	\$ 213,197	\$ 269,685	\$ 12,692	\$ 495,574

CITY OF WRAY, COLORADO
Airport Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
State fuel taxes	\$ 3,000	\$ 3,000	\$ 7,029	\$ 4,029
Charges for services				
Airport leases	16,000	16,000	18,289	2,289
Airport taxes	4,500	4,500	2,980	(1,520)
City match	4,500	4,500	2,881	(1,619)
Total charges for services	25,000	25,000	24,150	(850)
Miscellaneous				
Interest on investments	100	100	234	134
Total revenues	28,100	28,100	31,413	3,313
Expenditures				
Public works	12,500	12,500		12,500
Total expenditures	12,500	12,500	-	12,500
Net change in fund balance	\$ 15,600	\$ 15,600	31,413	\$ 15,813
Fund balance at beginning of year			181,784	
Fund balance at end of year			\$ 213,197	

CITY OF WRAY, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
Lottery proceeds	\$ 23,500	\$ 23,500	\$ 30,158	\$ 6,658
Miscellaneous				
Interest on investments	190	190	885	695
Total revenues	23,690	23,690	31,043	7,353
Expenditures				
Culture and recreation	20,625	20,625		20,625
Total expenditures	20,625	20,625	-	20,625
Net change in fund balance	\$ 3,065	\$ 3,065	31,043	\$ 27,978
Fund balance at beginning of year			238,642	
Fund balance at end of year			\$ 269,685	

CITY OF WRAY, COLORADO
Youth Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Oil and gas lease	\$ 3,000	\$ 3,000	\$ 6,547	\$ 3,547
Interest on investments	8	8	5	(3)
Total revenues	3,008	3,008	6,552	3,544
Expenditures				
Culture and recreation				-
Excess of revenues over expenditures	3,008	3,008	6,552	3,544
Other financing uses				
Transfers out	(2,531)	(2,531)	(2,531)	-
Net change in fund balance	\$ 477	\$ 477	4,021	\$ 3,544
Fund balance at beginning of year			8,671	
Fund balance at end of year			\$ 12,692	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

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

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the City.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the City.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

CITY OF WRAY, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 2,881,648	\$ 2,881,648	\$ 2,802,045	\$ (79,603)
Tap fees	1,750	1,750	14,500	12,750
Total operating revenues	2,883,398	2,883,398	2,816,545	(66,853)
Operating expenses				
Systems operation				
Salaries	209,206	209,206	145,110	64,096
Employee benefits	103,078	103,078	65,982	37,096
Electricity purchases	1,515,808	1,515,808	1,410,477	105,331
Supplies	13,500	13,500	9,007	4,493
Repairs and maintenance	80,000	80,000	33,517	46,483
Vehicle expense	9,000	9,000	8,322	678
Professional services	9,750	9,750	12,152	(2,402)
Training	4,000	4,000	4,063	(63)
Bad debts	4,200	4,200		4,200
Grant expenditures	70,000	70,000		70,000
Capital outlay	65,000	65,000		65,000
Total systems operation	2,083,542	2,083,542	1,688,630	394,912
Administrative and general				
Salaries	239,410	239,410	224,745	14,665
Employee benefits	156,431	156,431	136,401	20,030
Supplies	16,000	16,000	11,360	4,640
Repairs and maintenance	20,000	20,000	8,557	11,443
Training	3,500	3,500	4,097	(597)
Professional services	14,000	14,000	10,817	3,183
Lease expense	8,500	8,500	6,449	2,051
Publications	3,500	3,500	6,987	(3,487)
Noncapital outlay			2,257	(2,257)
Capital outlay	5,000	5,000	83,600	(78,600)
Total administrative and general	466,341	466,341	495,270	(28,929)
Total operating expenses	2,549,883	2,549,883	2,183,900	365,983
Operating income	333,515	333,515	632,645	299,130

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues				
Interest on investments	5,000	5,000	26,368	21,368
Gain on sale of assets			1,779	1,779
Grants and donations	35,000	35,000		(35,000)
Miscellaneous	57,207	57,207	48,978	(8,229)
Total nonoperating revenues	97,207	97,207	77,125	(20,082)
Net income before transfers	430,722	430,722	709,770	279,048
Transfers out	(1,250,000)	(1,250,000)	(900,000)	350,000
Change in net position	<u>\$ (819,278)</u>	<u>\$ (819,278)</u>	(190,230)	<u>\$ 629,048</u>
Adjustments to GAAP Basis				
Add capital purchases			83,600	
Add pension and other post-employment benefit expense			100,015	
Deduct depreciation			<u>(85,060)</u>	
Change in net position - GAAP Basis			(91,675)	
Net position at beginning of year			<u>3,683,569</u>	
Net position at end of year			<u>\$ 3,591,894</u>	

CITY OF WRAY, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 429,831	\$ 429,831	\$ 438,655	\$ 8,824
Tap fees	1,000	1,000	13,500	12,500
Total operating revenues	430,831	430,831	452,155	21,324
Operating expenses				
Salaries	47,550	47,550	41,910	5,640
Employee benefits	19,693	19,693	17,827	1,866
Power purchases	58,115	58,115	61,398	(3,283)
Supplies	12,000	12,000	5,720	6,280
Chemicals	6,500	6,500	21,482	(14,982)
Repairs and maintenance	130,000	130,000	235	129,765
Vehicle expense	5,000	5,000	1,251	3,749
Professional services	35,000	35,000	52,151	(17,151)
Training	4,000	4,000	1,604	2,396
Water fees	21,000	21,000	16,877	4,123
Bad debts	500	500		500
Total operating expenses	339,358	339,358	220,455	118,903
Operating income	91,473	91,473	231,700	140,227
Nonoperating revenues (expenses)				
Interest on investments	1,845	1,845	7,667	5,822
Miscellaneous	15,000	15,000	15,979	979
Principal paid on notes	(81,958)	(81,958)	(81,958)	-
Interest and fiscal charges	(43,987)	(43,987)	(43,987)	-
Total nonoperating revenues (expenses)	(109,100)	(109,100)	(102,299)	6,801
Change in net position	\$ (17,627)	\$ (17,627)	129,401	\$ 147,028

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Adjustments to GAAP Basis				
Add principal paid on notes			81,958	
Add pension and other post- employment benefit expense			13,287	
Deduct depreciation			(207,189)	
Change in net position - GAAP Basis			17,457	
Net position at beginning of year			5,753,241	
Net position at end of year			\$ 5,770,698	

CITY OF WRAY, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 403,809	\$ 403,809	\$ 407,598	\$ 3,789
Tap fees	1,000	1,000	12,750	11,750
Total operating revenues	404,809	404,809	420,348	15,539
Operating expenses				
Salaries	111,494	111,494	35,560	75,934
Employee benefits	54,754	54,754	19,627	35,127
Power purchases	80,000	80,000	66,482	13,518
Supplies	5,789	5,789	4,361	1,428
Chemicals	15,000	15,000	10,799	4,201
Repairs and maintenance	56,000	56,000	31,451	24,549
Vehicle expense	5,000	5,000	5,914	(914)
Training	1,800	1,800	228	1,572
Professional services	179,000	179,000	8,112	170,888
Total operating expenses	508,837	508,837	182,534	326,303
Operating income (loss)	(104,028)	(104,028)	237,814	341,842
Nonoperating revenues (expenses)				
Interest on investments	500	500	3,485	2,985
Miscellaneous	135,000	135,000	2,105	(132,895)
Principal paid on notes	(104,105)	(104,105)	(79,104)	25,001
Interest and fiscal charges	(12,997)	(12,997)	(12,997)	-
Total nonoperating revenues (expenses)	18,398	18,398	(86,511)	(104,909)
Change in net position	\$ (85,630)	\$ (85,630)	151,303	\$ 236,933

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Adjustments to GAAP Basis				
Add principal paid on notes			79,104	
Add pension and other post- employment benefit expense			29,842	
Deduct depreciation			(248,372)	
Change in net position - GAAP Basis			11,877	
Net position at beginning of year			4,948,088	
Net position at end of year			\$ 4,959,965	

CITY OF WRAY, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 342,022	\$ 342,022	\$ 330,485	\$ (11,537)
Operating expenses				
Salaries	143,708	143,708	126,734	16,974
Employee benefits	90,777	90,777	68,191	22,586
Supplies	8,000	8,000	5,377	2,623
Repairs and maintenance	15,000	15,000	14,807	193
Vehicle expense	25,000	25,000	25,893	(893)
Professional services			2,405	(2,405)
Training	700	700		700
Landfill expense	68,250	68,250	63,042	5,208
Bad debts	500	500		500
Capital outlay			4,800	(4,800)
Total operating expenses	351,935	351,935	311,249	40,686
Operating income (loss)	(9,913)	(9,913)	19,236	29,149
Nonoperating revenues				
Interest on investments	1,200	1,200	6,273	5,073
Miscellaneous	4,000	4,000	6,675	2,675
Total nonoperating revenues	5,200	5,200	12,948	7,748
Change in net position	\$ (4,713)	\$ (4,713)	32,184	\$ 36,897
Adjustments to GAAP Basis				
Add pension and other post-employment benefit expense			41,159	
Deduct depreciation			(36,127)	
Change in net position - GAAP Basis			37,216	
Net position at beginning of year			472,032	
Net position at end of year			\$ 509,248	

Budgetary Comparison Schedule – Fiduciary Fund

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

The City reports the following fiduciary fund:

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

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

CITY OF WRAY, COLORADO
Fireman's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Additions				
Contributions				
Employer	\$ 19,113	\$ 19,113	\$ 20,693	\$ 1,580
State	7,900	7,900	9,669	1,769
Specific ownership tax	4,000	4,000	4,557	557
Total contributions	31,013	31,013	34,919	3,906
Investment income				
Interest on investments	1,100	1,100	1,126	26
Total investment income	1,100	1,100	1,126	26
Total additions	32,113	32,113	36,045	3,932
Deductions				
Pension benefits	25,300	25,300	24,950	350
Professional services	4,500	4,500	4,000	500
Total deductions	29,800	29,800	28,950	850
Change in net position	\$ 2,313	\$ 2,313	7,095	\$ 4,782
Net position restricted for pension benefits				
Beginning of year			159,007	
End of year			\$ 166,102	

**Colorado Department of Highways
Local Highway Finance Report**

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

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22This Information From The Records Of:
City of WrayPrepared By:
Emily Ellis, City Clerk/Treasurer

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	\$ 2,536,549.90
3. Other local imposts (from page 2)	\$ 82,103.20
4. Miscellaneous local receipts (from page 2)	\$ (44,787.12)
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)	\$ 2,573,865.98
B. Private Contributions	
C. Receipts from State government (from page 2)	\$ 100,530.85
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 2,674,396.83

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ -
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	\$ 28,173.74
c. Other	
d. Total (a. through c.)	\$ 28,173.74
4. General administration & miscellaneous	
5. Highway law enforcement and safety	\$ 2,646,223.09
6. Total (1 through 5)	\$ 2,674,396.83
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)	\$ 2,674,396.83

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 (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 2,674,396.83	\$ 2,674,396.83	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADOYEAR 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 Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 17,661.46
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ (89,279.45)
4. Licenses		f. Charges for Services	\$ 135.00
5. Specific Ownership &/or Other	\$ 82,103.20	g. Other Misc. Receipts	\$ 26,695.87
6. Total (1. through 5.)	\$ 82,103.20	h. Other	
c. Total (a. + b.)	\$ 82,103.20	i. Total (a. through h.)	\$ (44,787.12)
(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.)	\$ 90,768.71	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	\$ 9,762.14	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 9,762.14	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 100,530.85	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: