CITY OF CRAIG

FINANCIAL STATEMENTS
DECEMBER 31, 2024

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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

City Council
Craig, Colorado

Report on the Audit of the 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 Craig (the City) as of and for the year ended December 31, 2024, 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, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Adams Group, LLC

Greenwood Village, Colorado
June 16, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

INTRODUCTION

Our discussion and analysis of the City of Craig financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. It should be read in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at December 31, 2024 by $93,352,575. Of this amount, $35,424,746 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens, creditors, and enterprise fund customers.

- The City's total net position increased by $10,807,893 over the previous year. The increase was a result of continued federal and state grant funding used for construction projects taken on by the City.

- At December 31, 2024, the City's governmental fund balance sheet reported a combined ending fund balance of $23,271,697, an increase of $3,888,250 when compared to the prior year.

- The General Fund reported a fund balance of $23,380,491, an increase of $3,491,918 from the prior fiscal year as a result of increased tax revenues and increased grant revenues from the State.

- The City's outstanding long-term debt increased by $532,018 in fiscal year 2024, due to additional financing needed for the City's Housing Authority project, and the adoption of GASB Statement No. 101 *Compensated Absences,* which captured additional compensated absences under the City's employment handbook.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, 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 is improving or deteriorating.

The statement of activities presents information showing how the City'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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, road and bridge, community development, and park and recreation. The City's business-type activities include a water and wastewater utility system, and a solid waste service.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Craig Housing Authority Fund, Capital Projects Fund, Craig Urban Renewal Authority Fund, and the Museum Fund. The General Fund and the Craig Housing Authority are the only governmental funds considered to be major funds in the current year.

The City adopts an annual appropriated budget for all funds, as required by State Statues. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

Proprietary funds. The City maintains two types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and solid waste operations. The City uses an internal service fund to account for its medical benefits insurance program.

Financial statements of proprietary funds provide the same type of information as the government wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the City's water, wastewater, and solid waste, each of which is considered to be major fund of the City.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparison information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The City's assets exceeded its liabilities and deferred inflows of resources by $93,352,575 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to $10,807,893.

One of the largest portions of the City's net position (61.1%) reflects its investment in capital assets (for example, land, buildings, infrastructure, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. A portion of the City's net position (1.0%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $35,424,746 may be used to meet the City's ongoing obligations to its citizens and creditors.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 26,440,464	$ 23,376,481	$ 13,619,451	$ 13,181,705	$ 40,059,915	$ 36,558,186
Right to use lease assets, net of accumulated amortization	-	129,870	-	-	-	-
Capital assets, net of depreciation	34,649,632	27,686,022	29,046,309	27,694,099	63,695,941	55,380,121
Total Assets	61,090,096	51,192,373	42,665,760	40,875,804	103,755,856	91,938,307
Liabilities						
Current liabilities	4,199,189	2,577,537	1,277,565	1,035,623	5,476,754	3,613,160
Noncurrent liabilities	-	59,367	3,505,935	4,139,525	3,505,935	4,198,892
Total Liabilities	4,199,189	2,636,904	4,783,500	5,175,148	8,982,689	7,812,052
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,432,561	1,717,550	-	-	1,432,561	1,717,550
Net Position						
Net investment in capital assets	32,217,881	26,185,480	24,790,284	22,934,244	57,008,165	49,119,724
Restricted	919,664	839,478	-	-	919,664	839,478
Unrestricted	22,320,801	19,812,961	13,103,945	12,772,519	35,424,746	32,585,480
Total Net Position	$ 55,458,346	$ 46,837,919	$ 37,894,229	$ 35,706,763	$ 93,352,575	$ 82,544,682

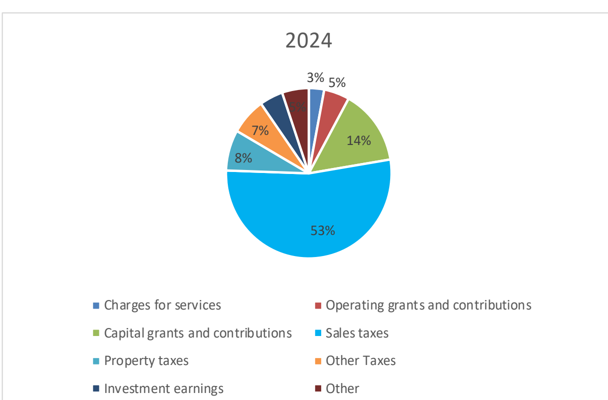
At the end of the current fiscal year, as in the prior year, the City is able to report positive balances in all three categories of net position as a whole and individually within the governmental and business-type activities. Unrestricted net position increased by $2,839,266 compared with the prior year, largely due to a significant increase in revenues associated with sales and property taxes and an increase in state and federal grant funding. The City's finances are strong, sound, and stable because of solid, dedicated and committed financial and operational management.

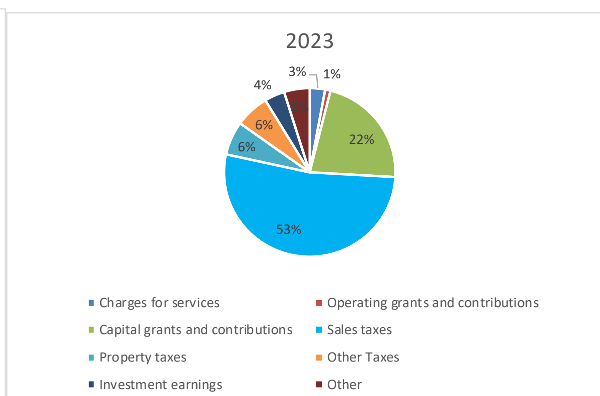
The changes in net position displayed subsequently shows the governmental and business-type activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 679,244	$ 678,945	$ 8,287,615	$ 7,494,132	$ 8,966,859	$ 8,173,077
Operating Grants & Contributions	1,126,401	229,761	-	-	1,126,401	229,761
Capital Grants & Contributions	3,253,872	5,142,018	633,267	131,950	3,887,139	5,273,968
General Revenues						
Sales Taxes	12,002,481	12,288,481	-	-	12,002,481	12,288,481
Property Taxes	1,747,200	1,510,642	-	-	1,747,200	1,510,642
Other Taxes & Fees	1,572,968	1,503,558	-	-	1,572,968	1,503,558
Investment Earnings	1,025,721	889,577	534,654	511,359	1,560,375	1,400,936
Other	1,179,569	1,130,899	247,794	42,618	1,427,363	1,173,517
Total Revenues	22,587,456	23,373,881	9,703,330	8,180,059	32,290,786	31,553,940
Expenses						
General Government	3,176,351	5,124,442	-	-	3,176,351	5,124,442
Public Safety	4,362,423	3,978,060	-	-	4,362,423	3,978,060
Road & Bridge	3,164,166	3,031,828	-	-	3,164,166	3,031,828
Community Development	432,094	405,979	-	-	432,094	405,979
Housing Development	202,051	176,209	-	-	202,051	176,209
Parks & Recreation	2,629,944	2,536,060	-	-	2,629,944	2,536,060
Water	-	-	3,653,303	3,262,266	3,653,303	3,262,266
Wastewater	-	-	1,802,507	1,731,223	1,802,507	1,731,223
Solid Waste	-	-	2,060,054	1,898,048	2,060,054	1,898,048
Total Expenses	13,967,029	15,252,578	7,515,864	6,891,537	21,482,893	22,144,115
Change in Net Position	8,620,427	8,121,303	2,187,466	1,288,522	10,807,893	9,409,825
Net Position - Beginning	46,837,919	38,716,616	35,706,763	34,418,241	82,544,682	73,134,857
Net Position - Ending	$ 55,458,346	$ 46,837,919	$ 37,894,229	$ 35,706,763	$ 93,352,575	$ 82,544,682

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal years 2024 and 2023.

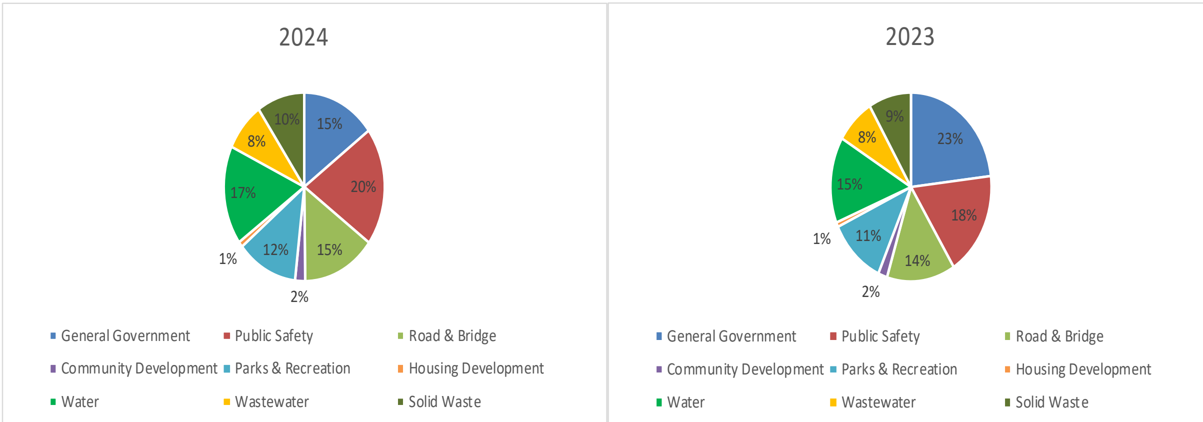
GOVERNMENTAL REVENUES





As portrayed above and discussed earlier, the City is heavily reliant on sales tax as well as property taxes to support governmental operations. These tax revenues accounted for 61% of total revenues as compared to 59% in the prior year. The increase is a result of a decrease in capital grants and contributions.

GOVERNMENTAL FUNCTIONAL EXPENSES



Total expenses for governmental activities was $13,967,029 in 2024 when compared to the $15,252,578 in 2023. The decrease was driven in part by the City's participation along with other regional government partners in the construction of a solar plant in the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of December 31, 2024, the City's governmental funds reported combined fund balances of $23,271,697, an increase of $3,888,250 compared with the prior year balances. There is $21,315,361 of unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance falls into the categories of either nonspendable, restricted, committed or assigned. These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the City, statutory or debt-based requirements.

The General Fund is the chief operating fund of the City. At December 31, 2024, total fund balance in the General Fund was $23,380,491. As a measure of the General Fund's liquidity, the total fund balance amount represented 151.2% of total general fund expenditures at December 31, 2024. The fund balance of the General Fund increased by $3,491,918 during the current fiscal year due to an increase in tax and grant revenues.

The Craig Housing Authority is a blended component unit of the City that began operations in 2023 and is presented as a major special revenue fund in the City's financial statements. Total fund balance for the Housing Authority was a deficit of ($1,321,371). During 2024, fund balance increased by $231,816 as revenues and other financing sources exceeded capital outlay.

The Capital Projects Fund has a total fund balance of $521,932, 100% of which is assigned for capital improvements. The $18,988 increase in fund balance for the year is the result of increased property tax collections and investment earnings in 2024.

The Craig Urban Renewal Authority Fund is a blended component unit of the City and is presented as a special revenue fund in the City's statements. Total fund balance for the URA was $167,765 and 100% of fund balance is restricted for the Urban Renewal Authority. The $86,790 increase was driven by the collection of incremental sales tax in the Authority's area.

The Museum Fund has a total fund balance of $522,880 100% of which is restricted to support the operations of the Museum of Northwest Colorado. The $58,738 increase in fund balance was the result of the General Fund transferring $390,000 to cover operations and capital construction.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At December 31, 2024, total net position amounted to $37,894,229 for enterprise funds, an increase of $2,187,466 from the prior year.

Total net position of the Water Fund amounted to $24,187,564 at the end of the fiscal year, representing a $655,861 increase compared to the prior fiscal year. The largest portion of the fund's net position (69.3%) reflects its investment in capital assets less any related debt used to acquire those assets. Operating revenues increased 11.5%, or $395,744 compared to 2023 due to an increase in consumption charges to customers within the City. Operating expenses increased $399,070 compared to 2023, resulting in a decrease in operating income of $3,326 compared to 2023.

The Wastewater Fund total net position amounted to $10,508,867 at the end of the fiscal year, representing an increase of $1,323,039 compared to the prior year. The largest portion of the fund's net position (63.9%) represents its investment in capital assets. Operating revenues increased 14.6% or $315,080 and operating expenses increased $70,302 when compared to the prior fiscal year, resulting in an increase in operating income of $244,778.

Total net position of the Solid Waste Fund amounted to $3,035,195 at the end of the fiscal year, reflecting an increase of $186,669 compared to the prior fiscal year. The largest portion of the fund's net position (43.4%) represents unrestricted net position, which may be used to meet the City's ongoing obligations to its customers of the fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2024 as well as the final budget are presented. Actual revenues for the general fund showed a negative variance of $4,930,602 compared to budgeted revenues due mostly to lower state grant revenues compared to the budget during the fiscal year.

Expenditures for general government, public safety, road and bridge, community development, and parks and recreation were under budget by a total of $7,225,393 due to a decrease in capital outlay expenditures in 2024 when compared to the budget.

CAPITAL ASSEST AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business–type activities as of December 31, 2024, amounts to $57,008,165 (net of accumulated depreciation). This investment in capital assets includes land and water rights, buildings and systems, machinery and equipment, infrastructure, and vehicles. The overall net increase in the City's capital assets for the current fiscal year was 14.7% due to depreciation and construction of the assets.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 1,714,858	$ 1,714,858	$ 1,719,009	$ 1,719,009	$ 3,433,867	$ 3,433,867
Construction in Process	13,650,888	6,967,405	1,787,734	142,796	15,438,622	7,110,201
Buildings/Improvements	58,787,898	57,577,594	47,630,936	47,630,936	106,418,834	105,208,530
Machinery and Equipment	7,994,517	7,654,247	6,648,681	5,942,128	14,643,198	13,596,375
Right to Use Lease Assets	-	198,223	-	-	-	198,223
Total Assets	82,148,161	74,112,327	57,786,360	55,434,869	139,934,521	129,547,196
Total Accumulated Depreciation and Amortization	(47,498,529)	(46,296,435)	(28,740,051)	(27,740,770)	(76,238,580)	(74,037,205)
Net Capital and Leased Assets	$ 34,649,632	$ 27,815,892	$ 29,046,309	$ 27,694,099	$ 63,695,941	$ 55,509,991

Long-Term Debt. At the end of the current fiscal year, the City had total outstanding debt of $6,540,884.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Lease Obligations	$ -	$ 116,340	$ -	$ -	$ -	$ 116,340
YVCF Loan	1,904,158	1,514,072	-	-	1,904,158	1,514,072
Line of Credit	497,201	-	-	-	497,201	-
Lease Purchase Agreement	-	-	466,818	578,834	466,818	578,834
Series 2019 Bonds	-	-	1,114,150	1,464,098	1,114,150	1,464,098
Series 2020 Revolving Loan	-	-	2,558,557	2,716,923	2,558,557	2,716,923
Total	$ 2,401,359	$ 1,630,412	$ 4,139,525	$ 4,759,855	$ 6,540,884	$ 6,390,267

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Taxable property valuation increased from $74.6 million in 2023 to $75.4 million in 2024. 2024 valuation is based on collections to be received by the City in 2025.

Property tax rates remain unchanged for the 2025 fiscal year. All municipal services provided in 2024 will be continued in 2025.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 300 West 4th Street, City of Craig, Colorado 81625.

BASIC FINANCIAL STATEMENTS

CITY OF CRAIG
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 22,612,431	$ 11,911,903	$ 34,524,334
Restricted cash and cash equivalents	224,664	-	224,664
Receivables, net of allowance for doubtful accounts:			
Property tax	1,432,561	-	1,432,561
Accounts	2,207,953	845,724	3,053,677
Intergovernmental	64,941	28,520	93,461
Internal balances	(162,603)	162,603	-
Prepaid items	44,511	11,969	56,480
Inventory	16,006	670,701	686,707
Capital assets not being depreciated	15,365,746	3,506,742	18,872,488
Capital assets, net of accumulated depreciation	19,283,886	25,539,567	44,823,453
Total assets	61,090,096	42,677,729	103,767,825
Liabilities			
Accounts payable	670,817	284,890	955,707
Accrued payroll	388,884	167,222	556,106
Accrued interest payable	57,399	21,426	78,825
Long-term liabilities:			
Due within one year	3,082,089	804,027	3,886,116
Due in more than one year	-	3,505,935	3,505,935
Total liabilities	4,199,189	4,783,500	8,982,689
Deferred Inflows of Resources			
Unavailable revenue-property taxes	1,432,561	-	1,432,561
Total deferred inflows of resources	1,432,561	-	1,432,561
Net Position			
Net investment in capital assets	32,217,881	24,790,284	57,008,165
Restricted			
Emergency reserves	695,000	-	695,000
Future retirement contributions	224,664	-	224,664
Unrestricted	22,320,801	13,103,945	35,424,746
Total net position	$ 55,458,346	$ 37,894,229	$ 93,352,575

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

CITY OF CRAIG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net (Expense) Revenue and Changes to Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 3,176,351	$ 209,355	$ 923,122	$ 571,943	$ (1,471,931)	$ -	$ (1,471,931)
Public safety	4,362,423	139,240	-	-	(4,223,183)	-	(4,223,183)
Road and bridge	3,164,166	-	-	969,882	(2,194,284)	-	(2,194,284)
Community development	432,094	-	-	-	(432,094)	-	(432,094)
Housing development	202,051	-	-	1,712,047	1,509,996	-	1,509,996
Parks and recreation	2,629,944	330,649	203,279	-	(2,096,016)	-	(2,096,016)
Total governmental activities	13,967,029	679,244	1,126,401	3,253,872	(8,907,512)	-	(8,907,512)
Business-type activities							
Water	3,653,303	3,777,320	-	148,008	-	272,025	272,025
Wastewater	1,802,507	2,470,067	-	485,259	-	1,152,819	1,152,819
Solid waste	2,060,054	2,040,228	-	-	-	(19,826)	(19,826)
Total business-type activities	7,515,864	8,287,615	-	633,267	-	1,405,018	1,405,018
	$ 21,482,893	$ 8,966,859	$ 1,126,401	$ 3,887,139	(8,907,512)	1,405,018	(7,502,494)
General Revenues:							
Taxes							
Sales and use tax					12,002,481	-	12,002,481
Property tax, levied for general purposes					1,747,200	-	1,747,200
Specific ownership tax					146,651	-	146,651
Franchise tax					409,028	-	409,028
Severance tax					590,567	-	590,567
Other taxes					426,722	-	426,722
Mineral lease revenue					753,170	-	753,170
Investment earnings					1,025,721	534,654	1,560,375
Gain (loss) on sale of assets					(477,204)	154,500	(322,704)
Miscellaneous					903,603	93,294	996,897
Total general revenues					17,527,939	782,448	18,310,387
Change in net position					8,620,427	2,187,466	10,807,893
Net position - Beginning					46,837,919	35,706,763	82,544,682
Net position - Ending					$ 55,458,346	$ 37,894,229	$ 93,352,575

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

CITY OF CRAIG
BALANCE SHEET GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Craig Housing Authority	Non-Major Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 20,511,882	$ 357,609	$ 1,205,599	$ 22,075,090
Receivables, net				
Property tax	1,281,734	-	150,827	1,432,561
Accounts	2,189,476	-	18,477	2,207,953
Intergovernmental	64,941	-	-	64,941
Due from other funds	2,000,000	403,045	-	2,403,045
Prepaid items	44,511	-	-	44,511
Inventories	4,248	-	11,758	16,006
Total assets	$ 26,096,792	$ 760,654	$ 1,386,661	$ 28,244,107
Liabilities, deferred inflows of resources and fund balance				
Accounts payable	$ 582,903	$ 82,025	$ 5,889	$ 670,817
Accrued payroll	371,516	-	17,368	388,884
Due to other funds	403,045	2,000,000	-	2,403,045
Total liabilities	1,357,464	2,082,025	23,257	3,462,746
Deferred inflows of resources				
Unavailable intergovernmental revenues	25,958	-	-	25,958
Unavailable sales tax revenues	51,145	-	-	51,145
Unavailable property tax	1,281,734	-	150,827	1,432,561
Total deferred inflows of resources	1,358,837	-	150,827	1,509,664
Fund balance:				
Nonspendable				
Inventory	4,248	-	11,758	16,006
Prepaids items	44,511	-	-	44,511
Restricted for				
TABOR emergency reserve	695,000	-	-	695,000
Museum	-	-	511,122	511,122
Urban Renewal	-	-	167,765	167,765
Assigned to				
Capital projects	-	-	521,932	521,932
Unassigned	22,636,732	(1,321,371)	-	21,315,361
Total fund balances	23,380,491	(1,321,371)	1,212,577	23,271,697
Total liabilities, deferred inflows of resources, and fund balances	$ 26,096,792	$ 760,654	$ 1,386,661	$ 28,244,107

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

CITY OF CRAIG
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Total Fund Balances of Governmental Funds		$ 23,271,697
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	82,148,161	
Accumulated depreciation	(47,498,529)	
		34,649,632
Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet.		224,664
Some expenses and revenue reported in the statement of activities do not require the use of current financial resources and therefore are reported deferred inflows of resources in governmental funds.		
Unavailable intergovernmental revenues		25,958
Unavailable sales tax revenues		51,145
Long-term liabilities, including leases payable, accrued interest, and accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Loan payable	(2,401,359)	
Compensated absences	(680,730)	
Accrued interest payable	(57,399)	
		(3,139,488)
Internal service funds are used by management for medical benefits. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		374,738
Net Position of Governmental Activities		$ 55,458,346

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

CITY OF CRAIG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Craig Housing Authority	Non-Major Funds	Total Governmental Funds
Revenues				
Taxes	$ 13,956,588	$ -	$ 313,398	$ 14,269,986
Licenses and permits	183,397	-	-	183,397
Intergovernmental revenue	4,329,349	2,782,500	93,565	7,205,414
Charges for services	314,686	-	15,963	330,649
Fines and forfeitures	139,240	-	-	139,240
Investment earnings	987,128	13,534	25,059	1,025,721
Miscellaneous	844,040	30,000	17,363	891,403
Total revenues	20,754,428	2,826,034	465,348	24,045,810
Expenditures				
Current				
General government	2,125,953	202,051	15,322	2,343,326
Judicial	205,510	-	-	205,510
Public safety	3,875,306	-	-	3,875,306
Road and bridge	2,470,942	-	-	2,470,942
Community development	433,295	-	-	433,295
Parks and recreation	1,927,139	-	458,153	2,385,292
Capital outlay	5,370,627	4,324,544	217,357	9,912,528
Debt Service				
Principal - leases	56,973	-	-	56,973
Interest - leases	3,720	-	-	3,720
Principal - loans	-	598,640	-	598,640
Interest - loans	-	7,956	-	7,956
Total expenditures	16,469,465	5,133,191	690,832	22,293,488
Excess (deficiency) of revenues over (under) expenditures	4,284,963	(2,307,157)	(225,484)	1,752,322
Other financing sources (uses)				
Proceeds from loans	-	1,485,928	-	1,485,928
Proceeds from sale of assets	-	650,000	-	650,000
Transfers in	-	403,045	390,000	793,045
Transfers out	(793,045)	-	-	(793,045)
Total other financing sources (uses)	(793,045)	2,538,973	390,000	2,135,928
Net changes in fund balances	3,491,918	231,816	164,516	3,888,250
Fund balances - beginning of year	19,888,573	(1,553,187)	1,048,061	19,383,447
Fund balances - end of year	$ 23,380,491	$ (1,321,371)	$ 1,212,577	$ 23,271,697

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

CITY OF CRAIG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Changes in Fund Balances of Governmental Funds		$ 3,888,250
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year.		
Capital outlay	9,392,777	
Amortization expense - right to use asset	(68,353)	
Depreciation expense	(1,304,113)	
		8,020,311
Some expenses and revenue reported in the statement of activities do not require the use of current financial resources and therefore are not reported as revenues or expenses in governmental funds.		
Retirement forfeitures	17,186	
Disposal of capital assets	(1,125,054)	
Loss on disposal of lease asset and lease liability	(2,150)	
Unavailable revenues	(993,350)	
Change in accrued interest payable	(57,399)	
		(2,160,767)
Payments of debt principal and proceeds from debt issuance are considered changes in long-term liabilities. These are the principal payments and debt issuance proceeds during the year.		
Principal - leases	56,973	
Payment of principal	598,641	
Proceeds from loans	(1,485,928)	
		(830,314)
Changes in accrued compensated absences are considered changes in long-term liabilities. This is the change in compensated absences during the year.		(318,512)
Internal service funds are used by management for medical benefits. The net income of certain activities of the internal service fund are reported with governmental activities on the Statement of Activities.		21,459
Change in Net Position of Governmental Activities		$ 8,620,427

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

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Assets					
Current assets					
Cash and cash equivalents	$ 6,722,411	$ 3,539,371	$ 1,650,121	$ 11,911,903	$ 537,341
Receivables, net of allowance for doubtful accounts	318,465	300,050	227,209	845,724	-
Receivables, intergovernmental	28,520	-	-	28,520	-
Prepaid expenses	7,288	3,987	694	11,969	-
Inventory	586,023	84,678	-	670,701	-
Total current assets	7,662,707	3,928,086	1,878,024	13,468,817	537,341
Noncurrent assets					
Non-depreciable capital assets	1,674,668	1,832,074	-	3,506,742	-
Depreciable capital assets, net	18,963,515	5,259,395	1,316,657	25,539,567	-
Total noncurrent assets	20,638,183	7,091,469	1,316,657	29,046,309	-
Total Assets	28,300,890	11,019,555	3,194,681	42,515,126	537,341
Liabilities					
Current liabilities					
Accounts payable	70,119	171,954	42,817	284,890	-
Accrued payroll	72,476	44,024	50,722	167,222	-
Accrued interest payable	18,423	3,003	-	21,426	-
Compensated absences	69,532	34,958	65,947	170,437	-
Notes payable	570,903	62,687	-	633,590	-
Total current liabilities	801,453	316,626	159,486	1,277,565	-
Noncurrent liabilities					
Notes payable	3,311,873	194,062	-	3,505,935	-
Total Liabilities	4,113,326	510,688	159,486	4,783,500	-
Net Position					
Net Investment in capital assets	16,755,407	6,718,220	1,316,657	24,790,284	-
Unrestricted	7,432,157	3,790,647	1,718,538	12,941,342	537,341
Total Net Position	$ 24,187,564	$ 10,508,867	$ 3,035,195	$ 37,731,626	$ 537,341
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				162,603	
Net Position of Business Type Activities				$ 37,894,229	

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

CITY OF CRAIG
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Operating Revenues					
Charges for services	$ 3,777,320	$ 2,470,067	$ 2,040,228	$ 8,287,615	$ 2,613,086
Miscellaneous	67,129	-	26,165	93,294	-
Total Operating Revenues	3,844,449	2,470,067	2,066,393	8,380,909	2,613,086
Operating Expenses					
Salaries	1,017,873	625,019	688,627	2,331,519	-
Employee benefits	491,614	277,096	338,803	1,107,513	63,813
Depreciation	823,497	375,034	240,303	1,438,834	-
Repairs and maintenance	441,437	123,054	36,603	601,094	-
Utilities	232,704	133,391	10,915	377,010	-
Landfill fees	-	-	525,902	525,902	-
Chemicals	210,372	46,739	-	257,111	-
Insurance and bonds	84,133	30,989	28,743	143,865	2,511,352
Supplies	30,133	27,687	161,561	219,381	-
Other purchased services	229,425	140,205	35,106	404,736	-
Bad debt expense	48,100	23,900	-	72,000	-
Total Operating Expenses	3,609,288	1,803,114	2,066,563	7,478,965	2,575,165
Operating Income	235,161	666,953	(170)	901,944	37,921
Non-operating Revenues (Expenses)					
Investment earnings	297,624	161,691	75,339	534,654	5,030
Interest expense	(53,932)	(4,864)	-	(58,796)	-
Gain (loss) on disposal of assets	29,000	14,000	111,500	154,500	-
Total Non-operating Revenues	272,692	170,827	186,839	630,358	5,030
Income Before Contributions and Transfers	507,853	837,780	186,669	1,532,302	42,951
Capital Contributions	148,008	485,259	-	633,267	-
Change in Net Position	655,861	1,323,039	186,669	2,165,569	42,951
Total Net Position - Beginning	23,531,703	9,185,828	2,848,526	35,566,057	494,390
Total Net Position - Ending	$ 24,187,564	$ 10,508,867	$ 3,035,195	$ 37,731,626	$ 537,341

Change in Net Position of Enterprise Funds	$ 2,165,569
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	21,897
Change in Net Position of Business Type Activities	$ 2,187,466

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

CITY OF CRAIG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Enterprise Funds				Governmental Activities
	Water Fund	Wastewater Fund	Solid Waste Fund	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers and others	$ 3,650,283	$ 2,391,423	$ 2,046,836	$ 8,088,542	$ 2,613,086
Cash paid for goods and services	(1,488,701)	(871,775)	(995,770)	(3,356,246)	(62,340)
Cash paid to employees	(1,336,935)	(479,184)	(800,407)	(2,616,526)	-
Other cash receipts	67,129	-	26,165	93,294	(2,513,825)
Net Cash Provided by Operating Activities	891,776	1,040,464	276,824	2,209,064	36,921
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(295,616)	(1,480,341)	(744,087)	(2,520,044)	-
Capital grants and contributions	131,376	495,197	-	626,573	-
Principal paid on capital debt	(559,147)	(61,183)	-	(620,330)	-
Interest paid on capital debt	(58,997)	(5,583)	-	(64,580)	-
Net Cash (Used) by Capital and Related Financing Activity	(782,384)	(1,051,910)	(744,087)	(2,578,381)	-
Cash Flows from Investing Activities					
Interest on investment	297,624	161,691	75,339	534,654	5,030
Net Cash Provided by Investing Activities	297,624	161,691	75,339	534,654	5,030
Net Change in Cash and Cash Equivalents	407,016	150,245	(391,924)	165,337	41,951
Cash and Cash Equivalents - Beginning	6,315,395	3,389,126	2,042,045	11,746,566	495,390
Cash and Cash Equivalents - Ending	$ 6,722,411	$ 3,539,371	$ 1,650,121	$ 11,911,903	$ 537,341
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income	$ 235,161	$ 666,953	$ (170)	$ 901,944	$ 37,921
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	823,497	375,034	240,303	1,438,834	-
(Increase) decrease in receivables	(78,937)	(54,744)	6,608	(127,073)	-
(Increase) in inventory	(113,324)	(3,421)	-	(116,745)	-
(Increase) in prepaids	(7,288)	1,342	84	(5,862)	-
Increase (decrease) in accounts payable	(3,135)	24,960	(1,661)	20,164	(1,000)
Increase (decrease) in accrued payroll	15,016	11,748	8,149	34,913	-
Increase (decrease) in compensated absences	20,786	18,592	23,511	62,889	-
Total Adjustments	656,615	373,511	276,994	1,307,120	(1,000)
Net Cash Provided by Operating Activities	$ 891,776	$ 1,040,464	$ 276,824	$ 2,209,064	$ 36,921

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Craig, Colorado (the "City"), is a home Rule City (a municipal corporation, as defined by Colorado Revised Statutes). An elected Mayor and City Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The City provides the following services: public safety, public works, culture and recreation facilities and activities, water and wastewater services, and sanitation services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standard Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the City, and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Component Units - The accompanying financial statements present the primary government and the following blended component units (an entity for which the government is considered to be financially accountable).

Craig Urban Renewal Authority No. 1 – The urban renewal authority was formed on March 9, 2021. The urban renewal authority consists of two plan areas, and the City has agreed to collect and remit sales tax increment and property tax increment revenues for the two plan areas to the authority for the purposes of funding the operations of the authority. The authority's first year of financial activity was fiscal year 2022 and is presented as a special revenue fund in the financial statements.

The Center of Craig – The Center services all citizens of the City and is governed by a board appointed by the City Council. The City has pledged to support the entity in its operations for providing meeting and activity space for citizens and organizations of the City. The Center of Craig is reported as a part of the General Fund. The Center does not issue separate financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Craig Housing Authority – The Craig Housing Authority (CHA) was formed in 2021. The CHA utilizes government grants and other intergovernmental revenues to finance the construction of affordable housing within City limits. The CHA's first year of financial activity was fiscal year 2023 and is presented as a special revenue fund in the financial statements.

Joint Ventures - The Craig/Moffat County Airport joint operations was created for the purposes of operating an airport for the benefit of the citizens of Craig and unincorporated Moffat County. The City provided approximately $229,000 of funding for on-going airport operations for the year ended December 31, 2024. The Airport is included in the financial statements of Moffat County.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these financial statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the City.

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

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Craig Housing Authority* is a blended component unit of the City and is a special revenue fund. All revenues collected by the fund are restricted for use on housing projects within City limits. As of December 31, 2024, the fund has a deficit, so there is not restricted fund balance.

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

The City reports the following proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the City.

The *Wastewater Fund* accounts for sewer service to the citizens of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Solid Waste Fund* accounts for waste collection and disposal for the citizens of the City.

The City reports one internal service fund, the *Medical Benefit Fund*, which accounts for medical benefits provided to City employees.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions, and; 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers from one fund to another for the purchase of goods or services, In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and business-type activities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents – The City's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Whenever possible the City pools cash equivalents to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential. The City makes investments pursuant to relevant State of Colorado statutes. Investments are reported in accordance with GASB Statement 72, as amended.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2024, the Water and Wastewater funds recognized allowances for doubtful accounts totaling $48,100 and $23,900 respectively.

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either "due (to)/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

By December 15 of each year, property taxes for the City are levied by the Council and certified to Moffat County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Moffat County on behalf of the City.

Property taxes levied in the General Fund and the Capital Projects Fund are included in receivables and deferred inflows at December 31, 2024. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2025 and are budgeted for in 2024.

Inventories – Business-type fund inventory consists of supplies held for consumption. Inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method). Inventories held by the governmental funds are recorded at average cost.

Prepaid Items – Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

Leased Assets – In June 2017 the Governmental Accounting Standards Board (GASB) adopted Statement No. 87, *Leases*. This standard establishes a single model for lease accounting based on the foundational principle that leases are financing the right to use an underlying asset. The City determines if an arrangement is a lease at inception. Lease assets represent the City's control of the right to use an underlying asset for the lease term, in an exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the useful life of the underlying asset.

Capital Assets – Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2000), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at acquisition cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Capital outlay for projects are capitalized as projects are constructed.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives.

Description	Estimated Lives
Infrastructure	20 – 50 years
Buildings and improvements	10 – 50 years
Furniture and fixtures	10 years
Vehicles	4 – 8 years
Other equipment	5 – 10 years
Computer equipment	5 years

Compensated Absences – Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related and payroll tax payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only when due.

Long-Term Obligations – In government wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long term obligations are reported as liabilities.

Deferred Outflows and Inflows of Resources – In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period.

Both deferred outflows and inflows are reported in the statement of net position but are recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Deferred inflows of resources for the City consist of property taxes receivable, intergovernmental revenue receivables (IGA), and grant receivables. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. Grant receivables and IGA receivables collected outside the City's period of availability of 60 days are recorded as deferred inflows of resources.

Fund Balance - Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources for specific purposes.

Nonspendable fund balance – The amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – The amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – Amounts are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended use established by the Board, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

Estimates - The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Adoption of New GASB Standards

Issued in June 2022, GASB Statement No. 101, Compensated Absences (GASB 101), establishes standards for accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). GASB 101 requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid in cash or settled through noncash means. Additionally, GASB 101 requires that liabilities for certain types of compensated absences, such as parental leave, military leave, and jury duty leave, not be recognized until the leave commences. The City implemented this statement as of January 1, 2024.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets are adopted for all funds of the City as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted. All annual appropriations lapse at fiscal year-end.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15 each year, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Prior to December 15 each year, a public hearing is held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

During the year ended December 31, 2024, the City's Medical Benefit Fund's actual expenditures were $21,665 higher than legally appropriated expenditures, due to incurring more insurance premiums than budgeted. This may be a violation of Colorado Budget Law.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at December 31, 2024 consisted of the following:

Petty cash	$ 2,600
Cash deposits	3,513,933
Investments	31,007,801
Funds held by others	224,664
Total	$ 34,748,998

Cash and cash equivalents	$ 34,524,334
Cash and cash equivalents - restricted	224,664
Total	$ 34,748,998

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. City bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the City's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (PDPA).

The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the carrying amount of the City's deposits was $3,664,032 and the bank balance was $3,513,933 of which $250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The City is required to comply with State statutes which specify the investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

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

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City limits investments to maturities of less than five years and a weighted average maturity of less than three years.

Credit Risk – The City has not adopted a formal investment policy; however, the City follows state statutes regarding investments. Colorado Statues specify the types of investments meeting defined rating and risk criteria in which local governments may invest.

Concentration of Credit Risk – Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

Local Government Investment Pools – At December 31, 2024, the City had $28,793,363 and $214,438 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools operate similarly to money market funds and each share is valued at $1.00. Both pools are rated AAAm by Standard and Poor's. Investments of the pools are limited to those allowed by State statues. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the funds.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investments in ColoTrust and CSAFE are valued at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2024 the City held a $2,000,000 certificate of deposit. The City's investment in the certificate of deposit is value at amortized cost.

Restricted Cash and Investments – Governmental Activities reported restricted cash consisting of retirement forfeiture funds that are available solely for future retirement contributions.

NOTE 4 - CAPITAL ASSETS

Capital assets are summarized for governmental activities as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,714,858	$ -	$ -	$ 1,714,858
Construction in Progress	6,967,405	8,184,745	(1,501,262)	13,650,888
Total capital assets, not being depreciated	8,682,263	8,184,745	(1,501,262)	15,365,746
Capital assets, being depreciated				
Improvements	50,656,207	2,168,078	(1,125,054)	51,699,231
Buildings	6,921,387	167,280	-	7,088,667
Vehicles and equipment	7,654,247	373,936	(33,666)	7,994,517
Total capital assets being depreciated	65,231,841	2,709,294	(1,158,720)	66,782,415
Less accumulated depreciation for				
Improvements	(36,832,978)	(546,978)	-	(37,379,956)
Buildings	(3,003,815)	(243,001)	-	(3,246,816)
Vehicles and equipment	(6,391,289)	(514,134)	33,666	(6,871,757)
Total accumulated depreciation	(46,228,082)	(1,304,113)	33,666	(47,498,529)
Total capital assets, being depreciated, net	19,003,759	1,405,181	(1,125,054)	19,283,886
Government activities capital assets, net	$ 27,686,022	$ 9,589,926	$ (2,626,316)	$ 34,649,632

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	$ 202,414
Public safety	153,985
Road and bridge	698,385
Parks and recreation	249,329
Total	$ 1,304,113

Right-of-use assets for governmental activities are summarized as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Leased assets, being amortized				
Buildings	$ 198,223	$ -	$ (198,223)	$ -
Accumulated amortization				
Buildings	(68,353)	-	68,353	-
Total lease assets, being amortized, net	$ 129,870	$ -	$ (129,870)	$ -

Amortization expense was charged to the public safety function on the statement of activities.

Capital assets are summarized for business-type activities as follows:

BUSINESS-TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,719,009	$ -	$ -	$ 1,719,009
Construction in Progress	142,796	1,644,938	-	1,787,734
Total capital assets, not being depreciated	1,861,805	1,644,938	-	3,506,743
Capital assets, being depreciated				
Infrastructure and buildings	47,630,936	-	-	47,630,936
Vehicles and equipment	5,942,128	1,146,106	(439,553)	6,648,681
Total capital assets being depreciated	53,573,064	1,146,106	(439,553)	54,279,617
Less accumulated depreciation for				
Infrastructure and buildings	(23,224,225)	(1,019,433)	-	(24,243,658)
Vehicles and equipment	(4,516,545)	(419,401)	439,553	(4,496,393)
Total accumulated depreciation	(27,740,770)	(1,438,834)	439,553	(28,740,051)
Total capital assets, being depreciated, net	25,832,294	(292,728)	-	25,539,566
Business-type activities capital assets, net	$ 27,694,099	$ 1,352,210	$ -	$ 29,046,309

NOTE 5 - LONG-TERM DEBT

Long-term liabilities are summarized as follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Governmental Activities:					
Lease obligations	$ 116,340	$ -	$ 116,340	$ -	$ -
YVCF loan	1,514,072	985,928	595,842	1,904,158	1,904,158
Line of credit	-	500,000	2,799	497,201	497,201
Compensated absences*	362,218	318,512	-	680,730	680,730
Total	$ 1,992,630	$1,804,440	$ 714,981	$3,082,089	$ 3,082,089

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Business-type Activities					
Water revenue refunding note, Series 2018	$ 1,464,098	$ -	$ 349,948	$1,114,150	$ 360,454
Drinking water revolving loan note, Series 2019	2,716,923	-	158,366	2,558,557	159,159
Lease Purchase Agreement	578,834	-	112,016	466,818	113,977
Compensated absences*	107,548	62,889	-	170,437	170,437
Total	$ 4,867,403	$ 62,889	$ 620,330	$4,309,962	$ 804,027

* The change in the compensated absences liability is reported as a net change.

Colorado Water Resources and Power Development Authority Note 2006 – In 2006, the City entered into an agreement with the Colorado Water Resources and Power Development Authority. The City's participation related to the Authority's 2006 Series A, Clean Water Revenue Bond Issue, to finance improvements to the City's water system. The improvements are financed by a 20-year note in the amount of $6,056,378, payable in annual installments of varying amounts.

In 2018, the City refunded the 2006 note and issued a Series 2018 note in the amount of $3,213,734, payable in semi-annual installments of $195,495 including principal and interest. The note carries interest of 2.98% and matures in 2027. The note is subject to a prepayment penalty of 2.00% of the outstanding principal amount.

In 2019, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority. The City's participation related to the Authority's Disadvantaged Communities Loan Program issued a Series 2019 note in the amount of $3,200,000 to finance improvements to the City's water system. The note is payable in semi-annual installments of $85,877 including principal and interest over 20 years. The note carries interest of 0.50% and matures in 2040.

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The City entered into a lease purchase agreement with All American Investment Group to fund part of the construction costs of the Solar Net Metering Field installed in 2021. The lease is payable in annual installments of $122,167, including principal and interest through 2028. The lease purchase agreement carries an interest rate of 1.75%

In 2023 the City entered into a $2,500,000 construction loan agreement with Yampa Valley Community Foundation (YVCF) in order to help fund the construction of affordable housing within City limits. The loan carries a fixed interest rate of 3% and interest is payable the first day of each quarter. The loan is secured by a deed of trust and matures on December 31, 2025.

The City maintains a line of credit with a total available balance of $2,000,000. Outstanding principal accrues interest at a fixed rate of 6.00%. Outstanding principal and any accrued interest is due upon maturity on November 30, 2025.

Debt Service Requirements

The following outlines the debt service requirements for the City's notes:

Year Ending December 31,	Principal	Interest	Total
2025	$ 3,034,949	$ 109,080	$ 3,144,029
2026	647,203	37,708	684,911
2027	661,179	23,731	684,910
2028	280,431	12,293	292,724
2029	162,370	9,383	171,753
2030-2034	824,127	34,640	858,767
2035-2039	844,963	13,803	858,766
2040	85,662	214	85,876
	$ 6,540,884	$ 240,852	$ 6,781,736

During 2016, the City entered into a lease agreement with Moffat County to lease space within the Moffat County Public Safety Complex to house the City's police department through January 1, 2026. The lease payments contain no base rate and are variable up or down based on usage. The City cannot reasonably forecast the remaining lease payments required under the lease and therefore have not recognized a lease liability as of December 31, 2024.

NOTE 6 - PENSION PLANS

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plan.

Deferred Compensation Plan – Section 401(a)

The City participates in a defined contribution retirement plan covering all full-time employees. The plan is administrated by MissionSquare Retirement Corporation and the City has no fiduciary responsibility for the plan. The City contributes 12% of the compensation and the employees contribute 6%. During the year ended December 31, 2024, the City contributed $876,830 to the plan. Employer contributions vest at a rate of 20% per year and are fully vested after five years. Unvested employer contributions for terminated employees are used to fund the City's current period contribution requirement.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City has entered into employment contracts with certain City staff. These employment contracts are of varying length and include termination payments of different amounts.

NOTE 8 - 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; and general liability. The City carries commercial and trust coverage for these risks and does not expect claims to exceed their coverage, nor have settlement claims exceeded coverage in any of the previous three years.

NOTE 9 - INTERGOVERNMENTAL AGREEMENT

On October 21, 2014, the City entered into an agreement with the Colorado River Water Conservation District (CRWCD). The agreement specifies the allocation of expenses for the operation, maintenance, repair and replacement of Elkhead Reservoir. Recreation facility and management expenses at Elkhead Reservoir shall be allocated 50% to the City and 50% to CRWCD. All other operation, maintenance, repair and replacement costs shall be allocated 51.75% to the City and 48.25% to CRWCD. The City’s allocation of expenses was immaterial during 2024.

NOTE 10 - RELATED PARTY TRANSACTIONS

From time to time in the normal course of business, the City executes transactions with local businesses which in some cases may be owned by members of the City Council as well as provide utility services to those members and businesses. The City believes that transactions when they arise are handled in a manner which is consistent with its normal procurement policies. During the year ended December 31, 2024, a company owned by a member of City Council was paid approximately $721,000 for contracted services. As of December 31, 2024, the City recorded accounts payable due to the company totaling $20,930.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRAIG
SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Taxes					
General property taxes	$ 1,408,630	$ 1,408,630	$ 1,568,702	$ 160,072	$ 1,320,089
Specific ownership taxes	120,000	120,000	131,211	11,211	128,541
Sales tax	12,755,300	12,755,300	11,802,195	(953,105)	12,193,339
Franchise tax	315,000	315,000	409,028	94,028	335,496
Interest and penalties	1,000	1,000	29,681	28,681	36,062
Cigarette taxes	12,000	12,000	15,771	3,771	19,476
Total taxes	14,611,930	14,611,930	13,956,588	(655,342)	14,033,003
Licenses and permits					
Building permits	60,000	60,000	146,245	86,245	164,154
Miscellaneous	81,200	81,200	37,152	(44,048)	38,041
Total licenses and permits	141,200	141,200	183,397	42,197	202,195
Intergovernmental revenues					
Highway user taxes	310,900	310,900	370,482	59,582	320,821
Motor vehicle tax	42,000	42,000	40,469	(1,531)	38,728
Grants	8,789,500	8,789,500	2,464,947	(6,324,553)	3,263,748
Mineral lease	300,000	300,000	753,170	453,170	813,191
Severance tax	500,000	500,000	590,567	90,567	645,370
State lottery	110,000	110,000	109,714	(286)	125,818
Total intergovernmental revenues	10,052,400	10,052,400	4,329,349	(5,723,051)	5,207,676
Charges for services					
Recreation program fees	143,000	143,000	173,127	30,127	183,212
Swimming pool fees	91,500	91,500	135,924	44,424	112,952
Concessions	6,600	6,600	5,635	(965)	15,268
Total charges for services	241,100	241,100	314,686	73,586	311,432
Fines and forfeitures	71,000	71,000	139,240	68,240	148,774
Investment earnings	330,000	330,000	987,128	657,128	846,742
Miscellaneous					
Rents and royalties	72,400	72,400	66,464	(5,936)	66,844
Contributions	150,000	150,000	717,916	567,916	66,575
Miscellaneous	15,000	15,000	59,660	44,660	36,333
Total miscellaneous	237,400	237,400	844,040	606,640	169,752
Total Revenues	$ 25,685,030	$ 25,685,030	$ 20,754,428	$ (4,930,602)	$ 20,919,574

See the accompanying independent auditors' report

CITY OF CRAIG
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Expenditures					
General government					
City council	$ 242,550	$ 242,550	$ 461,462	$ (218,912)	$ 425,322
Administration	369,980	373,383	414,594	(41,211)	306,336
Public works	288,680	289,531	258,117	31,414	204,227
Finances	524,850	529,955	432,525	97,430	393,170
Clerk and personnel	280,550	281,401	290,514	(9,113)	240,545
Building maintenance	199,430	199,430	156,035	43,395	146,494
City attorney	191,840	192,691	112,706	79,985	107,826
Total general government	2,097,880	2,108,941	2,125,953	(17,012)	1,823,920
Judicial					
Municipal	187,280	188,982	205,510	(16,528)	144,544
Total judicial	187,280	188,982	205,510	(16,528)	144,544
Public safety					
Police	4,126,010	4,148,133	3,875,306	272,827	3,669,351
Total public safety	4,126,010	4,148,133	3,875,306	272,827	3,669,351
Road and bridge	2,813,940	2,886,703	2,470,942	415,761	2,379,235
Community Development	559,100	560,802	433,295	127,507	410,122
Parks and Recreation					
General operations	1,312,550	1,333,357	1,134,256	199,101	1,137,737
Pool complex	492,450	492,450	386,109	106,341	348,409
Center of Craig	49,600	49,600	32,876	16,724	28,330
Recreation programs	461,460	461,460	373,898	87,562	351,254
Total parks and recreation	2,316,060	2,336,867	1,927,139	409,728	1,865,730
Capital outlay	11,334,730	11,464,430	5,370,627	6,093,803	7,350,707
Debt Service					
Principal - leases	-	-	56,973	(56,973)	81,883
Interest - leases	-	-	3,720	(3,720)	5,895
Total Debt Service	-	-	60,693	(60,693)	87,778
Total Expenditures	$ 23,435,000	$ 23,694,858	$ 16,469,465	$ 7,225,393	$ 17,731,387
Other financing sources (uses)					
Proceeds from sale of capital assets	$ 110,000	$ 110,000	$ -	$ (110,000)	$ 63,500
Transfers out	(390,000)	(390,000)	(793,045)	(403,045)	(370,000)
Total Other Financing Sources (Uses)	(280,000)	(280,000)	(793,045)	(513,045)	(306,500)
Net change in fund balance	$ 1,970,030	$ 1,710,172	3,491,918	$ (12,669,040)	2,881,687
Fund Balances - Beginning			19,888,573		17,006,886
Fund Balances - Ending			$ 23,380,491		$ 19,888,573

CITY OF CRAIG
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL – HOUSING AUTHORITY
YEAR ENDED DECEMBER 31, 2024

	2024				2023
	Original Budget	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Intergovernmental	$ -	$ 95,000	$ 2,782,500	$ 2,687,500	833,472
Investment earnings	-	-	13,534	13,534	10,243
Miscellaneous	12,000	12,000	30,000	18,000	-
Total revenues	12,000	107,000	2,826,034	2,719,034	843,715
Expenditures					
General government	742,480	742,480	202,051	540,429	176,209
Capital outlay	4,050,500	4,050,500	4,324,544	(274,044)	3,730,793
Debt service					
Principal payments	6,500,000	6,500,000	598,640	5,901,360	-
Loan interest	100,000	100,000	7,956	92,044	3,972
Total expenditures	11,392,980	11,392,980	5,133,191	6,259,789	3,910,974
Other Financing Sources and (Uses)					
Sale of assets	6,440,000	6,440,000	650,000	5,790,000	-
Loan proceeds	2,000,000	2,000,000	1,485,928	514,072	1,514,072
Transfers in	-	-	403,045	(403,045)	-
Total other financing sources and (uses)	8,440,000	8,440,000	2,538,973	5,901,027	1,514,072
Net change in fund balance	$ (2,940,980)	$ (2,845,980)	231,816	$ 2,360,272	(1,553,187)
Fund Balances - Beginning			(1,553,187)		-
Fund Balances - Ending			$ (1,321,371)		$ (1,553,187)

SUPPLEMENTARY INFORMATION

CITY OF CRAIG
COMBINING BALANCE SHEET,
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Capital Projects Fund	Urban Renewal Authority	Museum Fund	Total Non-Major Governmental
Assets				
Cash and cash equivalents	$ 520,848	$ 167,765	$ 516,986	$ 1,205,599
Receivables, net				
Property tax	150,827	-	-	150,827
Accounts	1,084	-	17,393	18,477
Inventory	-	-	11,758	11,758
Total assets	$ 672,759	$ 167,765	$ 546,137	$ 1,386,661
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ -	$ -	$ 5,889	$ 5,889
Accrued Payroll	-	-	17,368	17,368
Total liabilities	-	-	23,257	23,257
Deferred inflows of resources				
Unavailable property tax	150,827	-	-	150,827
Total deferred inflows of resources	150,827	-	-	150,827
Fund balance:				
Nonspendable				
Inventory	-	-	11,758	11,758
Restricted				
Urban renewal authority	-	167,765	-	167,765
Museum	-	-	511,122	511,122
Assigned to				
Capital Improvements	521,932	-	-	521,932
Total fund balances	521,932	167,765	522,880	1,212,577
Total liabilities, deferred inflows of resources, and fund balances	$ 672,759	$ 167,765	$ 546,137	$ 1,386,661

CITY OF CRAIG
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Capital Projects Fund	Urban Renewal Authority	Museum Fund	Major Governmental Funds
Revenues				
Taxes	$ 164,257	$ 149,141	$ -	$ 313,398
Intergovernmental revenue	-	-	93,565	93,565
Charges for services	-	-	15,963	15,963
Investment earnings	25,059	-	-	25,059
Miscellaneous	-	-	17,363	17,363
Total revenues	189,316	149,141	126,891	465,348
Expenditures				
General Government	2,971	12,351	-	15,322
Parks and Recreation	-	-	458,153	458,153
Capital Outlay	167,357	50,000	-	217,357
Total expenditures	170,328	62,351	458,153	690,832
Excess (deficiency) revenues over (under) expenditures	18,988	86,790	(331,262)	(225,484)
Other financing sources (uses)				
Transfers in	-	-	390,000	390,000
Total other financing sources (uses)	-	-	390,000	390,000
Net change in fund balance	18,988	86,790	58,738	164,516
Fund Balances - Beginning	502,944	80,975	464,142	1,048,061
Fund Balances - Ending	$ 521,932	$ 167,765	$ 522,880	$ 1,212,577

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024			2023
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues				
Property taxes	$ 165,760	$ 148,817	$ (16,943)	$ 154,491
Specific ownership taxes	14,000	15,440	1,440	15,126
Investment earnings	15,000	25,059	10,059	23,766
Total revenues	194,760	189,316	(5,444)	193,383
Expenditures				
Treasurer's fees	35,000	2,971	32,029	3,086
Capital outlay	200,000	167,357	32,643	165,367
Total expenditures	235,000	170,328	64,672	168,453
Net change in fund balance	$ (40,240)	18,988	$ (70,116)	24,930
Fund Balances - Beginning		502,944		478,014
Fund Balances - Ending		$ 521,932		$ 502,944

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
URBAN RENEWAL AUTHORITY FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Incremental sales tax	$ 100,000	$ 100,000	$ 149,141	$ 49,141	95,142
Total revenues	100,000	100,000	149,141	49,141	95,142
Expenditures					
General government	18,100	18,100	12,351	5,749	8,469
Capital outlay	-	50,000	50,000	-	-
Total expenditures	18,100	68,100	62,351	5,749	8,469
Net change in fund balance	$ 81,900	$ 31,900	86,790	$ 43,392	86,673
Fund Balances - Beginning			80,975		(5,698)
Fund Balances - Ending			$ 167,765		$ 80,975

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
MUSEUM FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Grants	$ 8,500	$ 8,500	$ 32,007	$ 23,507	23,166
Museum concessions	19,000	19,000	15,963	(3,037)	16,544
Donations	43,850	43,850	61,558	17,708	55,122
Rents & royalties	20,000	20,000	15,679	(4,321)	19,003
Miscellaneous	-	-	1,684	1,684	80,690
Total revenues	91,350	91,350	126,891	35,541	194,525
Expenditures					
Museum operations	460,070	463,474	458,153	5,321	441,575
Capital outlay	15,000	15,000	0	15,000	37,813
Total expenditures	475,070	478,474	458,153	20,321	479,388
Excess (deficiency) revenues over (under) expenditures	(383,720)	(387,124)	(331,262)	55,862	(284,863)
Other Financing Sources and (Uses)					
Transfers in	390,000	390,000	390,000	-	370,000
Net change in fund balance	$ 6,280	$ 2,876	58,738	$ 55,862	85,137
Fund Balances - Beginning			464,142		379,005
Fund Balances - Ending			$ 522,880		$ 464,142

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION BUDGET (NON-GAAP BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS
WATER FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 3,705,500	$ 3,705,500	$ 3,777,320	$ 71,820	$ 3,401,719
Meter sales	1,000	1,000	14,580	13,580	2,570
Tap fees	8,500	8,500	106,750	98,250	28,550
Investment earnings	18,000	18,000	297,624	279,624	271,646
Intergovernmental	1,948,000	1,948,000	41,258	(1,906,742)	33,526
Miscellaneous	40,000	40,000	52,549	12,549	44,416
Total revenues	5,721,000	5,721,000	4,290,081	(1,430,919)	3,782,427
Expenditures					
Salaries	988,290	988,290	1,017,873	(29,583)	851,758
Employee benefits	518,140	518,140	491,614	26,526	424,379
Repairs and maintenance	554,350	554,350	441,437	112,913	283,780
Utilities	325,000	325,000	232,704	92,296	258,469
Chemicals	284,000	284,000	210,372	73,628	265,727
Insurance and bonds	74,610	74,610	84,133	(9,523)	80,921
Supplies	35,300	35,300	30,133	5,167	66,994
Other purchased services	259,380	259,380	229,425	29,955	167,957
Bad debt expense	-	-	48,100	(48,100)	-
Capital outlay	3,063,000	3,407,285	324,614	3,082,671	68,011
Interest expense	59,000	59,000	53,932	5,068	65,925
Debt principal	558,730	558,730	558,721	9	546,867
Total expenditures	6,719,800	7,064,085	3,723,058	3,341,027	3,080,788
Other Financing Sources and (Uses)					
Sale of assets	37,000	37,000	-	(37,000)	-
Total contributed capital and transfers	37,000	37,000	-	(37,000)	-
Change in net position - budget basis	$ (961,800)	$ (1,343,085)	567,023	$ 1,910,108	701,639
Reconciliation to GAAP basis					
Depreciation			(823,497)		(810,233)
Debt principal			558,721		546,867
Gain/(loss) on sale of assets			29,000		(21,730)
Capital outlay			324,614		68,011
Change in net position - GAAP basis			655,861		484,554
Net Position - Beginning			23,531,703		23,047,149
Net Position - Ending			$ 24,187,564		$ 23,531,703

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION BUDGET (NON-GAAP BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 2,447,600	$ 2,447,600	$ 2,470,067	$ 22,467	$ 2,154,987
Tap fees	5,000	5,000	59,815	54,815	4,780
Intergovernmental grants	877,900	877,900	420,110	(457,790)	58,319
Investment earnings	8,000	8,000	161,691	153,691	145,430
Total revenues	3,338,500	3,338,500	3,111,683	(226,817)	2,363,516
Expenditures					
Salaries	670,400	670,400	625,019	45,381	547,886
Employee benefits	326,460	326,460	277,096	49,364	239,620
Repairs and maintenance	175,100	175,100	123,054	52,046	145,439
Utilities	170,500	170,500	133,391	37,109	150,630
Chemicals	32,200	32,200	46,739	(14,539)	21,298
Insurance and bonds	33,200	33,200	30,989	2,211	28,906
Supplies	44,150	44,150	27,687	16,463	37,419
Other purchased services	151,350	151,350	140,205	11,145	214,741
Bad debt expense	-	-	23,900	(23,900)	-
Interest expense	5,590	5,590	4,864	726	5,936
Debt principal	61,610	61,610	61,609	1	60,549
Capital outlay	2,873,500	2,885,754	1,610,840	1,274,914	294,113
Total expenditures	4,544,060	4,556,314	3,105,393	1,450,921	1,746,537
Other Financing Sources and (Uses)					
Capital contributions	-	-	5,334	5,334	6,775
Total contributed capital and transfers	-	-	5,334	5,334	6,775
Change in net position - budget basis	$ (1,205,560)	$ (1,217,814)	11,624	$ 5,334	623,754
Reconciliation to GAAP basis					
Depreciation			(375,034)		(346,873)
Debt principal			61,609		60,549
Capital outlay			1,610,840		294,113
Gain/(loss) on sale of assets			14,000		-
Change in net position - GAAP basis			1,323,039		631,543
Net Position - Beginning			9,185,828		8,554,285
Net Position - Ending			$ 10,508,867		$ 9,185,828

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION BUDGET (NON-GAAP BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS
SOLID WASTE FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 1,916,210	$ 1,916,210	$ 2,040,228	$ 124,018	$ 1,937,426
Miscellaneous revenue	5,000	5,000	26,165	21,165	17,362
Investment earnings	40,000	40,000	75,339	35,339	94,283
Total revenues	1,961,210	1,961,210	2,141,732	180,522	2,049,071
Expenditures					
Salaries	649,600	649,600	688,627	(39,027)	615,830
Employee benefits	357,540	357,540	338,803	18,737	301,241
Repairs and maintenance	79,500	79,500	36,603	42,897	50,927
Utilities	8,200	8,200	10,915	(2,715)	13,178
Landfill fees	520,000	520,000	525,902	(5,902)	530,917
Insurance and bonds	25,860	25,860	28,743	(2,883)	25,798
Supplies	143,600	143,600	161,561	(17,961)	172,619
Other purchased services	56,600	56,600	35,106	21,494	48,239
Capital outlay	576,940	957,896	855,588	102,308	105,726
Total expenditures	2,417,840	2,798,796	2,681,848	116,948	1,864,475
Other Financing Sources and (Uses)					
Sale of assets	-	-	111,500	111,500	-
Total contributed capital and transfers	-	-	111,500	111,500	-
Change in net position - budget basis	$ (456,630)	$ (837,586)	(428,616)	$ 175,074	184,596
Reconciliation to GAAP basis					
Depreciation			(240,303)		(148,653)
Capital outlay			855,588		105,726
Change in net position - GAAP basis			186,669		141,669
Net Position - Beginning			2,848,526		2,706,857
Net Position - Ending			$ 3,035,195		$ 2,848,526

CITY OF CRAIG
COMPARATIVE STATEMENT OF NET POSITION
INTERNAL SERVICES – MEDICAL BENEFITS FUND
DECEMBER 31, 2024 AND DECEMBER 31, 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 537,341	$ 495,390
Total Assets	537,341	495,390
Liabilities and Net Position		
Liabilities		
Accounts payable	-	1,000
Total Liabilities	-	1,000
Net position		
Unrestricted	$ 537,341	$ 494,390

CITY OF CRAIG
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – BUDGET TO ACTUAL
INTERNAL SERVICES – MEDICAL BENEFIT FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024			2023
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating revenues				
Contributions	$ 2,644,200	$ 2,613,086	$ (31,114)	$ 2,491,602
Other	-	-	-	51,415
Total revenues	2,644,200	2,613,086	(31,114)	2,543,017
Operating expenses				
Insurance premiums	2,487,000	2,511,352	(24,352)	2,352,604
Claims incurred	65,000	62,340	2,660	56,708
Administrative fees	1,500	1,473	27	1,134
Miscellaneous expenditures	-	-	-	6,750
Total operating expenses	2,553,500	2,575,165	(21,665)	2,417,196
Operating income	90,700	37,921	(52,779)	125,821
Non-operating revenues				
Investment earnings	2,500	5,030	2,530	4,402
Total non-operating revenues	2,500	5,030	2,530	4,402
Change in net position	$ 93,200	42,951	$ (50,249)	130,223
Net Position - Beginning		494,390		364,167
Net Position - Ending		$ 537,341		$ 494,390

CITY OF CRAIG
STATEMENT OF CASH FLOWS
INTERNAL SERVICES – MEDICAL BENEFIT FUND
YEAR ENDED DECEMBER 31, 2024, WITH 2023 COMPARATIVE TOTALS

	2024	2023
Cash Flows from Operating Activities		
Cash received from users	$ 2,613,086	$ 2,491,602
Cash paid on claims	(62,340)	(56,708)
Cash paid for premiums and administration	(2,513,825)	(2,353,238)
Other payments	-	44,665
Net Cash Provided (Used) by Operating Activities	36,921	126,321
Cash Flows from Investing Activities		
Interest received	5,030	4,402
Net Cash Provided by Investing Activities	5,030	4,402
Net change in cash and cash equivalents	41,951	130,723
Cash and Cash Equivalents - Beginning	495,390	364,667
Cash and Cash Equivalents - Ending	$ 537,341	$ 495,390
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 37,921	$ 125,821
Change in accounts payable	(1,000)	500
Net Cash Provided (Used) by Operating Activities	$ 36,921	$ 126,321

OTHER SUPPLEMENTARY INFORMATION
STATE COMPLIANCE

CITY OF CRAIG
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2024

Form Approved
OMB No. 2125-0032

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/24
This Information From The Records Of: City of Craig	Prepared By: Mindy Elliott

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway expenditures:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	$ 1,043,379.55
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	$ 2,201,366.65
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	$ 17,351.30
2. General fund appropriations	$ 2,544,993.57	b. Snow and ice removal	$ 14,375.72
3. Other local imposts (from page 2)	$ 295,469.83	c. Other	
4. Miscellaneous local receipts (from page 2)	$ 25,059.15	d. Total (a. through c.)	$ 31,727.02
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	$ 3,276,473.22
b. Bonds - Refunding Issues		**B. Debt service on local obligations:**	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	$ -	a. Interest	
7. Total (1 through 6)	$ 2,865,522.55	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	$ -
C. Receipts from State government		2. Notes:	
(from page 2)	$ 410,950.67	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	$ -	c. Total (a. + b.)	$ -
E. Total receipts (A.7 + B + C + D)	$ 3,276,473.22	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)	$ 3,276,473.22

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
		$ 3,276,473.22	$ 3,276,473.22		$ -

Notes and Comments:

FORM FHWA-536 (Rev.06/2000) PREVIOUS EDITIONS OBSOLETE Excel (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments	$ 148,818.14	a. Interest on investments	$ 25,059.15
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 146,651.69	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 146,651.69	h. Other	
c. Total (a. + b.)	$ 295,469.83	i. Total (a. through h.)	$ 25,059.15
(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.)	$ 370,481.86	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	$ 40,468.81	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	$ 40,468.81	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 410,950.67	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		$ 312,058.35	$ 312,058.35
(2). Capacity Improvements		$ -	$ -
(3). System Preservation		$ 645,421.22	$ 645,421.22
(4). System Enhancement And Operation		$ 85,899.98	$ 85,899.98
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 1,043,379.55	$ 1,043,379.55
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 1,043,379.55	$ 1,043,379.55
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

SINGLE AUDIT SECTION

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council
Craig, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Craig (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

The Adams Group, LLC

Greenwood Village, Colorado
June 16, 2025

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City Council
Craig, Colorado

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Craig's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

The Adams Group, LLC

Greenwood Village, Colorado
June 16, 2025

CITY OF CRAIG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal Awarding Agencies	Federal CFDA Number	Passthrough Grantor's Number	Amounts Passed to Subrecipients	Federal Awards Expended
U.S. Department of Interior				
Passed through the Colorado Department of Local Affairs				
Mineral Leasing Act				
MCC1 Panel Replace	15.437	EIAF # 9488	$ -	$ 41,257
Sewer Main Replacement	15.437	EIAF #9563	-	420,110
Total U.S. Department of Interior			-	461,367
U.S. Department of Treasury				
Passed through the Colorado Department of Local Affairs				
Coronavirus State and Local Fiscal Recovery Funds	21.027		-	37,070
Total U.S. Department of Treasury			-	37,070
U.S. Environmental Protection Agency				
Brownfields Multipurpose, Revolving Loan Fund and Cleanup Cooperative Agreements	66.818		-	8,515
Total U.S. Environmental Protection Agency			-	8,515
U.S. Department of Transportation				
Highway Planning and Construction	20.205		-	259,886
Total U.S. Department of Transportation			-	259,886
U.S. Department of Housing and Urban Development				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251		-	500,000
Total U.S. Department of Housing and Urban Development			-	500,000
Total Federal Financial Assistance			$ -	$ 1,266,838

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Craig, Colorado (the City). All federal financial assistance received by the City directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, including the State of Colorado, is included on the schedule.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards included the federal award activity of the City under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, (Uniform Guidance). Because the schedule only presents a selected portion of the operations of the City, it is not intended to and does not present the financial position or change in net assets of the City. Governmental Funds are used to account for the City's federal grant activity. Amounts reported in the Schedule of Expenditures of Federal Awards are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited so to reimbursement. See Note 1 of the financial statements for a summary of significant accounting policies. The City has not elected to use the de minimis indirect cost rate of 10% as allowed under the Uniform Guidance.

CITY OF CRAIG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	*unmodified opinion*	
Internal control over financial reporting:		
• Material weakness(es) identified?	______Yes	__X__No
• Significant deficiency(ies) identified?	______Yes	__X__No
Noncompliance material to financial statements noted?	______Yes	__X__No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	______Yes	__X__No
• Significant deficiency(ies) identified?	______Yes	__X__No
Type of auditor's report issued on compliance for major programs:	*unmodified opinion*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______Yes	__X__No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
15.437	Minerals Leasing Act

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	__X__Yes	______No

CITY OF CRAIG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III Findings – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516a.

Section IV Findings – Prior Year Findings

2023-01

Type of Finding:
- Significant Deficiency in Internal Controls over Financial Reporting

Condition and Context: During our testing of grant revenues, we noted that $1,070,453 of grant receivables reimbursed to the City outside of the 60 day period of availability were recorded as revenues in the General Fund.

Status: This matter was resolved during the year ended December 31, 2024.