



# Town of Rangely

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*Town Council Packet*  
*June 23, 2015 @ 7:00pm*



**WORK SESSION ON TOWN RENOVATIONS AT 6:00 PM**



# 1 – Agenda



# WORK SESSION ON TOWN RENOVATIONS AT 6:00PM



## Town of Rangely

June 23, 2015 - 7:00pm

### Agenda

Rangely Board of Trustees (Town Council)

FRANK HUITT, MAYOR

JOSEPH NIELSEN, MAYOR PRO TEM

LISA HATCH, TRUSTEE

ANDREW SHAFFER, TRUSTEE

DAN EDDY, TRUSTEE

ANN BRADY, TRUSTEE

KRISTIN STEELE, TRUSTEE

1. Call to Order
2. Roll Call
3. Invocation
4. Pledge of Allegiance
5. Minutes of Meeting
  - a. Approval of the minutes of the June 9, 2015 meeting.
6. Petitions and Public Input
7. Changes to the Agenda
8. Public Hearings - 7:15pm
9. Committee/Board Meetings
10. Supervisor Reports – See Attached
11. Reports from Officers – Town Manager Update
12. New Business
  - a. Discussion and Action to Approve 2014 Audited Financials and Independent Auditors Report.
  - b. Discussion and Action to Approve the Financial Statements for May 2015.
  - c. Discussion and Action to Approve Liquor License Renewal for Pinyon Tree Liquors.
  - d. Discussion and Action authorizing development of a grant for the improvements needed for the Rio Blanco County and Rangely Court & Court Chambers Renovations.
13. Informational Items
  - a. Senior Picnic July 22<sup>nd</sup> at 11:30 – 1:30 Elks Park
14. Scheduled Announcements
  - a. Rangely School District board meeting is scheduled for June 23, 2015 at 6:15pm.
  - b. Rangely District Library regular meeting July 13, 2015 at 5:00pm.
  - c. Rangely District Hospital board meeting is scheduled for June 25, 2015 at 6:00pm.
  - d. Rural Fire Protection District board meeting is scheduled for July 20, 2015 at 7:00pm.
  - e. Western Rio Blanco Park & Recreation District meeting July 13, 2015 at 7:00pm.

- f. Rio Blanco Water Conservancy District board meeting is June 24, 2015 at 7:00pm.*
- g. Rangely Chamber of Commerce board meeting is scheduled for July 16, 2015 at 12:00pm.*

**15. Adjournment**

# 5 – Minutes





# Town of Rangely

June 9, 2015 - 7:00pm

## Minutes

Rangely Board of Trustees (Town Council)

FRANK HUITT, MAYOR

JOSEPH NIELSEN, MAYOR PRO TEM

LISA HATCH, TRUSTEE

ANDREW SHAFFER, TRUSTEE

DAN EDDY, TRUSTEE

ANN BRADY, TRUSTEE

KRISTIN STEELE, TRUSTEE

1. **Call to Order** Frank Huitt called the meeting to order at 7:00 pm
2. **Roll Call** Frank Huitt, Joe Nielsen, Dan Eddy, Lisa Hatch, Andrew Shaffer and Kristin Steele present, Ann Brady Absent
3. **Invocation** Lisa Hatch lead the Invocation
4. **Pledge of Allegiance** Peter Brixius lead the Pledge of Allegiance
5. **Minutes of Meeting**
  - a. *Approval of the minutes of the May 26, 2015 meeting.* Motion made by Lisa Hatch, seconded by Joe Nielsen, to approve the minutes of May 26, 2015, motion passed
6. **Petitions and Public Input**
  - a. *Introduce New Hires – Each Supervisor introduce new hires. Jeff introduced Wesley Goddard our new Maintenance Operator in Public Works, Vince Wilczek introduced William Pena our new Police Officer, Mercy McAlister introduced Kindal Cushman and Debbie Shadlow new Police Dispatcher's, Alden VandenBrink introduced Jarod Brooks new Utilities Operator and Peter introduced Jocelyn Mullen in the position of Town Planner/Grants Coordinator.*
7. **Changes to the Agenda**
8. **Public Hearings - 7:15pm** Renae Harding came to the meeting with questions about the Rangely Food Bank and who is the overseeing body of the administrators. She feels that there is a problem with the Food Bank and how people are given assistance.
9. **Committee/Board Meetings** None
10. **Supervisor Reports – See Attached**
  - a. *Alden Vanden Brink – Utilities Dept. – The Water Plant will have some electrical pulled out of the floor that needs to be removed, the River Station which was constructed in 2011 was taken down and cleaned. Catfish, crawdads and construction materials were cleaned out of the intake for the station. Alden informed the Town that he submitted his resignation to Peter this past Monday so he can move forward in a new position, but will be staying in Rangely. He will continue to be an advocate for the Town of Rangely and appreciated the training and support that he received from*

*the Town and Peter Brixius. Peter wanted to thank him for his service. Peter also has asked Alden to retain his employment on a part time basis to work through this transition.*

- b. Vicky Pfennig – Code Enforcement Vicky is very busy with code enforcement in full swing. White River Village has one vacant unit with no pending applications. Barking dog calls have gone down significantly and so she is working on other areas of code enforcement.*
- c. Jocelyn Mullen is working on asbestos abatement on properties on birch and sunset that need to be remediated. A structural engineer was brought up to evaluate if the building on birch is unsound, if so we can apply for a permit to destroy the property in a controlled manner without remediation beforehand. The other property may make more sense to abate it so as to minimize the waste that has to be controlled. We are looking into Brownfields grants for the remediation of both as well. Jocelyn is looking to see how much it would cost for her to be certified but that cost may be as much as it would be to have a contractor come and complete the job. The Milner Landfill in Steamboat is the only one on the Western Slope that will accept the materials. Joe asked if Jocelyn would look into landfills in Utah that would take the materials. She said that she is pursuing those options.*

**11. Reports from Officers – Town Manager Update** Peter said litigation is moving forward with the remediation on the Water plant and hoping it will move to arbitration soon. Phase 2.5 which is the structural improvement of the plant is moving forward and hoping the bid package will be released in the next two weeks. There will be some forensic work done to determine why the settling happened after the water leak was discovered. The DOLA Water line grant for \$739,000 came through this past week and has been executed as of last Friday. Water line replacement on La Mesa and Hillcrest will be coordinated with the county who will lay their fiber and Moon Lake will replace their lines as well where appropriate, while the trench is open. Highway 64 reclamation is almost complete with an owner inspection scheduled for tomorrow. CML conference is next week so Peter will be out most of the week, Lisa & Kelli will be attending on Wednesday for the CIRSA safety recognition. Senior Picnic will be held on July 22, 2015, Hat Creek Barbeque will be providing the meal, Fiscus & Gravy will be entertaining. The Senior Picnic is sponsored by the Town of Rangely, Rio Blanco Sheriff's Department, Rangely Trash Service and the Rangely Chamber of Commerce. The Rio Blanco County Commissioners meeting is this next Monday @ 11:00 AM. The AGNC meeting will be next week with the ColoWyo issue scheduled to be discussed. Lisa Hatch will try to attend. We will reschedule the work session for the municipal building master plan for the next council meeting on June 23rd.

## 12. New Business

- a. *Discussion and Action to Approve April 2015 Financial Statements.* Motion made by Joe Nielsen, seconded by Andrew Shaffer, to approve the April 2015 Financial Statements, motion passed
- b. *Discussion and Action to Approve the May 2015 Check Register.* Motion made by Dan Eddy, seconded by Lisa Hatch, to approve the May 2015 Check Register, motion passed

## 13. Informational Items

- a. *Pioneer Hospital Opening Ceremony June 13<sup>th</sup> at 3:00 – 7:00*
- b. *Sales Tax Revenue Charts 2011-2015*
- c. *CML Annual Mtg June 16<sup>th</sup> - 19<sup>th</sup> in Breckenridge*
- d. *Senior Picnic July 22<sup>nd</sup> at 11:30 – 1:30 Elks Park*
- e. *AGNC Mtg June 17<sup>th</sup> in Craig*
- f. *Community Networking June 23<sup>rd</sup> at 12:00 in Weiss Conference Room* Trustee Kristin Steele reminded the council that there will be no community networking meeting's in June or July as in previous year's when they take a break with the next meeting held in August 2015.

## 14. Scheduled Announcements

- a. *Rangely School District board meeting is scheduled for June 2, 2015 at 6:15pm.*
- b. *Rangely District Library regular meeting June 8, 2015 at 5:00pm.*
- c. *Rangely District Hospital board meeting is scheduled for June 25, 2015 at 6:00pm.*
- d. *Rural Fire Protection District board meeting is scheduled for June 15, 2015 at 7:00pm.*
- e. *Western Rio Blanco Park & Recreation District meeting June 8, 2015 at 7:00pm.*
- f. *Rio Blanco Water Conservancy District board meeting is June 24, 2015 at 7:00pm.*
- g. *Rangely Chamber of Commerce board meeting is scheduled for June 18, 2015 at 12:00pm.*

## 15. Adjournment

Dan Eddy motioned to adjourn the meeting at 7:30 pm, Andrew Shaffer seconded, motion passed.

ATTEST:

RANGELY TOWN COUNCIL

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Lisa Piering, Clerk/Treasurer

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Frank Huitt, Mayor



# 12 – New Business



**TOWN OF RANGELY, COLORADO**

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**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

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**DECEMBER 31, 2014**

**FINANCIAL STATEMENTS – 2014**

## **TOWN OF RANGELY, COLORADO**

### **2014 BOARD OF TRUSTEES**

Mr. Frank Huitt, Mayor

Mr. Brad Casto, Mayor Pro Tem

Ms. Lisa Hatch

Mr. Dan Eddy

Mr. Joseph Nielsen

Mr. Andrew Shaffer

Ms. Ann Brady

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Rangely, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Rangely, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Rangely, Colorado, as of December 31, 2014, 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.

## **Other Matters**

### *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 on pages 3-8 and 45-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Rangely, Colorado's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents 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 8, 2015, on our consideration of the Town of Rangely, Colorado'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 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 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 Town of Rangely, Colorado's internal control over financial reporting and compliance.

Rangely, Colorado  
June 8, 2015

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The discussion and analysis of the Town of Rangely, Colorado's (the "Town") financial performance provides readers with an overall review of the financial activities of the Town for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Town's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The Town's assets exceeded liabilities and deferred inflows by \$32,825,356 at December 31, 2014.
- Total Town's cash and investments increased by \$1,218,939 or 10 percent from 2013.
- The December 31, 2014 General Fund balance is \$626,557 more than the previous year. The total fund balance is 284 percent of 2014 General Fund operating expenditures.

### **USING THIS ANNUAL REPORT**

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Town as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net assets related to each department of the Town. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

### **OVERVIEW OF THE TOWNS FINANCIAL STATEMENTS**

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Town's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the Town as a whole, the financial position of the Town has improved or diminished. However, in evaluating the overall position of the Town, non-financial information such as changes in the Town's tax base and the condition of Town capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the Town's activities are reported as Governmental Activities or Business-type Activities.

## **Fund Financial Statements**

**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.

**Proprietary Funds.** Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The Town uses an enterprise fund which essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to a customer external to the Town organization which is the water sales, natural gas, and wastewater services to the residents of the Town and surrounding areas.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for each major enterprise fund.

**Fiduciary Funds.** Fiduciary funds, which consist solely of the Rangely Foundation for Public Giving Trust fund, are used to account for resources held for the benefit of providing donations to entities not affiliated with the Town. Fiduciary funds are *not* included in the government-wide financial statements because the resources are *not* available to support the Town's operations.

The fiduciary funds financial statements can be found on pages 25 through 26.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 42 of this report.

**Budgetary Comparisons.** The Town adopts an annual appropriated budget for the General Fund, Conservation Fund, Rangely Housing Authority Fund, Housing Assistance Fund, Rangely Development Agency Fund, Rangely Development Corporation Fund, Gas Fund, Wastewater Fund, Water Fund, and Rangely Foundation for Public Giving Trust Fund. A budgetary comparison statement has been provided for the General Fund on pages 45 through 46, the Conservation Fund on page 59, Rangely Housing Authority Fund on page 60, Housing Assistance Fund on page 61, Rangely Development Agency Fund on page 62, Rangely Development Corporation Fund on page 63, Gas Fund on pages 53 through 54, Wastewater Fund on pages 55 through 56, the Water Fund on pages 57 through 58, and the Rangely Foundation for Public Giving Trust Fund on page 64 of this report.

## REPORTING THE TOWN AS A WHOLE

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Town's net position for 2013 and 2014.

|                                  | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total</b>         |                     |
|----------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|---------------------|
|                                  | <u>2013</u>                    | <u>2014</u>          | <u>2013</u>                     | <u>2014</u>          | <u>2013</u>          | <u>2014</u>         |
| <b>Assets</b>                    |                                |                      |                                 |                      |                      |                     |
| Current and other assets         | \$ 9,555,049                   | \$ 10,230,347        | \$ 3,257,530                    | \$ 3,744,107         | \$ 12,812,579        | \$13,974,454        |
| Capital assets                   | <u>7,488,184</u>               | <u>7,813,415</u>     | <u>11,023,164</u>               | <u>13,521,457</u>    | <u>18,511,348</u>    | <u>21,334,872</u>   |
| Total assets                     | <u>17,043,233</u>              | <u>18,043,762</u>    | <u>14,280,694</u>               | <u>17,265,564</u>    | <u>31,323,927</u>    | <u>35,309,326</u>   |
| <b>Liabilities</b>               |                                |                      |                                 |                      |                      |                     |
| Current and other liabilities    | 226,671                        | 278,793              | 436,176                         | 299,736              | 662,847              | 578,529             |
| Long-term liabilities            | <u>344,477</u>                 | <u>315,877</u>       | -                               | <u>1,389,028</u>     | <u>344,477</u>       | <u>1,704,905</u>    |
| Total Liabilities                | <u>571,148</u>                 | <u>594,670</u>       | <u>436,176</u>                  | <u>1,688,764</u>     | <u>1,007,324</u>     | <u>2,283,434</u>    |
| <b>Deferred Inflows</b>          | <u>205,665</u>                 | <u>200,536</u>       | -                               | -                    | <u>205,665</u>       | <u>200,536</u>      |
| <b>Net Position</b>              |                                |                      |                                 |                      |                      |                     |
| Net investment in capital assets | 7,115,179                      | 7,468,603            | 10,697,381                      | 11,790,579           | 17,812,560           | 19,259,182          |
| Restricted                       | 171,902                        | 177,840              | -                               | -                    | 171,902              | 177,840             |
| Unrestricted                     | <u>8,979,339</u>               | <u>9,602,113</u>     | <u>3,147,137</u>                | <u>3,786,221</u>     | <u>12,126,476</u>    | <u>13,388,334</u>   |
| Total net position               | <u>\$16,266,420</u>            | <u>\$ 17,248,556</u> | <u>\$ 13,844,518</u>            | <u>\$ 15,576,800</u> | <u>\$ 30,110,938</u> | <u>\$32,825,356</u> |

A significant portion of the Town's position represents unrestricted net position of \$13,388,334 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$177,840 of the Town's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve of \$105,840 and legal reservation for debt service of \$72,000.

The following table indicates the changes in net position.

|                                     | <b>Governmental Activities</b> |                  | <b>Business-type Activities</b> |                  | <b>Total</b>     |                  |
|-------------------------------------|--------------------------------|------------------|---------------------------------|------------------|------------------|------------------|
|                                     | 2013                           | 2014             | 2013                            | 2014             | 2013             | 2014             |
| <b>Revenues:</b>                    |                                |                  |                                 |                  |                  |                  |
| Program revenues:                   |                                |                  |                                 |                  |                  |                  |
| Charge for services                 | \$ 458,822                     | \$ 495,279       | \$2,837,148                     | \$2,652,288      | \$3,295,970      | \$3,147,567      |
| Operating grants and contributions  | 510,714                        | 561,483          | -                               | -                | 510,714          | 561,483          |
| Capital grants and contributions    | -                              | 56,700           | 16,329                          | 1,461,850        | 16,329           | 1,518,550        |
| <b>General revenues:</b>            |                                |                  |                                 |                  |                  |                  |
| General property taxes              | 204,494                        | 205,304          | -                               | -                | 204,494          | 205,304          |
| Sales tax                           | 1,044,069                      | 905,770          | -                               | -                | 1,044,069        | 905,770          |
| Investment earnings                 | 239,310                        | 196,840          | 22,334                          | 17,358           | 261,644          | 214,198          |
| Severance tax                       | 312,416                        | 569,441          | -                               | -                | 312,416          | 569,441          |
| Mineral lease                       | 1,334,084                      | 1,915,231        | -                               | -                | 1,334,084        | 1,915,231        |
| Other                               | 204,163                        | 268,337          | -                               | -                | 204,163          | 268,337          |
| <b>Total revenues</b>               | <b>4,308,072</b>               | <b>5,174,385</b> | <b>2,875,811</b>                | <b>4,131,496</b> | <b>7,183,883</b> | <b>9,305,881</b> |
| <b>Expenses:</b>                    |                                |                  |                                 |                  |                  |                  |
| Town Council                        | 34,285                         | 38,494           | -                               | -                | 34,285           | 38,494           |
| Court                               | 22,396                         | 20,169           | -                               | -                | 22,396           | 20,169           |
| Administration                      | 550,485                        | 593,824          | -                               | -                | 550,485          | 593,824          |
| Finance                             | 167,509                        | 186,189          | -                               | -                | 167,509          | 186,189          |
| Building & Grounds                  | 486,157                        | 485,429          | -                               | -                | 486,157          | 485,429          |
| Economic Development                | 168,534                        | 179,908          | -                               | -                | 168,534          | 179,908          |
| Police Department                   | 977,256                        | 984,662          | -                               | -                | 977,256          | 984,662          |
| Streets & Drainage                  | 817,343                        | 849,908          | -                               | -                | 817,343          | 849,908          |
| RDA                                 | 86,374                         | 80,860           | -                               | -                | 86,374           | 80,860           |
| Housing Authority                   | 210,023                        | 224,468          | -                               | -                | 210,023          | 224,468          |
| Housing Assistance                  | 635                            | 118              | -                               | -                | 635              | 118              |
| RDC                                 | -                              | 75               | -                               | -                | -                | 75               |
| Gas                                 | -                              | -                | 1,302,876                       | 1,237,066        | 1,302,876        | 1,237,066        |
| Wastewater                          | -                              | -                | 392,711                         | 475,889          | 392,711          | 475,889          |
| Water                               | -                              | -                | 1,138,684                       | 1,234,404        | 1,138,684        | 1,234,404        |
| <b>Total expenses</b>               | <b>3,520,997</b>               | <b>3,644,104</b> | <b>2,834,271</b>                | <b>2,947,359</b> | <b>6,355,268</b> | <b>6,591,463</b> |
| Transfers in (out)                  | (1,250,000)                    | (548,145)        | 1,250,000                       | 548,145          | -                | -                |
| Increase (decrease) in net position | \$ (462,925)                   | \$ 982,136       | \$1,291,540                     | \$1,732,282      | \$ 828,615       | \$ 2,714,418     |

**Governmental Activities.** Governmental activities increased the Town's net position by \$982,136 in 2014. Key elements of this decrease are as follows:

Mineral lease revenue was up \$581,147 and severance tax revenue was up \$257,025 from the prior year.

**Business-type Activities.** Business-type activities increased the Town's net position by \$1,732,282 in 2014. Key elements of this increase are as follows:

Grants for the Wastewater Fund for \$399,525 and for the Water Fund for \$1,062,325 were received.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

**Governmental Funds.** Information about the Town's governmental funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2014, the total fund balance of the Town's governmental funds was \$8,284,474. Approximately 76 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed or assigned for the following purposes: (1) a state-Constitution mandated emergency reserve (\$105,840); (2) an agreement to maintain a reserve of debt service (\$72,000); (3) assigned for park and recreation maintenance and capital outlay (\$88,642) (4) assigned for Rangely Housing Authority (\$185,831); (5) assigned for housing assistance (\$865,227); (6) assigned for RDA (\$388,942); and (7) assigned for RDC (\$315,107). The Town had Governmental revenues of \$5,174,385, expenditures of \$3,995,278, and transfers out of \$548,145.

**Proprietary Funds.** Information about the Town's proprietary funds begins on page 19. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2014, the total net position of the Town's proprietary funds was \$15,576,800. Approximately 24 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of net position is restricted to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$11,790,579). The Town had Proprietary operating revenues of \$2,652,288, grants of \$1,461,850, investment income of \$17,358, transfers in of \$548,145, operating expenses of \$2,923,543, and interest expense of \$23,816.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes.

#### **2014 General Fund Budget**

|  | <u>Original<br/>Budget</u> | <u>Amend-<br/>ments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       |
|--|----------------------------|-------------------------|-------------------------|---------------------|
| Beginning Fund Balance                   | \$ 7,562,929               | \$ -                    | \$ 7,562,929            | \$ 7,300,946        |
| Revenue and other<br>financing sources   | 3,785,719                  | -                       | 3,785,719               | 4,702,696           |
| Expenditures and other<br>financing uses | (4,342,810)                | -                       | (4,342,810)             | (4,076,139)         |
| Ending Fund Balance                      | <u>\$ 7,005,838</u>        | <u>\$ -</u>             | <u>\$ 7,005,838</u>     | <u>\$ 7,927,503</u> |

Actual expenditures and other financing uses were under budget by \$266,671. The main reason for the difference was general government expenditures were \$248,230 less than budgeted.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The Town's investment in capital assets for its governmental type and business-type activities as of December 31, 2014 totaled \$7,468,603 and \$11,790,579, respectively (net of accumulated depreciation and related debt). This investment includes all land, buildings, infrastructure, and equipment.

Accounting for infrastructure under GASB 34 will be implemented on a prospective basis.

The Town uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

**Long-term Debt.** During the year ended December 31, 2014, the Town had a long-term loans payable of \$290,495, capital lease payable of \$54,318, and notes payable of \$1,845,999.

Additional information on Town's debt can be found in Note 7.

### **ECONOMIC FACTORS AND OTHER MATTERS**

**Other Matters.** The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2015 budget:

- A decrease in property tax income.
- A decrease in sales tax income.
- A decrease in housing developments.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 209 E. Main, Rangely, Colorado 81648.

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**FINANCIAL STATEMENTS**

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**TOWN OF RANGELY, COLORADO**

STATEMENT OF NET POSITION  
December 31, 2014

|                                  | Primary Government         |                             |                      |
|----------------------------------|----------------------------|-----------------------------|----------------------|
|                                  | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>ASSETS</b>                    |                            |                             |                      |
| Cash and cash equivalents        | \$ 8,315,620               | \$ 3,840,057                | \$ 12,155,677        |
| Receivables                      | 166,016                    | 277,435                     | 443,451              |
| Interest receivable              | 7,117                      | 975                         | 8,092                |
| Property taxes receivable        | 200,536                    | -                           | 200,536              |
| Inventories                      | -                          | 10,800                      | 10,800               |
| Restricted cash and investments  | 1,028,298                  | 7,600                       | 1,035,898            |
| Due (to) from other funds        | 392,760                    | (392,760)                   | -                    |
| Noncurrent receivables:          |                            |                             |                      |
| Due in more than one year        | 120,000                    | -                           | 120,000              |
| Capital assets, nondepreciable   | 2,031,923                  | 2,623,307                   | 4,655,230            |
| Capital assets, net              | 5,781,492                  | 10,898,150                  | 16,679,642           |
| <b>TOTAL ASSETS</b>              | <b>18,043,762</b>          | <b>17,265,564</b>           | <b>35,309,326</b>    |
| <b>LIABILITIES</b>               |                            |                             |                      |
| Accounts payable                 | 96,955                     | 156,687                     | 253,642              |
| Accrued liabilities              | 13,590                     | 5,608                       | 19,198               |
| Employee compensated absences    | 128,913                    | 70,630                      | 199,543              |
| Deposits payable                 | 10,400                     | 2,600                       | 13,000               |
| Noncurrent liabilities:          |                            |                             |                      |
| Due within one year              | 28,935                     | 64,211                      | 93,146               |
| Due in more than one year        | 315,877                    | 1,389,028                   | 1,704,905            |
| <b>TOTAL LIABILITIES</b>         | <b>594,670</b>             | <b>1,688,764</b>            | <b>2,283,434</b>     |
| <b>DEFERRED INFLOWS</b>          |                            |                             |                      |
| Unearned revenue                 | 200,536                    | -                           | 200,536              |
| <b>TOTAL DEFERRED INFLOWS</b>    | <b>200,536</b>             | <b>-</b>                    | <b>200,536</b>       |
| <b>NET POSITION</b>              |                            |                             |                      |
| Net investment in capital assets | 7,468,603                  | 11,790,579                  | 19,259,182           |
| Restricted for:                  |                            |                             |                      |
| Labor                            | 105,840                    | -                           | 105,840              |
| Debt service                     | 72,000                     | -                           | 72,000               |
| Unrestricted                     | 9,602,113                  | 3,786,221                   | 13,388,334           |
| <b>TOTAL NET POSITION</b>        | <b>\$ 17,248,556</b>       | <b>\$ 15,576,800</b>        | <b>\$ 32,825,356</b> |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014

| FUNCTIONS/PROGRAMS             | <u>Expenses</u>     | <u>Program Revenues</u>     |   |
|--------------------------------|---------------------|-----------------------------|---|
|                                |                     | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> |
| Primary government             |                     |                             |   |
| Governmental activities        |                     |                             |   |
| Town council                   | \$ 38,494           | \$ -                        | \$ -                                      |
| Court                          | 20,169              | 9,313                       | -   |
| Administration                 | 593,824             | 271,000                     | -   |
| Finance                        | 186,189             | -                           | -   |
| Building & grounds             | 485,429             | -                           | -   |
| Economic/community development | 179,908             | -                           | 93,098                                    |
| Police department              | 984,662             | 46,705                      | 4,684                                     |
| Streets & drainage             | 849,908             | -                           | 325,213                                   |
| RDA                            | 80,860              | 66,708                      | -   |
| Housing Authority              | 224,468             | 101,553                     | 138,488                                   |
| Housing Assistance             | 118                 | -                           | -   |
| RDC                            | 75                  | -                           | -   |
|                                | <u>3,644,104</u>    | <u>495,279</u>              | <u>561,483</u>                            |
| TOTAL GOVERNMENTAL ACTIVITIES  |                     |                             |   |
| Business-type activities       |                     |                             |   |
| Gas                            | 1,237,066           | 1,230,639                   | -   |
| Wastewater                     | 475,889             | 384,176                     | -   |
| Water                          | 1,234,404           | 1,037,473                   | -   |
|                                | <u>2,947,359</u>    | <u>2,652,288</u>            | <u>-</u>                                  |
| TOTAL BUSINESS-TYPE ACTIVITIES |                     |                             |   |
| TOTAL PRIMARY GOVERNMENT       | <u>\$ 6,591,463</u> | <u>\$ 3,147,567</u>         | <u>\$ 561,483</u>                         |

General revenues:  
Taxes:  
    Property tax  
    Sales tax  
    Severance tax  
    Other taxes  
Licenses and permits  
Mineral lease  
Unrestricted investment earnings  
Miscellaneous  
Transfers in (out)  
    Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending

| Capital<br>Grants and<br>Contributions | Net (Expense) Revenue and Changes in Net Position |                             |                      |
|--|---|-----------------------------|----------------------|
|  | Primary Government                                |                             |                      |
|  | Governmental<br>Activities                        | Business-type<br>Activities | Total                |
| \$ -                                   | \$ (38,494)                                       | -                           | (38,494)             |
| -                                      | (10,856)  | -                           | (10,856)             |
| -                                      | (322,824)   | -                           | (322,824)            |
| -                                      | (186,189)   | -                           | (186,189)            |
| -                                      | (485,429)   | -                           | (485,429)            |
| -                                      | (86,810)  | -                           | (86,810)             |
| 1,700                                  | (931,573)   | -                           | (931,573)            |
| -                                      | (524,695)   | -                           | (524,695)            |
| -                                      | (14,152)  | -                           | (14,152)             |
| 55,000                                 | 70,573  | -                           | 70,573               |
| -                                      | (118)   | -                           | (118)                |
| -                                      | (75)  | -                           | (75)                 |
| <u>56,700</u>                          | <u>(2,530,642)</u>                                | <u>-</u>                    | <u>(2,530,642)</u>   |
| -                                      | -   | (6,427)                     | (6,427)              |
| 399,525                                | -   | 307,812                     | 307,812              |
| <u>1,062,325</u>                       | <u>-</u>  | <u>865,394</u>              | <u>865,394</u>       |
| <u>1,461,850</u>                       | <u>-</u>  | <u>1,166,779</u>            | <u>1,166,779</u>     |
| <u>\$ 1,518,550</u>                    | <u>(2,530,642)</u>                                | <u>1,166,779</u>            | <u>(1,363,863)</u>   |
|  | 205,304   | -                           | 205,304              |
|  | 905,770   | -                           | 905,770              |
|  | 569,441   | -                           | 569,441              |
|  | 114,247   | -                           | 114,247              |
|  | 23,165  | -                           | 23,165               |
|  | 1,915,231   | -                           | 1,915,231            |
|  | 196,840   | 17,358                      | 214,198              |
|  | 130,925   | -                           | 130,925              |
|  | (548,145)   | 548,145                     | -                    |
|  | <u>3,512,778</u>                                  | <u>565,503</u>              | <u>4,078,281</u>     |
|  | 982,136   | 1,732,282                   | 2,714,418            |
|  | 16,266,420  | 13,844,518                  | 30,110,938           |
|  | <u>\$ 17,248,556</u>                              | <u>\$ 15,576,800</u>        | <u>\$ 32,825,356</u> |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2014

|   | <u>General</u>      | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|---|---|
| <b>ASSETS</b>   |                     |   |   |
| Cash and cash equivalents   | \$ 7,437,316        | \$ 878,304                              | \$ 8,315,620                            |
| Accounts receivable - Other   | 166,016             | -                                       | 166,016                                 |
| Interest receivable   | 6,778               | 339                                     | 7,117                                   |
| Property taxes receivable   | 200,536             | -                                       | 200,536                                 |
| Restricted cash and investments                                     | 81,068              | 947,230                                 | 1,028,298                               |
| Notes receivable  | 392,760             | 120,000                                 | 512,760                                 |
|   | <u>\$ 8,284,474</u> | <u>\$ 1,945,873</u>                     | <u>\$ 10,230,347</u>                    |
| <b>LIABILITIES, DEFERRED INFLOWS, AND<br/>FUND EQUITY</b>           |                     |   |   |
| <b>LIABILITIES</b>  |                     |   |   |
| Accounts payable  | \$ 80,046           | \$ 16,909                               | \$ 96,955                               |
| Accrued liabilities   | 13,090              | 500                                     | 13,590                                  |
| Employee compensated absences                                       | 63,299              | 2,315                                   | 65,614                                  |
| Deposits payable  | -                   | 10,400                                  | 10,400                                  |
|   | <u>156,435</u>      | <u>30,124</u>                           | <u>186,559</u>                          |
| <b>DEFERRED INFLOWS</b>   |                     |   |   |
| Unearned revenue  | 200,536             | -                                       | 200,536                                 |
|   | <u>200,536</u>      | <u>-</u>                                | <u>200,536</u>                          |
| <b>FUND EQUITY</b>  |                     |   |   |
| Fund balances   |                     |   |   |
| Restricted for:   |                     |   |   |
| TABOR emergencies   | 105,840             | -                                       | 105,840                                 |
| Debt service  | -                   | 72,000                                  | 72,000                                  |
| Assigned for:   |                     |   |   |
| Conservation Trust  | -                   | 88,642                                  | 88,642                                  |
| Rangely Housing Authority   | -                   | 185,831                                 | 185,831                                 |
| Housing Assistance  | -                   | 865,227                                 | 865,227                                 |
| Rangely Development Agency  | -                   | 388,942                                 | 388,942                                 |
| Rangely Development Corp.   | -                   | 315,107                                 | 315,107                                 |
| Unassigned  | 7,821,663           | -                                       | 7,821,663                               |
|   | <u>7,927,503</u>    | <u>1,915,749</u>                        | <u>9,843,252</u>                        |
| <b>TOTAL LIABILITIES,<br/>DEFERRED INFLOWS,<br/>AND FUND EQUITY</b> | <u>\$ 8,284,474</u> | <u>\$ 1,945,873</u>                     | <u>\$ 10,230,347</u>                    |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
December 31, 2014

|  |                      |
|--|----------------------|
| Balance sheet - total fund balances  | \$ 9,843,252         |
| Amounts reported for governmental activities in the statement of net position are different because:   |                      |
| Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.                              | 7,813,415            |
| Half of compensated liabilities are not recorded in governmental funds because they are not generally expected to be liquidated with current expendable available financial resources. | (63,299)             |
| Some liabilities, including notes payable are not included in governmental funds.  | <u>(344,812)</u>     |
| NET POSITION OF GOVERNMENTAL ACTIVITIES  | <u>\$ 17,248,556</u> |

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

|  | <u>General</u>      | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|---|---|
| <b>REVENUES</b>  |                     |   |   |
| Intergovernmental revenues   | \$ 2,084,217        | \$ 148,098                              | \$ 2,232,315                            |
| Federal funds  | -                   | 138,488                                 | 138,488                                 |
| Taxes  | 1,980,214           | -                                       | 1,980,214                               |
| Charges for services   | 271,615             | 161,527                                 | 433,142                                 |
| Licenses and permits   | 23,165              | -                                       | 23,165                                  |
| Interest   | 187,839             | 9,001                                   | 196,840                                 |
| Miscellaneous  | 155,646             | 14,575                                  | 170,221                                 |
|  | <u>4,702,696</u>    | <u>471,689</u>                          | <u>5,174,385</u>                        |
| <b>EXPENDITURES</b>  |                     |   |   |
| General government   | 1,339,097           | 218,295                                 | 1,557,392                               |
| Public safety  | 935,394             | -                                       | 935,394                                 |
| Highways and streets   | 513,697             | -                                       | 513,697                                 |
| Capital outlay   | 725,105             | 193,730                                 | 918,835                                 |
| Debt service:  |                     |   |   |
| Principal retirement   | 12,528              | 15,665                                  | 28,193                                  |
| Interest and fiscal charges  | 2,173               | 39,594                                  | 41,767                                  |
|  | <u>3,527,994</u>    | <u>467,284</u>                          | <u>3,995,278</u>                        |
| REVENUES OVER (UNDER)<br>EXPENDITURES                              | <u>1,174,702</u>    | <u>4,405</u>                            | <u>1,179,107</u>                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                              |                     |   |   |
| Transfers out  | <u>(548,145)</u>    | <u>-</u>                                | <u>(548,145)</u>                        |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                            | <u>(548,145)</u>    | <u>-</u>                                | <u>(548,145)</u>                        |
| EXCESS OF REVENUES OVER EXPEND-<br>ITURES AND OTHER FINANCING USES | 626,557             | 4,405                                   | 630,962                                 |
| FUND BALANCE, BEGINNING OF YEAR                                    | <u>7,300,946</u>    | <u>1,911,344</u>                        | <u>9,212,290</u>                        |
| FUND BALANCE, END OF<br>YEAR                                       | <u>\$ 7,927,503</u> | <u>\$ 1,915,749</u>                     | <u>\$ 9,843,252</u>                     |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2014**

|   |                          |
|---|--------------------------|
| Net change in fund balances - total governmental funds  | \$ 630,962               |
| Amounts reported for governmental activities in the statement of net activities 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 and reported as depreciation expense. This is the amount by which capital outlays (\$918,835) exceeded depreciation (\$593,604) in the current period. | 325,231                  |
| Half of accrued vacation and sick leave are not considered current liabilities, therefore, are not recorded as expense in the governmental funds. The increase in the non-current half is this amount.  | (2,250)                  |
| Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt repayment.  | <u>28,193</u>            |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <u><u>\$ 982,136</u></u> |

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
December 31, 2014

|   | Enterprise Funds    |                     |                      |
|---|---------------------|---------------------|----------------------|
|   | Gas                 | Wastewater          | Water                |
| <b>ASSETS</b>   |                     |                     |                      |
| Current assets:   |                     |                     |                      |
| Cash and cash equivalents                                       | \$ 1,695,602        | \$ 634,961          | \$ 1,509,494         |
| Accounts receivable, net  | 173,257             | 40,927              | 63,251               |
| Interest receivable   | 585                 | 78                  | 312                  |
| Inventories   | 9,000               | -                   | 1,800                |
| <b>TOTAL CURRENT ASSETS</b>                                     | <b>1,878,444</b>    | <b>675,966</b>      | <b>1,574,857</b>     |
| Restricted cash - deposits                                      | 2,100               | -                   | 500                  |
| Restricted cash - CO LSE  | 5,000               | -                   | -                    |
| Property, plant and equipment - net of accumulated depreciation | 561,856             | 2,512,837           | 10,446,764           |
| <b>TOTAL ASSETS</b>   | <b>2,447,400</b>    | <b>3,188,803</b>    | <b>12,022,121</b>    |
| <b>LIABILITIES</b>  |                     |                     |                      |
| Current liabilities:  |                     |                     |                      |
| Accounts payable  | 101,747             | 5,726               | 49,214               |
| Accrued liabilities   | 2,174               | 588                 | 2,846                |
| Employee compensated absences                                   | 34,940              | 6,425               | 29,265               |
| Current maturities of long-term debt                            | -                   | -                   | -                    |
| Notes payable   | -                   | 20,921              | 114,667              |
| <b>TOTAL CURRENT LIABILITIES</b>                                | <b>138,861</b>      | <b>33,660</b>       | <b>195,992</b>       |
| Long-term liabilities:  |                     |                     |                      |
| Deposits payable from restricted assets                         | 2,100               | -                   | 500                  |
| Notes payable   | -                   | 94,200              | 1,616,211            |
| <b>TOTAL LONG-TERM LIABILITIES</b>                              | <b>2,100</b>        | <b>94,200</b>       | <b>1,616,711</b>     |
| <b>TOTAL LIABILITIES</b>  | <b>140,961</b>      | <b>127,860</b>      | <b>1,812,703</b>     |
| <b>NET POSITION</b>   |                     |                     |                      |
| Net investment in capital assets                                | 561,856             | 2,512,837           | 8,715,886            |
| Unrestricted  | 1,744,583           | 548,106             | 1,493,532            |
| <b>TOTAL NET POSITION</b>                                       | <b>\$ 2,306,439</b> | <b>\$ 3,060,943</b> | <b>\$ 10,209,418</b> |

|              |                          |
|--------------|--------------------------|
| <u>Total</u> |                          |
| \$           | 3,840,057                |
|              | 277,435                  |
|              | 975                      |
|              | <u>10,800</u>            |
|              | 4,129,267                |
|              | 2,600                    |
|              | 5,000                    |
|              | <u>13,521,457</u>        |
|              | <u>17,658,324</u>        |
|              | 156,687                  |
|              | 5,608                    |
|              | 70,630                   |
|              | <u>135,588</u>           |
|              | <u>368,513</u>           |
|              | 2,600                    |
|              | <u>1,710,411</u>         |
|              | <u>1,713,011</u>         |
|              | <u>2,081,524</u>         |
|              | 11,790,579               |
|              | <u>3,786,221</u>         |
| \$           | <u><u>15,576,800</u></u> |

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS  
For the Year Ended December 31, 2014

|  | Enterprise Funds    |                     |                      |
|--|---------------------|---------------------|----------------------|
|  | Gas                 | Wastewater          | Water                |
| <b>OPERATING REVENUES</b>                        |                     |                     |                      |
| Customer accounts                                | \$ 1,207,134        | \$ 381,376          | \$ 1,020,571         |
| Connection fees                                  | 1,621               | -                   | -                    |
| Late charges                                     | 16,242              | -                   | -                    |
| Plant investment and tap fees                    | 3,842               | 2,800               | 8,100                |
| Other  | 1,800               | -                   | 8,802                |
| <b>TOTAL OPERATING REVENUES</b>                  | <u>1,230,639</u>    | <u>384,176</u>      | <u>1,037,473</u>     |
| <b>OPERATING EXPENSES</b>                        |                     |                     |                      |
| Administration                                   | 175,000             | 48,000              | 48,000               |
| Distribution and service                         | 364,885             | 265,638             | 194,459              |
| Gas purchases                                    | 623,441             | -                   | -                    |
| Water treatment                                  | -                   | -                   | 444,390              |
| Depreciation                                     | 73,740              | 155,767             | 530,223              |
| <b>TOTAL OPERATING EXPENSES</b>                  | <u>1,237,066</u>    | <u>469,405</u>      | <u>1,217,072</u>     |
| <b>OPERATING INCOME (LOSS)</b>                   | <u>(6,427)</u>      | <u>(85,229)</u>     | <u>(179,599)</u>     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                     |                     |                      |
| Investment income                                | 10,212              | 1,550               | 5,596                |
| Interest expense                                 | -                   | (6,484)             | (17,332)             |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>    | <u>10,212</u>       | <u>(4,934)</u>      | <u>(11,736)</u>      |
| <b>INCOME BEFORE CAPITAL GRANTS AND TRANSFER</b> | <u>3,785</u>        | <u>(90,163)</u>     | <u>(191,335)</u>     |
| Capital grants                                   | -                   | 399,525             | 1,062,325            |
| Transfer in                                      | -                   | -                   | 548,145              |
| <b>CHANGE IN NET POSITION</b>                    | <u>3,785</u>        | <u>309,362</u>      | <u>1,419,135</u>     |
| <b>NET POSITION, BEGINNING</b>                   | <u>2,302,654</u>    | <u>2,751,581</u>    | <u>8,790,283</u>     |
| <b>NET POSITION, ENDING</b>                      | <u>\$ 2,306,439</u> | <u>\$ 3,060,943</u> | <u>\$ 10,209,418</u> |

|              |               |
|--------------|---------------|
| <u>Total</u> |               |
| \$           | 2,609,081     |
|              | 1,621         |
|              | 16,242        |
|              | 14,742        |
|              | <u>10,602</u> |

2,652,288

|  |                |
|--|----------------|
|  | 271,000        |
|  | 824,982        |
|  | 623,441        |
|  | 444,390        |
|  | <u>759,730</u> |

2,923,543

(271,255)

17,358  
(23,816)

(6,458)

(277,713)

1,461,850  
548,145

1,732,282

13,844,518

\$ 15,576,800

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES - ENTERPRISE FUNDS  
 For the Year Ended December 31, 2014

|   | Enterprise Funds    |                    |
|---|---------------------|--------------------|
|   | Gas                 | Wastewater         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                    |
| Cash received from customers and other  | \$ 1,296,158        | \$ 386,235         |
| Cash payments for personnel   | 306,034             | 83,312             |
| Cash payments for goods and services  | (1,332,529)         | (490,843)          |
| Cash payments for interfund services  | (175,000)           | (48,000)           |
|   | <u>94,663</u>       | <u>(69,296)</u>    |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>   |                     |                    |
| Operating transfer  | -                   | -                  |
|   | <u>-</u>            | <u>-</u>           |
| <b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>  | <u>-</u>            | <u>-</u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                     |                    |
| Grant   | -                   | 399,525            |
| Plant investment and tap fees   | 3,842               | 2,800              |
| Loan proceeds   | -                   | -                  |
| Fixed assets purchased, less gain on sales  | (42,141)            | (540,498)          |
| Long term debt payment - principal  | -                   | (19,963)           |
| Long term debt payment - interest   | -                   | (6,484)            |
|   | <u>(38,299)</u>     | <u>(164,620)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                    |
| Investment income   | 11,268              | 1,690              |
|   | <u>11,268</u>       | <u>1,690</u>       |
| <b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>  | <u>11,268</u>       | <u>1,690</u>       |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | 67,632              | (232,226)          |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | <u>1,632,970</u>    | <u>867,187</u>     |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <u>\$ 1,700,602</u> | <u>\$ 634,961</u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                     |                    |
| Operating income (loss)   | \$ (6,427)          | \$ (85,229)        |
| Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities: |                     |                    |
| Depreciation  | 73,740              | 155,767            |
| Plant investment and tap fees   | (3,842)             | (2,800)            |
| Changes in assets and liabilities:  |                     |                    |
| Decrease (increase) in accounts receivable  | 69,361              | 4,859              |
| Increase (decrease) in accounts payable   | (42,330)            | (142,699)          |
| Increase (decrease) in employee compensated absences  | 3,571               | 585                |
| Increase (decrease) in accrued liabilities  | 590                 | 221                |
|   | <u>94,663</u>       | <u>(69,296)</u>    |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <u>\$ 94,663</u>    | <u>\$ (69,296)</u> |

| Water               | Totals              |
|---------------------|---------------------|
| \$ 1,021,543        | \$ 2,703,936        |
| 341,855             | 731,201             |
| (1,001,592)         | (2,824,964)         |
| <u>(48,000)</u>     | <u>(271,000)</u>    |
| <u>313,806</u>      | <u>339,173</u>      |
|                     |                     |
| <u>548,145</u>      | <u>548,145</u>      |
|                     |                     |
| <u>548,145</u>      | <u>548,145</u>      |
|                     |                     |
| 1,062,325           | 1,461,850           |
| 8,100               | 14,742              |
| 1,490,000           | 1,490,000           |
| (2,675,384)         | (3,258,023)         |
| (84,905)            | (104,868)           |
| <u>(17,332)</u>     | <u>(23,816)</u>     |
| <u>(217,196)</u>    | <u>(420,115)</u>    |
|                     |                     |
| <u>6,159</u>        | <u>19,117</u>       |
|                     |                     |
| <u>6,159</u>        | <u>19,117</u>       |
|                     |                     |
| 650,914             | 486,320             |
| <u>858,580</u>      | <u>3,358,737</u>    |
| <u>\$ 1,509,494</u> | <u>\$ 3,845,057</u> |
|                     |                     |
| \$ (179,599)        | \$ (271,255)        |
|                     |                     |
| 530,223             | 759,730             |
| (8,100)             | (14,742)            |
| (7,830)             | 66,390              |
| (23,483)            | (208,512)           |
| 1,470               | 5,626               |
| <u>1,125</u>        | <u>1,936</u>        |
| <u>\$ 313,806</u>   | <u>\$ 339,173</u>   |

|                                 |                     |
|---------------------------------|---------------------|
| Water Fund:                     |                     |
| Interest income                 | \$ 5,596            |
| Decrease in interest receivable | <u>563</u>          |
| Investment income               | <u>\$ 6,159</u>     |
| Total grants                    | <u>\$ 1,062,325</u> |
|                                 |                     |
| Gas Fund:                       |                     |
| Interest income                 | \$ 10,212           |
| Decrease in interest receivable | <u>1,056</u>        |
| Investment income               | <u>\$ 11,268</u>    |
|                                 |                     |
| Wastewater Fund:                |                     |
| Interest income                 | \$ 1,550            |
| Decrease in interest receivable | <u>140</u>          |
| Investment income               | <u>\$ 1,690</u>     |
| Total fixed assets purchased    | <u>\$ (540,498)</u> |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

STATEMENT OF NET POSITION  
FIDUCIARY FUND  
December 31, 2014

|  | Rangely<br>Foundation for<br>Public Giving<br>Private-Purpose<br>Trust Fund |
|--|---|
| <b>ASSETS</b>                              |   |
| Cash and cash equivalents                  | \$ 285,464  |
| Interest receivable                        | 244   |
|  | <hr/>   |
| <b>TOTAL ASSETS</b>                        | <b>285,708</b>  |
|  | <hr/>   |
| <b>LIABILITIES</b>                         |   |
| None                                       | -   |
|  | <hr/>   |
| <b>TOTAL LIABILITIES</b>                   | <b>-</b>  |
|  | <hr/>   |
| <b>NET POSITION HELD FOR PUBLIC GIVING</b> | <b>\$ 285,708</b>   |
|  | <hr/> <hr/>   |

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

**TOWN OF RANGELY, COLORADO**

**STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
For the Year Ended December 31, 2014**

|                         | <u>Rangely<br/>Foundation For<br/>Public Giving<br/>Private-Purpose<br/>Trust Fund</u> |
|-------------------------|--|
| ADDITIONS               |  |
| Investment income       |  |
| Interest revenue        | \$ 4,006   |
| TOTAL ADDITIONS         | <u>4,006</u>   |
| DEDUCTIONS              |  |
| Grants disbursed        | <u>2,510</u>   |
| TOTAL DEDUCTIONS        | <u>2,510</u>   |
| CHANGE IN NET POSITION  | 1,496  |
| NET POSITION, BEGINNING | <u>284,212</u>   |
| NET POSITION, ENDING    | <u>\$ 285,708</u>  |

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The accompanying "Notes to Financial Statements" are an integral part of this statement.

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**NOTES TO FINANCIAL STATEMENTS**

## TOWN OF RANGELY, COLORADO

### NOTES TO FINANCIAL STATEMENTS

December 31, 2014

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Rangely, Colorado, (the Town), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

##### A. Financial Reporting Entity

A publicly elected Town Council governs the Town. The accompanying financial statements present the Town's primary government and component units. Component units are legally separate entities for which the Town is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Town's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the Town.

The Town's major operations include public safety, street construction and maintenance, general administration, water, gas, wastewater, and utilities.

##### Blended Component Units

1. *Rangely Housing Authority* - Finances and manages the White River Village for Rangely's elderly citizens. Town Council members serve as Trustees. City employees manage Authority assets and provide services to citizens. Reporting Fund - Special Revenue Fund.
2. *Rangely Foundation for Public Giving* - Provides assistance in the form of grants to activities, programs, and projects that are of direct benefit to the residents of the Rangely Area in four areas of emphasis: human services, education, civic and community projects, and arts and culture. Town Council members serve as Trustees. Reporting Fund - Private-Purpose Trust Fund.
3. *Rangely Development Agency* - Urban renewal authority created to administer grants and loans to promote business growth and improvement in the Rangely Area. The Town Council is authorized to appoint the seven members of the board of commissioners. Funded by a transfer from the general fund. Reporting Fund - Special Revenue Fund.
4. *Rangely Development Corporation* - Corporation created to relieve economic distress and prevent community deterioration through assisting and promoting growth and development of business concerns in the Western portion of Rio Blanco County. The Town Council is authorized to appoint the seven members. Originally funded by Rio Blanco County Primary Employment and Retention Campaign. Reporting Fund - Special Revenue Fund.

##### B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment that are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applications that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**TOWN OF RANGELY, COLORADO**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. 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 a 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.

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 available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Town receives cash.

The Town reports the following major governmental fund:

**General Fund**

The General Fund is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the Town.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, and gas utilities enterprise funds of the Town are charges to customers for sales and services. The water, wastewater and gas utilities recognize the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major proprietary funds:

**Water Fund**

The Water Fund accounts for the operations and capital needs to provide water to customers within the boundaries of the Town.

**Wastewater Fund**

The Wastewater Fund accounts for the operations and capital needs to provide sewer and wastewater services to customers within the boundaries of the Town.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Measurement focus, basis of accounting, and financial statement presentation, continued**

**Gas Fund**

The Gas Fund accounts for the operations and capital needs to provide natural gas to customers within the boundaries of the Town.

As a general rule the effect of interfund activities has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fiduciary Funds, which consists solely of funds, account for assets held by the Town as a trustee or as an agent for individuals or other government units. The only fiduciary fund type used by the Town is the Private-Purpose Trust Fund. The Rangely Foundation for Public Giving provides assistance in the form of grants to activities, programs, and projects that are of direct benefit to the residents of the Rangely Area in four areas of emphasis: human services, education, civic and community projects, and arts and culture. Town Council members serve as Trustees.

**D. Fixed Assets and Long-Term Liabilities**

Capital assets, which include property, plant, equipment, and infrastructure assets, (e.g., roads, sidewalks, traffic signals, trails, and similar items), are reports in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2005. Infrastructure prior to 2005 will not be capitalized. Capital assets are defined by the Town as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2014 no interest was capitalized.

Property, plant, and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

|                        | <u>Governmental</u> | <u>Water</u> | <u>Gas</u> | <u>Wastewater</u> |
|------------------------|---------------------|--------------|------------|-------------------|
| Distribution System    |                     | 40-50 years  | 20 years   | 25-40 years       |
| Streets & improvements | 10-20 years         |              |            |                   |
| Buildings              | 20 years            | 20 years     | 20 years   | 20 years          |
| Equipment              | 5-10 years          | 5-10 years   | 5-7 years  | 5-10 years        |

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reports as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. Property Taxes**

Property taxes are levied on December 22 of each year and attached as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, in that the Town's experience indicates that all material amounts will be collected and paid to the Town.

**F. Budgets and Budgetary Accounting**

The Town's trustees follow these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to October 15, the manager submits to the Town's trustees a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain the taxpayers' comments.
- (3) Prior to December 15, the budget is legally enacted through passage of a resolution.
- (4) Formal budgetary integration is employed as a management control device during the year.
- (5) Budgets are adopted for the General, Special Revenue, Enterprise and Trust Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the Enterprise Funds and the Rangely Development Agency. The budgets of the Enterprise Funds and Rangely Development Agency are based on cash receipts and cash disbursements rather than revenues and expenditures measurement required by GAAP.
- (6) Appropriations lapse at the end of each calendar year.
- (7) The Town's trustees may authorize supplemental appropriations during the year. Supplemental appropriations were made during the year increasing Water Fund expenditures by \$545,000 and increasing Wastewater Fund revenues by \$140,000 expenditures by \$260,000.
- (8) Actual expenditures exceeded budget amounts by \$16,266 in the Wastewater Fund which may be a violation of Colorado State Statues.

**G. Encumbrances**

The Town does not use encumbrance accounting.

**H. Inventories**

Supply inventories of the Enterprise Funds are recorded at estimated cost.

**I. Compensated Absences**

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be taken after year-end or paid upon separation from service. A liability for accrued vacation and sick leave benefits has been recorded in the General, Water, Gas and Wastewater Funds.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**J. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Water, Gas, Wastewater and Rangely Foundation for Public Giving Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement net position. A reconciliation of the differences can be found on page 16 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 18 of the financial statements.

**NOTE 3 - CASH AND INVESTMENTS**

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act 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. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligation of the State of Colorado or of any county, school, authority, and certain town and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The Town's investment policy is not more restrictive than State statutes. The Town's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments held are as follows:

|                   | <u>Fair Value</u> | <u>Cost</u>      |
|-------------------|-------------------|------------------|
| December 31, 2014 |                   |                  |
| COLOTRUST         | <u>\$ 29,682</u>  | <u>\$ 29,682</u> |

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 3 - CASH AND INVESTMENTS, Continued**

The Town has invested \$29,682 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operated similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At December 31, 2014 the Town's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

A summary of cash and investments which are combined on the statement of net position and fiduciary statement of net position is as follows:

|                                 |    |                      |
|---------------------------------|----|----------------------|
| Cash                            |    |                      |
| Cash on hand                    | \$ | 400                  |
| Cash deposits in bank           |    | 3,126,914            |
| Certificates of deposit         |    | 10,317,980           |
| Cash on hand – County Treasurer |    | <u>2,063</u>         |
| Total cash                      |    | 13,447,357           |
| Investments                     |    |                      |
| COLOTRUST                       |    | <u>29,682</u>        |
| Total cash and cash equivalents |    | <u>\$ 13,477,039</u> |
| Cash and cash equivalents       |    | \$ 12,441,141        |
| Restricted cash                 |    | <u>1,035,898</u>     |
| Total cash and cash equivalents |    | <u>\$ 13,477,039</u> |

Restricted cash is as follows:

| Fund                      | Amount              | Description                  |
|---------------------------|---------------------|------------------------------|
| General                   | \$ 81,068           | Dental/Vision Self-Insurance |
| Rangely Housing Authority | 72,000              | Loan Requirement             |
| Rangely Housing Authority | 4,700               | Security Deposits            |
| Housing Assistance        | 865,080             | Future Housing Projects      |
| RDA                       | 5,450               | Security Deposits            |
| Gas                       | 2,100               | Deposits                     |
| Gas                       | 5,000               | CO LSE                       |
| Water                     | <u>500</u>          | Deposits                     |
|                           | <u>\$ 1,035,898</u> |                              |

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2014, in the Enterprise Funds are as follows:

|   | Gas               | Wastewater       | Water            | Total<br>Enterprise |
|---|-------------------|------------------|------------------|---------------------|
| Gross accounts receivable               | \$ 189,459        | \$ 44,754        | \$ 69,166        | \$ 303,379          |
| Less allowance for<br>Doubtful accounts | 16,202            | 3,827            | 5,915            | 25,944              |
|   | <u>\$ 173,257</u> | <u>\$ 40,927</u> | <u>\$ 63,251</u> | <u>\$ 277,435</u>   |

**NOTE 5 - PROPERTY TAXES**

**Revenue Recognized in 2014**

Local property taxes levied in 2013 and collected in 2014 are recognized as revenue in these financial statements as shown below:

|              | Assessed<br>Valuation | Mill<br>Levy | Amount of Taxes |            | Percent<br>Collected |
|--------------|-----------------------|--------------|-----------------|------------|----------------------|
|              |                       |              | Levied          | Collected  |                      |
| General Fund | \$ 20,566,480         | 10.000       | \$ 205,665      | \$ 205,310 | 99.8%                |

**Property Taxes Receivable and Unearned Revenue**

Local property taxes levied in 2014 but not collectible until 2015 are shown as property taxes receivable and unearned revenue.

|              | Estimated<br>Assessed<br>Valuation | Property<br>Mill<br>Levy | Percent<br>Collectible | Taxes<br>Receivable | Unearned<br>Revenue |
|--------------|------------------------------------|--------------------------|------------------------|---------------------|---------------------|
| General Fund | \$ 20,053,580                      | 10.000                   | 100.0%                 | \$ 200,536          | \$200,536           |

**NOTE 6 - CAPITAL ASSETS**

**A. Governmental Activities**

A summary of changes in capital assets during for the year ended December 31, 2014 is as follows:

|  | Balance<br>1/1/2014 | Additions      | Deletions | Balance<br>12/31/2014 |
|--|---------------------|----------------|-----------|-----------------------|
| Capital assets not being<br>depreciated: |                     |                |           |                       |
| Land                                     | \$ 2,031,923        | \$ -           | \$ -      | \$ 2,031,923          |
| Capital assets being<br>depreciated:     |                     |                |           |                       |
| Buildings                                | 3,450,640           | 101,182        | -         | 3,551,822             |
| Streets and improvements                 | 13,093,549          | 747,521        | -         | 13,841,070            |
| Equipment                                | 2,309,974           | 70,132         | -         | 2,380,106             |
| Total assets being<br>depreciated        | <u>18,854,163</u>   | <u>918,835</u> | <u>-</u>  | <u>19,772,998</u>     |

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 6 - CAPITAL ASSETS, Continued**

**A. Governmental Activities, continued**

|   | Balance<br>1/1/2014 | Additions         | Deletions   | Balance<br>12/31/2014 |
|---|---------------------|-------------------|-------------|-----------------------|
| Less accumulated depreciation:              |                     |                   |             |                       |
| Buildings                                   | (2,120,909)         | (138,299)         | -           | (2,259,208)           |
| Streets and improvements                    | (9,446,526)         | (336,178)         | -           | (9,782,704)           |
| Equipment                                   | (1,830,467)         | (119,127)         | -           | (1,949,594)           |
| Total accumulated depreciation              | <u>(13,397,902)</u> | <u>(593,604)</u>  | -           | <u>(13,991,506)</u>   |
| Total assets being depreciated, net         | <u>5,456,261</u>    | <u>325,231</u>    | -           | <u>5,781,492</u>      |
| Governmental activities capital assets, net | <u>\$ 7,488,184</u> | <u>\$ 325,231</u> | <u>\$ -</u> | <u>\$ 7,813,415</u>   |

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

|  |                   |
|--|-------------------|
| Governmental activities:                             |                   |
| Town council   | \$ -              |
| Court  | -                 |
| Administration                                       | 1,536             |
| Finance  | -                 |
| Building & grounds                                   | 98,549            |
| Economic/community development                       | 62,581            |
| Police department                                    | 49,267            |
| Streets & drainage                                   | 334,039           |
| RDA  | -                 |
| Housing authority                                    | 47,632            |
| Housing assistance                                   | -                 |
| RDC  | -                 |
| Total depreciation expense – governmental activities | <u>\$ 593,604</u> |

**B. Business-type Activities**

|                                       | Balance<br>1/1/2014 | Additions        | Deletions        | Balance<br>12/31/2014 |
|---------------------------------------|---------------------|------------------|------------------|-----------------------|
| Capital assets not being depreciated: |                     |                  |                  |                       |
| Land                                  | \$ 13,984           | \$ -             | \$ -             | \$ 13,984             |
| Construction in progress              | <u>379,656</u>      | <u>2,372,380</u> | <u>(142,713)</u> | <u>2,609,323</u>      |
| Total assets not being depreciated    | 393,640             | 2,372,380        | (142,713)        | 2,623,307             |
| Capital assets being depreciated:     |                     |                  |                  |                       |
| Lines                                 | 8,400,409           | 259,997          | -                | 8,660,406             |
| Improvements                          | 611,355             | -                | -                | 611,355               |
| Building                              | 145,560             | -                | -                | 145,560               |
| System                                | 1,791,248           | 8,430            | -                | 1,799,678             |
| Plant                                 | 8,365,852           | 83,947           | -                | 8,449,799             |
| Machinery and equipment               | <u>2,785,083</u>    | <u>675,981</u>   | -                | <u>3,461,064</u>      |
| Total assets being depreciated        | <u>22,099,507</u>   | <u>1,028,355</u> | -                | <u>23,127,862</u>     |

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 6 - CAPITAL ASSETS, Continued**

**B. Business-type Activities, continued**

|  | Balance<br>1/1/2014  | Additions           | Deletions           | Balance<br>12/31/2014 |
|--|----------------------|---------------------|---------------------|-----------------------|
| Less accumulated depreciation:               |                      |                     |                     |                       |
| Lines  | (4,046,535)          | (284,742)           | -                   | (4,331,277)           |
| Improvements                                 | (196,019)            | (18,086)            | -                   | (214,105)             |
| Building                                     | (95,210)             | (8,684)             | -                   | (103,894)             |
| System                                       | (885,699)            | (51,239)            | -                   | (936,938)             |
| Plant  | (3,884,390)          | (283,637)           | -                   | (4,168,027)           |
| Machinery and equipment                      | (2,362,130)          | (113,342)           | -                   | (2,475,472)           |
| Total accumulated depreciation               | <u>(11,469,983)</u>  | <u>(759,730)</u>    | -                   | <u>(12,229,713)</u>   |
| Total assets being depreciated, net          | <u>10,629,524</u>    | <u>268,625</u>      | -                   | <u>10,898,149</u>     |
| Business-type activities capital assets, net | <u>\$ 11,023,164</u> | <u>\$ 2,641,005</u> | <u>\$ (142,713)</u> | <u>\$ 13,521,456</u>  |

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

|   |                   |
|---|-------------------|
| Business-type activities:                             |                   |
| Water   | \$ 530,223        |
| Gas   | 73,740            |
| Wastewater  | <u>155,767</u>    |
| Total depreciation expense - business-type activities | <u>\$ 759,730</u> |

**NOTE 7 - CHANGES IN LONG-TERM DEBT**

The following is a summary of bonds, installment notes, and contract payable of the Town for the year ended December 31, 2014:

|  | Balance<br>1/1/2014 | Additions          | Reductions        | Balance<br>12/31/2014 | Due within<br>One Year |
|--|---------------------|--------------------|-------------------|-----------------------|------------------------|
| <b>Governmental activities</b>                 |                     |                    |                   |                       |                        |
| Note payable, FmHA                             | \$306,159           | \$ -               | \$ 15,664         | \$ 290,495            | \$ 16,000              |
| Capital lease                                  | 66,846              | -                  | 12,528            | 54,318                | 12,935                 |
| Compensated absences                           | 124,060             | 4,853              | -                 | 128,913               | 64,457                 |
| Governmental activities long-term liabilities  | <u>\$497,065</u>    | <u>\$ 4,853</u>    | <u>\$ 28,192</u>  | <u>\$ 473,726</u>     | <u>\$ 78,992</u>       |
| <b>Business-type activities</b>                |                     |                    |                   |                       |                        |
| Note payable - General Fund                    | \$460,867           | \$ -               | \$ 68,107         | \$ 392,760            | \$ 71,376              |
| Note Payable - CWRPDA                          | -                   | 1,490,000          | 36,760            | 1,453,240             | 64,211                 |
| Business-type activities long-term liabilities | <u>\$460,867</u>    | <u>\$1,490,000</u> | <u>\$ 104,867</u> | <u>\$ 1,846,000</u>   | <u>\$ 135,587</u>      |

**Note Payable, FmHA**

The note is payable to the Farmers Home Administration with interest at 13.25 percent and current monthly installments of \$1,556. Surcharges from rent income based on a FmHA formula are also applied to the note balance on a monthly basis. The note matures March 2033.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

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**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 7 - CHANGES IN LONG-TERM DEBT, Continued**

**Note Payable, FmHA, continued**

Aggregate maturities of the note for the five years following December 31, 2010, will vary depending on changes in the monthly payment and the monthly surcharge credits. Based on recent history, principal payments of approximately \$16,000 per year are anticipated.

The Housing Authority is required to establish and maintain a reserve account for payment of the Farmers Home Administration loan in the amount of \$7,200 per year until the reserve reaches the sum of \$72,000. Once the maximum reserve is reached, it should be maintained at that level until the note is paid. At December 31, 2013, the reserve was \$72,000.

**Capital Lease Payable**

On January 7, 2013, the Town entered into a lease purchase agreement with Kansas State Bank for the acquisition of a backhoe for the Public Works department with a capitalized cost of \$81,319. Payment is annual on February 8<sup>th</sup> starting in 2013. The lease term ends February 8, 2018 with the final lease payment. There is no subsequent payment at the end of the lease term for purchase of the equipment. A total of 6 payments of \$14,701 will be made with an imputed interest rate of 3.25%. The lease payments are made through the General Fund.

**Interfund Borrowing**

The General Fund entered into a note payable with the Water and Wastewater Funds for the early pay off of loans with the State of Colorado. The note with the Water Fund is for \$501,113 at an interest rate of 5%. Interest and principal payment of \$63,782 is due annually through 2019. The note with the Wastewater Fund is for \$207,788 at an interest rate of 5%. Interest and principal payment of \$26,447 is due annually through 2019.

Principal and interest requirements for these contracts are as follows:

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total Requirement</u> |
|-------------|-------------------|------------------|--------------------------|
| 2015        | \$ 71,378         | \$ 18,851        | \$ 90,229                |
| 2016        | 74,803            | 15,426           | 90,229                   |
| 2017        | 78,393            | 11,836           | 90,229                   |
| 2018        | 82,156            | 8,073            | 90,229                   |
| 2019        | <u>86,030</u>     | <u>4,199</u>     | <u>90,229</u>            |
|             | <u>\$ 392,760</u> | <u>\$ 58,385</u> | <u>\$ 451,145</u>        |

**Drinking Water Revolving Fund (DWRF) Loan**

On October 2, 2013, the Town entered into a loan agreement with Colorado Water Resources and Power Development Authority for a \$1,500,000 loan at an interest rate of 2% annually. The loan is for improvements to the water plant. Principal and interest payments of \$46,478 are due semi-annual on May 1<sup>st</sup> and November 1<sup>st</sup> starting in 2014 and the last payment is due November 1, 2033. Payments on this loan will be made through the Water Fund. Loan proceeds of \$1,490,000 were received in 2014.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 7 - CHANGES IN LONG-TERM DEBT, Continued**

**Drinking Water Revolving Fund (DWRF) Loan**

Principal and interest requirements for this loan are as follows:

| <u>Year</u> | <u>Principal</u>   | <u>Interest</u>   | <u>Total<br/>Requirement</u> |
|-------------|--------------------|-------------------|------------------------------|
| 2015        | \$ 64,211          | \$ 28,746         | \$ 92,957                    |
| 2016        | 65,502             | 27,455            | 92,957                       |
| 2017        | 66,819             | 26,138            | 92,957                       |
| 2018        | 68,162             | 24,795            | 92,957                       |
| 2019        | 69,532             | 23,425            | 92,957                       |
| 2020-2024   | 369,193            | 95,591            | 464,784                      |
| 2025-2029   | 407,819            | 56,965            | 464,784                      |
| 2030-2033   | <u>342,002</u>     | <u>15,059</u>     | <u>357,061</u>               |
|             | <u>\$1,453,240</u> | <u>\$ 298,174</u> | <u>\$ 1,751,414</u>          |

**NOTE 8 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The Town maintains three enterprise funds which provide water, gas and sewer services. Applicable segment information for the year ended December 31, 2014, is as follows:

|                                       | <u>Gas<br/>Fund</u> | <u>Wastewater<br/>Fund</u> | <u>Water<br/>Fund</u> | <u>Total</u> |
|---------------------------------------|---------------------|----------------------------|-----------------------|--------------|
| Operating revenues                    | \$ 1,230,639        | \$ 384,176                 | \$ 1,037,473          | \$ 2,652,288 |
| Depreciation                          | 73,740              | 155,767                    | 530,223               | 759,730      |
| Operating income (loss)               | (6,427)             | (85,229)                   | (179,599)             | (271,255)    |
| Change in net position                | 3,785               | 309,362                    | 1,419,135             | 1,732,282    |
| Capital grants                        | -                   | 399,525                    | 1,062,325             | 1,461,850    |
| Transfer in                           | -                   | -                          | 548,145               | 548,145      |
| Property, plant and equipment:        |                     |                            |                       |              |
| Additions                             | 42,141              | 540,498                    | 2,675,384             | 3,258,023    |
| Net working capital                   | 1,739,583           | 642,306                    | 1,378,865             | 3,760,754    |
| Total assets                          | 2,447,400           | 3,188,803                  | 12,022,121            | 17,658,324   |
| Bond and other long-term liabilities, |                     |                            |                       |              |
| Payable from operating revenues       | -                   | 94,200                     | 1,616,211             | 1,710,411    |
| Net position                          | 2,306,439           | 3,060,943                  | 10,209,418            | 15,576,800   |

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 9 - BUDGETARY - GAAP REPORTING RECONCILIATION**

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Funds. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in excess (deficiency) of revenues over expenditures for the year ended December 31, 2014, is presented below:

|  | <u>Enterprise</u>  |
|--|--------------------|
| Net change in net position<br>(NON-GAAP Basis) | \$ 619,121         |
| Plus:  |                    |
| Debt retirement                                | 104,868            |
| Capital outlay                                 | 3,258,023          |
| Less:  |                    |
| Debt proceeds                                  | (1,490,000)        |
| Depreciation                                   | <u>(759,730)</u>   |
| Net change in net position (GAAP Basis)        | <u>\$1,732,282</u> |

**NOTE 10 - DEFINED CONTRIBUTION PLANS**

**A. Police Officers**

On January 1, 1988, the Town established a single-employer, defined contribution money purchase plan for its full time police officers administered by Pension Management Associates, Inc. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each police officer whose job duties require no less than 1,000 hours of employment each year is eligible to participate as of the first day of employment. The plan requires the Town and its eligible employees to contribute 8% of the employees' base salary each year. The Town's contributions vest at a rate of 20% for every year of service after two years. A participant is fully vested after six years of service.

In 2014 the Town's total payroll was \$1,936,629. The Town's contributions were calculated using the base salary amount of \$286,950. Both the Town and the covered employees made the required 8.0% contribution, amounting to \$22,956 from each source.

**B. Public Employees**

All other full-time employees participate in the Public Employees Defined Contribution Money Purchase Plan, a single-employer plan administered by Pension Management Associates, Inc. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees whose job duties require no less than 1,600 hours of employment each year are eligible to participate immediately. The plan requires the Town to contribute 5.0% of the employee's base salary each year. The Town's contribution vests at a rate of 20% for every year of service after one year. A participant is fully vested after six years of service. Both the Town and covered employees made the required 5% contribution, amounting to \$72,904 from each source based on the salary of \$1,458,071.

**NOTE 11 - CONTINGENCIES**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly know as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

## TOWN OF RANGELY, COLORADO

### NOTES TO FINANCIAL STATEMENTS December 31, 2014

#### **NOTE 11 – CONTINGENCIES, Continued**

The Town has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2014, \$105,840 of the year-end fund balance in the General Fund has been reserved for emergencies.

In November 1997, the registered voters of the Town of Rangely voted to allow the Town to collect, retain and expend all revenues and other funds collected in 1997 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Town of Rangely in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The Town's management believes it is in compliance with the provision of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

#### **NOTE 12 - RISK MANAGEMENT**

Colorado Intergovernmental Risk Sharing Agency (CIRSA) is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. The Town Board authorized participation in the agency.

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers. These claims include risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid \$84,562 to CIRSA in 2014. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage over the past three years.

#### **NOTE 13 – RELATED PARTY TRANSACTIONS**

Elaine Urie, Town Council Trustee, owns local businesses known as Urie Trucking Co and Urie Rock Company. During the course of its operations, the Town made certain purchases for services in the amount of \$24,402 for the year 2014.

Brad Casto, Town Council Trustee, owns a local business know as Rangely Auto Parts (Napa). During the course of its operations, the Town made certain purchases for supplies in the amount of \$18,076 for the year 2014.

**TOWN OF RANGELY, COLORADO**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2014

**NOTE 14 – COMMITTED FUND BALANCE**

Beginning with the fiscal year 2010, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Council establishes (and modifies or rescinds) fund balance commitments as action items in Council meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure of which any could be used.

**NOTE 15 – SUBSEQUENT EVENT**

The Town has evaluated subsequent events through June 8, 2015, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended December 31, 2014

|   | <u>Budget</u>                     |                                   |
|---|-----------------------------------|-----------------------------------|
|   | <u>Original</u>                   | <u>Final</u>                      |
| <b>REVENUES</b>   |                                   |                                   |
| Intergovernmental revenues  | \$ 1,591,750                      | \$ 1,591,750                      |
| Taxes   | 1,585,540                         | 1,585,540                         |
| Charges for services  | 362,729                           | 362,729                           |
| Licenses and permits  | 23,000                            | 23,000                            |
| Miscellaneous   | <u>222,700</u>                    | <u>222,700</u>                    |
| <b>TOTAL REVENUES</b>   | <u><b>3,785,719</b></u>           | <u><b>3,785,719</b></u>           |
| <b>EXPENDITURES</b>   |                                   |                                   |
| General government  | 1,587,327                         | 1,587,327                         |
| Public safety   | 966,907                           | 966,907                           |
| Highways and streets  | 537,926                           | 537,926                           |
| Capital outlay  | 750,650                           | 750,650                           |
| Debt service:   |                                   |                                   |
| Principal retirement  | -                                 | -                                 |
| Interest and fiscal charges   | -                                 | -                                 |
| <b>TOTAL EXPENDITURES</b>   | <u><b>3,842,810</b></u>           | <u><b>3,842,810</b></u>           |
| <b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>                          | <u><b>(57,091)</b></u>            | <u><b>(57,091)</b></u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                     |                                   |                                   |
| Transfers out   | <u>(500,000)</u>                  | <u>(500,000)</u>                  |
| <b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b> | <u><b>(557,091)</b></u>           | <u><b>(557,091)</b></u>           |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                                    | <u><b>7,562,929</b></u>           | <u><b>7,562,929</b></u>           |
| <b>FUND BALANCE, END OF YEAR</b>  | <u><u><b>\$ 7,005,838</b></u></u> | <u><u><b>\$ 7,005,838</b></u></u> |

| <u>Actual<br/>Amounts</u> | <u>Variance from<br/>final budget</u> |
|---------------------------|---------------------------------------|
| \$ 2,084,217              | \$ 492,467                            |
| 1,980,214                 | 394,674                               |
| 271,615                   | (91,114)                              |
| 23,165                    | 165                                   |
| <u>343,485</u>            | <u>120,785</u>                        |
| <u>4,702,696</u>          | <u>916,977</u>                        |
| 1,339,097                 | 248,230                               |
| 935,394                   | 31,513                                |
| 513,697                   | 24,229                                |
| 725,105                   | 25,545                                |
| 12,528                    | (12,528)                              |
| <u>2,173</u>              | <u>(2,173)</u>                        |
| <u>3,527,994</u>          | <u>314,816</u>                        |
| 1,174,702                 | 602,161                               |
| <u>(548,145)</u>          | <u>(48,145)</u>                       |
| <u>626,557</u>            | <u>554,016</u>                        |
| <u>7,300,946</u>          | <u>(261,983)</u>                      |
| <u>\$ 7,927,503</u>       | <u>\$ 292,033</u>                     |

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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**SUPPLEMENTARY INFORMATION**

**TOWN OF RANGELY, COLORADO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2014

|                                      | <u>Conservation<br/>Fund</u> | <u>Rangely<br/>Housing<br/>Authority</u> |
|--------------------------------------|------------------------------|--|
| <u>ASSETS</u>                        |                              |  |
| Cash                                 | \$ 88,613                    | \$ 204,215                               |
| Interest receivable                  | 29                           | 148                                      |
| Restricted cash:                     |                              |  |
| Farmers Home Administration loan     | -                            | 72,000                                   |
| Security deposits                    | -                            | 4,700                                    |
| Future housing projects              | -                            | -  |
| Notes receivable                     | -                            | -  |
|                                      | <hr/>                        | <hr/>                                    |
| TOTAL ASSETS                         | <u>\$ 88,642</u>             | <u>\$ 281,063</u>                        |
| <u>LIABILITIES AND FUND BALANCES</u> |                              |  |
| <u>LIABILITIES</u>                   |                              |  |
| Accounts payable                     | -                            | 15,717                                   |
| Accrued liabilities                  | -                            | 500                                      |
| Employee compensated absences        | -                            | 2,315                                    |
| Deposits payable                     | -                            | 4,700                                    |
|                                      | <hr/>                        | <hr/>                                    |
| TOTAL LIABILITIES                    | -                            | 23,232                                   |
| <u>FUND BALANCES</u>                 |                              |  |
| Reserved for debt service            | -                            | 72,000                                   |
| Unreserved                           | 88,642                       | 185,831                                  |
|                                      | <hr/>                        | <hr/>                                    |
| TOTAL FUND BALANCES                  | 88,642                       | 257,831                                  |
|                                      | <hr/>                        | <hr/>                                    |
| TOTAL LIABILITIES AND FUND BALANCES  | <u>\$ 88,642</u>             | <u>\$ 281,063</u>                        |

Special Revenue

| <u>Housing Assistance Fund</u> | <u>Rangely Development Agency</u> | <u>Rangely Development Corporation</u> | <u>Totals</u>       |
|--------------------------------|-----------------------------------|--|---------------------|
| \$ -                           | \$ 270,369                        | \$ 315,107                             | \$ 878,304          |
| 147                            | 15                                | -                                      | 339                 |
| -                              | -                                 | -                                      | 72,000              |
| -                              | 5,450                             | -                                      | 10,150              |
| 865,080                        | -                                 | -                                      | 865,080             |
| -                              | 120,000                           | -                                      | 120,000             |
| <u>\$ 865,227</u>              | <u>\$ 395,834</u>                 | <u>\$ 315,107</u>                      | <u>\$ 1,945,873</u> |
| -                              | 1,192                             | -                                      | 16,909              |
| -                              | -                                 | -                                      | 500                 |
| -                              | -                                 | -                                      | 2,315               |
| -                              | 5,700                             | -                                      | 10,400              |
| -                              | 6,892                             | -                                      | 30,124              |
| -                              | -                                 | -                                      | 72,000              |
| <u>865,227</u>                 | <u>388,942</u>                    | <u>315,107</u>                         | <u>1,843,749</u>    |
| <u>865,227</u>                 | <u>388,942</u>                    | <u>315,107</u>                         | <u>1,915,749</u>    |
| <u>\$ 865,227</u>              | <u>\$ 395,834</u>                 | <u>\$ 315,107</u>                      | <u>\$ 1,945,873</u> |

**TOWN OF RANGELY, COLORADO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014

|   | <u>Conservation<br/>Fund</u> | <u>Rangely<br/>Housing<br/>Authority</u> |
|---|------------------------------|--|
| <b>REVENUES</b>                           |                              |  |
| Intergovernmental                         | \$ 93,098                    | \$ 55,000                                |
| Federal funds                             | -                            | 138,488                                  |
| Charges for services                      | -                            | 94,819                                   |
| Interest                                  | 505                          | 1,390                                    |
| Miscellaneous                             | -                            | 6,734                                    |
| <b>TOTAL REVENUES</b>                     | <u>93,603</u>                | <u>296,431</u>                           |
| <b>EXPENDITURES</b>                       |                              |  |
| General government                        | -                            | 137,242                                  |
| Capital outlay                            | 117,024                      | 76,706                                   |
| Debt service:                             |                              |  |
| Principal retirement                      | -                            | 15,665                                   |
| Interest and fiscal charges               | -                            | 39,594                                   |
| <b>TOTAL EXPENDITURES</b>                 | <u>117,024</u>               | <u>269,207</u>                           |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <u>(23,421)</u>              | <u>27,224</u>                            |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>    | <u>112,063</u>               | <u>230,607</u>                           |
| <b>FUND BALANCE, END OF YEAR</b>          | <u>\$ 88,642</u>             | <u>\$ 257,831</u>                        |

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| Special Revenue         |                            |                                 |                     |
|-------------------------|----------------------------|---------------------------------|---------------------|
| Housing Assistance Fund | Rangely Development Agency | Rangely Development Corporation | Totals              |
| \$ -                    | \$ -                       | \$ -                            | \$ 148,098          |
| -                       | -                          | -                               | 138,488             |
| -                       | 66,708                     | -                               | 161,527             |
| 2,759                   | 371                        | 3,976                           | 9,001               |
| -                       | 7,841                      | -                               | 14,575              |
| <u>2,759</u>            | <u>74,920</u>              | <u>3,976</u>                    | <u>471,689</u>      |
| 118                     | 80,860                     | 75                              | 218,295             |
| -                       | -                          | -                               | 193,730             |
| -                       | -                          | -                               | 15,665              |
| -                       | -                          | -                               | 39,594              |
| <u>118</u>              | <u>80,860</u>              | <u>75</u>                       | <u>467,284</u>      |
| 2,641                   | (5,940)                    | 3,901                           | 4,405               |
| <u>862,586</u>          | <u>394,882</u>             | <u>311,206</u>                  | <u>1,911,344</u>    |
| <u>\$ 865,227</u>       | <u>\$ 388,942</u>          | <u>\$ 315,107</u>               | <u>\$ 1,915,749</u> |

**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE - GAS FUND**  
For the Year Ended December 31, 2014

|   | <u>Budget</u>       |                     |
|---|---------------------|---------------------|
|   | <u>Original</u>     | <u>Final</u>        |
| <b>REVENUES</b>   |                     |                     |
| Customer accounts   | \$ 1,404,000        | \$ 1,404,000        |
| Connection fees   | 8,000               | 8,000               |
| Late charges  | 14,000              | 14,000              |
| Interest revenue  | 13,000              | 13,000              |
| Plant investment and tap fees   | 4,000               | 4,000               |
| Other   | 4,000               | 4,000               |
|   | <u>1,447,000</u>    | <u>1,447,000</u>    |
| <b>EXPENSES</b>   |                     |                     |
| Administration  | 175,000             | 175,000             |
| Distribution and service  | 417,945             | 417,945             |
| Gas purchases   | 700,000             | 700,000             |
| Purchase of fixed assets  | 102,000             | 102,000             |
|   | <u>1,394,945</u>    | <u>1,394,945</u>    |
| <b>TOTAL REVENUES</b>   | <u>1,447,000</u>    | <u>1,447,000</u>    |
| <b>TOTAL EXPENSES</b>   | <u>1,394,945</u>    | <u>1,394,945</u>    |
| <b>CHANGE IN NET POSITION</b>   | 52,055              | 52,055              |
| <b>NET POSITION, BEGINNING OF YEAR</b>                                  | <u>2,162,603</u>    | <u>2,162,603</u>    |
| <b>NET POSITION, END OF YEAR</b>  | <u>\$ 2,214,658</u> | <u>\$ 2,214,658</u> |
| <b>RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP</b> |                     |                     |
| Add:  |                     |                     |
| Purchase of fixed assets  |                     |                     |
| Subtract:   |                     |                     |
| Depreciation  |                     |                     |
| <b>NET POSTION, END OF YEAR GAAP BASIS</b>                              |                     |                     |

| <u>Actual<br/>Amounts</u> | <u>Variance from<br/>final budget</u> |
|---------------------------|---------------------------------------|
| \$ 1,207,134              | \$ (196,866)                          |
| 1,621                     | (6,379)                               |
| 16,242                    | 2,242                                 |
| 10,212                    | (2,788)                               |
| 3,842                     | (158)                                 |
| <u>1,800</u>              | <u>(2,200)</u>                        |
| <u>1,240,851</u>          | <u>(206,149)</u>                      |
| 175,000                   | -                                     |
| 364,885                   | 53,060                                |
| 623,441                   | 76,559                                |
| <u>42,141</u>             | <u>59,859</u>                         |
| <u>1,205,467</u>          | <u>189,478</u>                        |
| 35,384                    | (16,671)                              |
| <u>2,302,654</u>          | <u>140,051</u>                        |
| 2,338,038                 | <u>\$ 123,380</u>                     |
| 42,141                    |                                       |
| <u>(73,740)</u>           |                                       |
| <u>\$ 2,306,439</u>       |                                       |

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**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE - WASTEWATER FUND  
For the Year Ended December 31, 2014**

|   | <u>Budget</u>       |                     |
|---|---------------------|---------------------|
|   | <u>Original</u>     | <u>Final</u>        |
| <b>REVENUES</b>   |                     |                     |
| Customer accounts   | \$ 385,000          | \$ 385,000          |
| Interest revenue  | 1,400               | 1,400               |
| Plant investment and tap fees   | 5,000               | 5,000               |
| Other   | <u>227,197</u>      | <u>367,197</u>      |
| <b>TOTAL REVENUES</b>   | <u>618,597</u>      | <u>758,597</u>      |
| <b>EXPENSES</b>   |                     |                     |
| Administration  | 48,000              | 48,000              |
| Distribution and service  | 244,870             | 244,870             |
| Debt service  |                     |                     |
| Principal   | 16,431              | 16,431              |
| Interest  | 10,016              | 10,016              |
| Purchase of fixed assets  | <u>285,000</u>      | <u>545,000</u>      |
| <b>TOTAL EXPENSES</b>   | <u>604,317</u>      | <u>864,317</u>      |
| <b>EXCESS REVENUES OVER (UNDER) EXPENSES</b>                            | 14,280              | (105,720)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                                   |                     |                     |
| Transfer in   | <u>-</u>            | <u>-</u>            |
| <b>CHANGE IN NET POSITION</b>   | 14,280              | (105,720)           |
| <b>NET POSITION, BEGINNING OF YEAR</b>                                  | <u>2,529,071</u>    | <u>2,529,071</u>    |
| <b>NET POSITION, END OF YEAR</b>  | <u>\$ 2,543,351</u> | <u>\$ 2,423,351</u> |
| <b>RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP</b> |                     |                     |
| Add:  |                     |                     |
| Principal payments  |                     |                     |
| Purchase of fixed assets  |                     |                     |
| Subtract:   |                     |                     |
| Depreciation  |                     |                     |
| <b>NET POSITION, END OF YEAR GAAP BASIS</b>                             |                     |                     |

| <u>Actual<br/>Amount</u> | <u>Variance from<br/>final budget</u> |
|--------------------------|---------------------------------------|
| \$ 381,376               | \$ (3,624)                            |
| 1,550                    | 150                                   |
| 2,800                    | (2,200)                               |
| <u>399,525</u>           | <u>32,328</u>                         |
| <u>785,251</u>           | <u>26,654</u>                         |
| 48,000                   | -                                     |
| 265,638                  | (20,768)                              |
| 19,963                   | (3,532)                               |
| 6,484                    | 3,532                                 |
| <u>540,498</u>           | <u>4,502</u>                          |
| <u>880,583</u>           | <u>(16,266)</u>                       |
| (95,332)                 | 42,920                                |
| -                        | -                                     |
| (95,332)                 | 42,920                                |
| <u>2,751,581</u>         | <u>222,510</u>                        |
| 2,656,249                | <u>\$ 265,430</u>                     |
| 19,963                   |                                       |
| 540,498                  |                                       |
| <u>(155,767)</u>         |                                       |
| <u>\$ 3,060,943</u>      |                                       |

**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE - WATER FUND  
For the Year Ended December 31, 2014**

|   | Budget               |                      |
|---|----------------------|----------------------|
|   | Original             | Final                |
| <b>REVENUES</b>   |                      |                      |
| Customer accounts   | \$ 919,000           | \$ 919,000           |
| Interest revenue  | 6,000                | 6,000                |
| Plant investment and tap fees   | 11,200               | 11,200               |
| Grants  | 1,300,000            | 1,300,000            |
| Other   | 68,782               | 68,782               |
| <b>TOTAL REVENUES</b>   | <b>2,304,982</b>     | <b>2,304,982</b>     |
| <b>EXPENSES</b>   |                      |                      |
| Administration  | 48,000               | 48,000               |
| Distribution and service  | 185,300              | 185,300              |
| Water treatment   | 481,346              | 481,346              |
| Debt service  |                      |                      |
| Principal   | 39,626               | 39,626               |
| Interest  | 24,156               | 24,156               |
| Purchase of fixed assets  | 2,673,000            | 3,218,000            |
| <b>TOTAL EXPENSES</b>   | <b>3,451,428</b>     | <b>3,996,428</b>     |
| <b>EXCESS REVENUES OVER (UNDER) EXPENSES</b>                            | <b>(1,146,446)</b>   | <b>(1,691,446)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                   |                      |                      |
| Debt proceeds   | 1,300,000            | 1,300,000            |
| Transfer in   | 500,000              | 500,000              |
| <b>CHANGE IN NET POSITION</b>   | <b>653,554</b>       | <b>108,554</b>       |
| <b>NET POSITION, BEGINNING OF YEAR</b>                                  | <b>10,886,802</b>    | <b>10,886,802</b>    |
| <b>NET POSITION, END OF YEAR</b>  | <b>\$ 11,540,356</b> | <b>\$ 10,995,356</b> |
| <b>RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP</b> |                      |                      |
| <b>Add:</b>   |                      |                      |
| Principal payments  |                      |                      |
| Purchase of fixed assets  |                      |                      |
| <b>Subtract:</b>  |                      |                      |
| Debt proceeds   |                      |                      |
| Depreciation  |                      |                      |
| <b>NET POSITION, END OF YEAR GAAP BASIS</b>                             |                      |                      |

| <u>Actual<br/>Amount</u> | <u>Variance from<br/>final budget</u> |
|--------------------------|---------------------------------------|
| \$ 1,020,571             | \$ 101,571                            |
| 5,596                    | (404)                                 |
| 8,100                    | (3,100)                               |
| 1,062,325                | (237,675)                             |
| <u>8,802</u>             | <u>(59,980)</u>                       |
| <u>2,105,394</u>         | <u>(199,588)</u>                      |
| 48,000                   | -                                     |
| 194,459                  | (9,159)                               |
| 444,390                  | 36,956                                |
| 84,905                   | (45,279)                              |
| 17,332                   | 6,824                                 |
| <u>2,675,384</u>         | <u>542,616</u>                        |
| <u>3,464,470</u>         | <u>531,958</u>                        |
| (1,359,076)              | (731,546)                             |
| 1,490,000                | 190,000                               |
| <u>548,145</u>           | <u>48,145</u>                         |
| 679,069                  | (493,401)                             |
| <u>8,790,283</u>         | <u>(2,096,519)</u>                    |
| 9,469,352                | <u>\$ (2,589,920)</u>                 |
| 84,905                   |                                       |
| 2,675,384                |                                       |
| \$ (1,490,000)           |                                       |
| <u>(530,223)</u>         |                                       |
| <u>\$ 10,209,418</u>     |                                       |

**TOWN OF RANGELY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**CONSERVATION TRUST**  
For the Year Ended December 31, 2014

|                                       | Budget           | Actual           | Variance from<br>budget |
|---------------------------------------|------------------|------------------|-------------------------|
| <b>REVENUES</b>                       |                  |                  |                         |
| Intergovernmental revenues            | \$ 12,000        | \$ 93,098        | \$ 81,098               |
| Interest                              | 4,000            | 505              | (3,495)                 |
| Other                                 | 135,000          | -                | (135,000)               |
| <b>TOTAL REVENUES</b>                 | <b>151,000</b>   | <b>93,603</b>    | <b>(57,397)</b>         |
| <b>EXPENDITURES</b>                   |                  |                  |                         |
| General government                    | -                | -                | -                       |
| Capital outlay                        | 177,797          | 117,024          | 60,773                  |
| <b>TOTAL EXPENDITURES</b>             | <b>177,797</b>   | <b>117,024</b>   | <b>60,773</b>           |
| <b>NET CHANGE IN FUND<br/>BALANCE</b> | <b>(26,797)</b>  | <b>(23,421)</b>  | <b>3,376</b>            |
| <b>FUND BALANCE, BEGINNING</b>        | <b>79,746</b>    | <b>112,063</b>   | <b>32,317</b>           |
| <b>FUND BALANCE, ENDING</b>           | <b>\$ 52,949</b> | <b>\$ 88,642</b> | <b>\$ 35,693</b>        |

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**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE  
RANGELY HOUSING AUTHORITY  
For the Year Ended December 31, 2014**

|                                       | <u>Budget</u>     | <u>Actual</u>     | <u>Variance from<br/>budget</u> |
|---------------------------------------|-------------------|-------------------|---------------------------------|
| <b>REVENUES</b>                       |                   |                   |                                 |
| Federal funds                         | \$ 158,000        | \$ 138,488        | \$ (19,512)                     |
| Charges for services                  | 88,000            | 94,819            | 6,819                           |
| Interest                              | 1,500             | 1,390             | (110)                           |
| Grants                                | 55,000            | 55,000            | -                               |
| Miscellaneous                         | 3,750             | 6,734             | 2,984                           |
| <b>TOTAL REVENUES</b>                 | <u>306,250</u>    | <u>296,431</u>    | <u>(9,819)</u>                  |
| <b>EXPENDITURES</b>                   |                   |                   |                                 |
| General government                    | 237,518           | 213,948           | 23,570                          |
| Debt service                          | 71,000            | 55,259            | 15,741                          |
| <b>TOTAL EXPENDITURES</b>             | <u>308,518</u>    | <u>269,207</u>    | <u>39,311</u>                   |
| <b>NET CHANGE IN FUND<br/>BALANCE</b> | <u>(2,268)</u>    | <u>27,224</u>     | <u>29,492</u>                   |
| <b>FUND BALANCE, BEGINNING</b>        | <u>211,839</u>    | <u>230,607</u>    | <u>18,768</u>                   |
| <b>FUND BALANCE, ENDING</b>           | <u>\$ 209,571</u> | <u>\$ 257,831</u> | <u>\$ 48,260</u>                |

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**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE  
RANGELY HOUSING ASSISTANCE  
For the Year Ended December 31, 2014**

|                               | <u>Budget</u>     | <u>Actual</u>     | <u>Variance from<br/>budget</u> |
|-------------------------------|-------------------|-------------------|---------------------------------|
| REVENUES                      |                   |                   |                                 |
| Interest                      | \$ 2,500          | \$ 2,759          | \$ 259                          |
| Lot sales                     | 50,000            | -                 | (50,000)                        |
| TOTAL REVENUES                | <u>52,500</u>     | <u>2,759</u>      | <u>(49,741)</u>                 |
| EXPENDITURES                  |                   |                   |                                 |
| General government            | <u>138,000</u>    | <u>118</u>        | <u>137,882</u>                  |
| TOTAL EXPENDITURES            | <u>138,000</u>    | <u>118</u>        | <u>137,882</u>                  |
| NET CHANGE IN FUND<br>BALANCE | <u>(85,500)</u>   | <u>2,641</u>      | <u>88,141</u>                   |
| FUND BALANCE, BEGINNING       | <u>891,688</u>    | <u>862,586</u>    | <u>(29,102)</u>                 |
| FUND BALANCE, ENDING          | <u>\$ 806,188</u> | <u>\$ 865,227</u> | <u>\$ 59,039</u>                |

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**TOWN OF RANGELY, COLORADO**  
**BUDGETARY COMPARISON SCHEDULE**  
**RANGELY DEVELOPMENT AGENCY**  
For the Year Ended December 31, 2014

|                               | <u>Budget</u>     | <u>Actual</u>     | <u>Variance from<br/>budget</u> |
|-------------------------------|-------------------|-------------------|---------------------------------|
| <b>REVENUES</b>               |                   |                   |                                 |
| Charge for services           | \$ 71,100         | \$ 66,708         | \$ (4,392)                      |
| Interest                      | 300               | 371               | 71                              |
| Miscellaneous/Other           | <u>30,000</u>     | <u>7,841</u>      | <u>(22,159)</u>                 |
| TOTAL REVENUES                | <u>101,400</u>    | <u>74,920</u>     | <u>(26,480)</u>                 |
| <b>EXPENDITURES</b>           |                   |                   |                                 |
| General government            | <u>87,600</u>     | <u>80,860</u>     | <u>6,740</u>                    |
| TOTAL EXPENDITURES            | <u>87,600</u>     | <u>80,860</u>     | <u>6,740</u>                    |
| NET CHANGE IN FUND<br>BALANCE | <u>13,800</u>     | <u>(5,940)</u>    | <u>(19,740)</u>                 |
| FUND BALANCE, BEGINNING       | <u>210,128</u>    | <u>394,882</u>    | <u>184,754</u>                  |
| FUND BALANCE, ENDING          | <u>\$ 223,928</u> | <u>\$ 388,942</u> | <u>\$ 165,014</u>               |

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**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE  
RANGELY DEVELOPMENT CORPORATION  
For the Year Ended December 31, 2014**

|                               | <u>Budget</u>     | <u>Actual</u>     | <u>Variance from<br/>budget</u> |
|-------------------------------|-------------------|-------------------|---------------------------------|
| REVENUES                      |                   |                   |                                 |
| Interest                      | \$ 4,000          | \$ 3,976          | \$ (24)                         |
| TOTAL REVENUES                | <u>4,000</u>      | <u>3,976</u>      | <u>(24)</u>                     |
| EXPENDITURES                  |                   |                   |                                 |
| General government            | <u>5,000</u>      | <u>75</u>         | <u>4,925</u>                    |
| TOTAL EXPENDITURES            | <u>5,000</u>      | <u>75</u>         | <u>4,925</u>                    |
| NET CHANGE IN FUND<br>BALANCE | <u>(1,000)</u>    | <u>3,901</u>      | <u>4,901</u>                    |
| FUND BALANCE, BEGINNING       | <u>306,239</u>    | <u>311,206</u>    | <u>4,967</u>                    |
| FUND BALANCE, ENDING          | <u>\$ 305,239</u> | <u>\$ 315,107</u> | <u>\$ 9,868</u>                 |

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**TOWN OF RANGELY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE  
RANGELY FOUNDATION FOR PUBLIC GIVING  
For the Year Ended December 31, 2014**

|                      | <u>Budget</u>     | <u>Actual</u>     | <u>Variance from<br/>final budget</u> |
|----------------------|-------------------|-------------------|---------------------------------------|
| REVENUES             |                   |                   |                                       |
| Investment income    |                   |                   |                                       |
| Interest revenue     | \$ 5,000          | \$ 4,006          | \$ (994)                              |
| TOTAL REVENUES       | <u>5,000</u>      | <u>4,006</u>      | <u>(994)</u>                          |
| EXPENDITURES         |                   |                   |                                       |
| Grants disbursed     | <u>5,000</u>      | <u>2,510</u>      | <u>2,490</u>                          |
| TOTAL EXPENDITURES   | <u>5,000</u>      | <u>2,510</u>      | <u>2,490</u>                          |
| CHANGE IN NET ASSETS | <u>-</u>          | <u>1,496</u>      | <u>1,496</u>                          |
| NET ASSETS, BEGINNIG | <u>279,916</u>    | <u>284,212</u>    | <u>4,296</u>                          |
| NET ASSETS, ENDING   | <u>\$ 279,916</u> | <u>\$ 285,708</u> | <u>\$ 5,792</u>                       |

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|                                     |                                       |
|-------------------------------------|---------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | City or County:<br><b>TOWN</b>        |
|                                     | YEAR ENDING :<br><b>December 2014</b> |

|   |  |
|---|--|
| This Information From The Records Of (example - City of _ or County of _)<br><b>TOWN OF RANGELY</b> | Prepared By:<br><b>LISA PIERING</b><br>Phone:<br><b>-8182.00</b> |
|---|--|

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

| ITEM   | AMOUNT    | ITEM  | AMOUNT    |
|--|-----------|---|-----------|
| <b>A. Receipts from local sources:</b>                   |           | <b>A. Local highway disbursements:</b>            |           |
| 1. Local highway-user taxes                              |           | 1. Capital outlay (from page 2)                   | 633,593   |
| a. Motor Fuel (from Item I.A.5.)                         |           | 2. Maintenance:                                   | 38,367    |
| b. Motor Vehicle (from Item I.B.5.)                      |           | 3. Road and street services:                      |           |
| c. Total (a.+b.)   |           | a. Traffic control operations                     |           |
| 2. General fund appropriations                           | 972,643   | b. Snow and ice removal                           | 70,193    |
| 3. Other local imposts (from page 2)                     | 280,110   | c. Other  | 314,878   |
| 4. Miscellaneous local receipts (from page 2)            | 4,964     | d. Total (a. through c.)                          | 385,071   |
| 5. Transfers from toll facilities                        |           | 4. General administration & miscellaneous         | 32,016    |
| 6. Proceeds of sale of bonds and notes:                  |           | 5. Highway law enforcement and safety             | 267,359   |
| a. Bonds - Original Issues                               |           | 6. Total (1 through 5)                            | 1,356,406 |
| b. Bonds - Refunding Issues                              |           | <b>B. Debt service on local obligations:</b>      |           |
| c. Notes   |           | 1. Bonds:   |           |
| d. Total (a. + b. + c.)                                  | 0         | a. Interest                                       |           |
| 7. Total (1 through 6)                                   | 1,257,717 | b. Redemption                                     |           |
| <b>B. Private Contributions</b>                          |           | c. Total (a. + b.)                                | 0         |
| <b>C. Receipts from State government (from page 2)</b>   | 98,689    | 2. Notes:   |           |
| <b>D. Receipts from Federal Government (from page 2)</b> | 0         | a. Interest                                       |           |
| <b>E. Total receipts (A.7 + B + C + D)</b>               | 1,356,406 | b. Redemption                                     |           |
|  |           | c. Total (a. + b.)                                | 0         |
|  |           | 3. Total (1.c + 2.c)                              | 0         |
|  |           | <b>C. Payments to State for highways</b>          |           |
|  |           | <b>D. Payments to toll facilities</b>             |           |
|  |           | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 1,356,406 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      |              |               |             | 0            |
| 1. Bonds (Refunding Portion) |              |               |             |              |
| <b>B. Notes (Total)</b>      |              |               |             | 0            |

**V. LOCAL ROAD AND STREET FUND BALANCE**

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  |                      | 1,356,406         | 1,356,406              |                   | 0                 |

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2014

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|---|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments |                           | a. Interest on investments                |                           |
| b. Other local imposts:           |                           | b. Traffic Fines & Penalties              | 4,964                     |
| 1. Sales Taxes                    | 239,038                   | 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  | 41,072                    | g. Other Misc. Receipts                   |                           |
| 6. Total (1. through 5.)          | 280,110                   | h. Other                                  |                           |
| c. Total (a. + b.)                | 280,110                   | i. Total (a. through h.)                  | 4,964                     |
|                                   | (Carry forward to page 1) |   | (Carry forward to page 1) |

| ITEM                                     | AMOUNT | ITEM                                       | AMOUNT                    |
|--|--------|--|---------------------------|
| <b>C. Receipts from State Government</b> |        | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 87,495 | 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           | 11,194 | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant          |        | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)                       |        | f. Other Federal                           |                           |
| f. Total (a. through e.)                 | 11,194 | g. Total (a. through f.)                   | 0                         |
| 4. Total (1. + 2. + 3.f)                 | 98,689 | 3. Total (1. + 2.g)                        |                           |
|  |        |  | (Carry forward to page 1) |

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|---|---|--|---------------------------|
| <b>A.1. Capital outlay:</b>                         |   |  |                           |
| a. Right-Of-Way Costs                               |   |  | 0                         |
| b. Engineering Costs                                |   |  | 0                         |
| c. Construction:                                    |   |  |                           |
| (1). New Facilities                                 |   |  | 0                         |
| (2). Capacity Improvements                          |   |  | 0                         |
| (3). System Preservation                            |   | 633,593                                  | 633,593                   |
| (4). System Enhancement & Operation                 |   |  | 0                         |
| (5). Total Construction (1) + (2) + (3) + (4)       | 0                                       | 633,593                                  | 633,593                   |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0                                       | 633,593                                  | 633,593                   |
|   |   |  | (Carry forward to page 1) |

Notes and Comments:

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**REPORTS AND SCHEDULES  
REQUIRED BY  
OUTSIDE ENTITIES**

INDEPENDENT AUDITOR'S 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 Town Council  
Town of Rangely, 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 Town of Rangely, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Town of Rangely, Colorado's basic financial statements, and have issued our report thereon dated June 8, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Rangely, Colorado's internal control over financial reporting (internal control) to determine the 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 Town of Rangely, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Rangely, Colorado's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Rangely, Colorado'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Rangely, Colorado

June 8, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Town Council of  
Town of Rangely, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Town of Rangely, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Town of Rangely, Colorado's major federal programs for the year ended December 31, 2014. Town of Rangely, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Town of Rangely, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Rangely, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Rangely, Colorado's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Town of Rangely, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

## Report on Internal Control Over Compliance

Management of Town of Rangely, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Rangely, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Rangely, Colorado's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rangely, Colorado  
June 8, 2015

**TOWN OF RANGELY, COLORADO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended December 31, 2014

|   | <u>CFDA<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------|---------------------------------|
| United States Department of Agriculture<br>Rural Rental Housing Loans   | 10.415                 | \$ 428,107                      |
| Environmental Protection Agency<br>Passed through Colorado Water Resources and Power<br>Development Authority<br>Capitalization Grants for Drinking Water State Revolving Funds | 66.468                 | <u>905,789</u>                  |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>   |                        | <u><u>1,333,896</u></u>         |

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**TOWN OF RANGELY, COLORADO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
December 31, 2014

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Town of Rangely, Colorado under programs of the federal government for the year ended December 31, 2014, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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**TOWN OF RANGELY, COLORADO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
December 31, 2014

**SUMMARY OF AUDITOR'S RESULTS**

An unmodified opinion has been issued on the financial statements in which there were not material weaknesses or significant deficiencies not considered material weaknesses noted in internal control and there were no instances of non-compliance.

An unmodified opinion has been issued on compliance for the Town's major programs.

The internal control over major programs revealed no material weaknesses or significant deficiencies not considered material weaknesses.

The major programs identified were:

- Capitalization Grants for Drinking Water State Revolving Funds CFDA # 66.468. Total program expenditures were \$905,789.

The Town did not qualify as a low-risk Auditee.

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no significant deficiencies, material weaknesses or instances of noncompliance related to the financial statements that are required to be reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no audit findings or questioned costs required to be reported.

**TOWN OF RANGELY, COLORADO**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2014**

**FISCAL YEAR END DECEMBER 31, 2013**

**None.**

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# Income Statement

Town of Rangely

Month Ending May/2015

| GENERAL FUND Revenue                       | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|--|--------------------|---------------|--------------------|----------------------|
|  | YTD Amount         | % of Revenue  | Budget 2015        | % of Budget Expended |
| Taxes                                      | \$608,718          | 71%           | \$1,700,500        | 35.80%               |
| Licenses and Permits                       | \$8,098            | 1%            | \$21,000           | 38.56%               |
| Intergovernmental Revenue                  | \$56,317           | 7%            | \$1,736,571        | 3.24%                |
| Charges for Services                       | \$112,917          | 13%           | \$361,229          | 31.26%               |
| Miscellaneous Revenue                      | \$67,964           | 8%            | \$165,370          | 41.10%               |
| <b>Total General Revenue</b>               | <b>\$854,013</b>   | <b>100%</b>   | <b>\$3,984,670</b> | <b>21.43%</b>        |
| GENERAL FUND Operating Expenses            | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Expenses | Budget 2015        | % of Budget Expended |
| Town Council                               | \$15,267           | 1%            | \$45,953           | 33.22%               |
| Court                                      | \$9,288            | 1%            | \$26,482           | 35.07%               |
| Administration                             | \$119,037          | 10%           | \$288,652          | 41.24%               |
| Finance                                    | \$83,343           | 7%            | \$229,733          | 36.28%               |
| Building & Grounds                         | \$137,443          | 11%           | \$388,841          | 35.35%               |
| Economic Development                       | \$70,889           | 6%            | \$156,241          | 45.37%               |
| Police Department                          | \$284,556          | 24%           | \$863,187          | 32.97%               |
| Animal Shelter                             | \$46,985           | 4%            | \$91,415           | 51.40%               |
| Public Works                               | \$178,381          | 15%           | \$537,040          | 33.22%               |
| Foundation Trans. & Non Depart. Transfer   | \$71,836           | 6%            | \$1,318,229        | 5.45%                |
| Total Capital Improvements                 | \$184,408          | 15%           | \$714,500          | 25.81%               |
| Total selling expenses                     | \$1,201,434        | 100%          | \$4,660,273        | 25.78%               |
| <b>Net Revenue over Expenditures</b>       | <b>(\$347,422)</b> | <b>100%</b>   | <b>(\$675,603)</b> | <b>51.42%</b>        |
| WATER FUND Revenue                         | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Revenue  | Budget 2015        | % of Budget Expended |
| Water Revenue                              | \$309,008          | 100%          | \$2,798,782        | 11.04%               |
| WATER FUND Operating Expenses              | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Expense  | Budget 2015        | % of Budget Expended |
| Water Supply                               | \$162,627          | 23%           | \$474,947          | 34.24%               |
| Water Supply Capital Expense               | \$341,363          | 47%           | \$710,000          | 48.08%               |
| Water Fund Dept. Transfers and Conting.    | \$66,478           | 9%            | \$48,000           | 138.50%              |
| PW - Transportation & Distribution         | \$48,821           | 7%            | \$137,000          | 35.64%               |
| PW - Transportation & Distrib. Capital Exp | \$94,440           | 13%           | \$1,140,500        | 8.28%                |
| Raw Water                                  | \$8,823            | 1%            | \$43,834           | 20.13%               |
| Raw Water Capital Expense                  | \$0                | 0%            | \$15,000           | 0.00%                |
| Total selling expenses                     | \$722,553          | 100%          | \$2,569,281        | 28.12%               |
| <b>Net Revenue over Expenditures</b>       | <b>(\$413,544)</b> | <b>100%</b>   | <b>\$229,501</b>   | <b>-180.19%</b>      |
| GAS FUND Revenue                           | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Revenue  | Budget 2015        | % of Budget Expended |
| Gas Revenue                                | \$593,446          | 100%          | \$1,421,000        | 41.76%               |
| GAS FUND Operating Expenses                | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Expense  | Budget 2015        | % of Budget Expended |
| Gas Expenses                               | \$381,843          | 81%           | \$1,070,353        | 35.67%               |
| Gas Capital Expense                        | \$13,926           | 3%            | \$74,000           | 18.82%               |
| Total Transfers                            | \$72,917           | 16%           | \$175,000          | 41.67%               |
| Total Selling Expenses                     | <b>\$468,686</b>   | <b>100%</b>   | <b>\$1,319,353</b> | <b>35.52%</b>        |
| <b>Net Revenue over Expenditures</b>       | <b>\$124,760</b>   | <b>100%</b>   | <b>\$101,647</b>   | <b>122.74%</b>       |
| Wastewater FUND Revenue                    | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Revenue  | Budget 2015        | % of Budget Expended |
| Wastewater Revenue                         | \$151,793          | 100%          | \$441,497          | 34.38%               |
| Wastewater FUND Oper Expenses              | YTD ACTUAL         |               | 2015 BUDGET        |                      |
|  | YTD Amount         | % of Expense  | Budget 2015        | % of Budget Expended |

|                               |                 |             |                  |         |
|-------------------------------|-----------------|-------------|------------------|---------|
| Wastewater Expenses           | \$78,856        | 80%         | \$246,388        | 32.00%  |
| Wastewater Capital Expense    | \$0             | 0%          | \$95,000         | 0.00%   |
| Total Transfers               | \$20,000        | 20%         | \$48,000         | 41.67%  |
| General Fund Loan             | \$0             | 0%          | \$26,447         | 0.00%   |
| Total Selling Expenses        | <b>\$98,856</b> | <b>100%</b> | <b>\$415,835</b> | 23.77%  |
| Net Revenue over Expenditures | <b>\$52,936</b> | <b>100%</b> | <b>\$25,662</b>  | 206.28% |

**Town of Rangely**

**Month Ending May/2015**

| Rangely Housing Auth Revenue              | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|---|-------------------|--------------|-------------------|----------------------|
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| Rangely Housing Auth Revenue              | \$77,779          | 100%         | \$261,400         | 29.75%               |
| Rangely Housing Auth Oper Expenses        | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
| Rangely Housing Auth Expenses             | \$59,934          | 93%          | \$144,550         | 41.46%               |
| Housing Authority Capital Expense         | \$4,552           | 7%           | \$30,000          | 15.17%               |
| Transfers                                 | \$0               | 0%           | \$71,000          | 0.00%                |
| Total Expense                             | <b>\$64,487</b>   |              | <b>\$245,550</b>  | 26.26%               |
| Net Revenue over Expenditures             | <b>\$13,293</b>   | <b>100%</b>  | <b>\$15,850</b>   | 83.87%               |
| Fund for Public Giving Revenue            | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| Fund for Public Giving Revenue            | \$918             | 100%         | \$2,000           | 45.92%               |
| Fund for Public Giving Oper Expenses      | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
| Fund for Public Giving Expenses           | \$0               | 100%         | \$2,000           | 0.00%                |
| Net Revenue over Expenditures             | <b>\$918</b>      | <b>100%</b>  | <b>\$0</b>        | #DIV/0!              |
| Economic Development Revenue              | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| RDA Revenues                              | \$27,789          | 100%         | \$103,353         | 26.89%               |
| Economic Development Oper Expenses        | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
| RDA Expenses                              | \$39,929          | 100%         | \$87,600          | 45.58%               |
| Net Revenue over Expenditures             | <b>(\$12,141)</b> | <b>100%</b>  | <b>\$15,753</b>   | -77.07%              |
| Conservation Trust Revenue                | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| Conservation Trust Revenue (Grant \$136K) | \$2,907           | 100%         | \$14,500          | 20.05%               |
| Conservation Trust Oper Expenses          | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
|   | \$125             | 100%         | \$2,797           | 4.47%                |
| Net Revenue over Expenditures             | <b>\$2,782</b>    | <b>100%</b>  | <b>\$11,703</b>   | 23.77%               |
| Housing Assistance Revenue                | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| Housing Assistance Revenue                | \$553             | 100%         | \$52,500          | 1.05%                |
| Housing Assistance Oper Expenses          | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
| Housing Assistance Expenses               | \$0               | 100%         | \$138,000         | 0.00%                |
| Net Revenue over Expenditures             | <b>\$553</b>      | <b>100%</b>  | <b>(\$85,500)</b> | -0.65%               |
| Rangely Develop Corp Revenue              | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Revenue | Budget 2015       | % of Budget Expended |
| Rangely Develop Corp Revenue              | \$994             | 100%         | \$4,000           | 24.85%               |
| Rangely Develop Corp Expenses             | YTD ACTUAL        |              | 2015 BUDGET       |                      |
|   | YTD Amount        | % of Expense | Budget 2015       | % of Budget Expended |
| Rangely Develop Corp Expenses             | \$0               | 100%         | \$3,000           | 0.00%                |
| Net Revenue over Expenditures             | <b>\$994</b>      | <b>100%</b>  | <b>\$1,000</b>    | 99.42%               |

**LIQUOR OR 3.2 BEER LICENSE  
 RENEWAL APPLICATION**

| Fees Due                       |                       |
|--------------------------------|-----------------------|
| Renewal Fee                    | \$227.50              |
| Storage Permit \$100 x _____   | \$ 100. <sup>00</sup> |
| Optional Premise \$100 x _____ | _____                 |
| Related Resort \$75 x _____    | _____                 |
| <b>Amount Due/Paid</b>         |                       |

PINYON TREE LIQUORS  
 321 MAIN ST SPACE 3&4  
 RANGELY CO 81648-2710

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

**PLEASE VERIFY & UPDATE ALL INFORMATION BELOW**

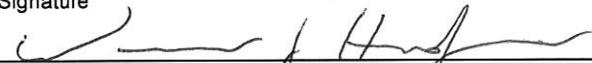
**RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE**

|  |                                     |                                    |                              |                                |
|--|-------------------------------------|------------------------------------|------------------------------|--------------------------------|
| Licensee Name<br>PINYON TREE LIQUORS INC                       |                                     | DBA<br>PINYON TREE LIQUORS         |                              |                                |
| Liquor License #<br>42512700000                                | License Type<br>Liquor Store (city) | Sales Tax License #<br>42512700000 | Expiration Date<br>9/25/2015 | Due Date<br>8/11/2015          |
| Street Address<br>321 MAIN ST SPACE 3&4 RANGELY CO 81648-2710  |                                     |                                    |                              | Phone Number<br>(970) 629 1510 |
| Mailing Address<br>321 MAIN ST SPACE 3&4 RANGELY CO 81648-2710 |                                     |                                    |                              |                                |
| Operating Manager  | Date of Birth                       | Home Address                       |                              | Phone Number                   |

- Do you have legal possession of the premises at the street address above?  YES  NO  
 Is the premises owned or rented?  Owned  Rented\* \*If rented, expiration date of lease 12/15
- Since the date of filing of the last annual application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested.  YES  NO  
**NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS:** If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation.  YES  NO
- Since the date of filing of the last annual application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation.  YES  NO
- Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation.  YES  NO
- SOLE PROPRIETORSHIPS, HUSBAND-WIFE PARTNERSHIPS AND PARTNERS IN GENERAL PARTNERSHIPS:** Each person must complete and sign the DR 4679: Affidavit – Restriction on Public Benefits (available online or by calling 303-205-2300) and **attach a copy of their driver's license, state-issued ID or valid passport.**

**AFFIRMATION & CONSENT**

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

|   |                                 |
|---|---------------------------------|
| Type or Print Name of Applicant/Authorized Agent of Business<br><u>William J. Hodges</u>        | Title<br><u>owner/President</u> |
| Signature<br> | Date<br><u>6-8-2015</u>         |

**REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY**

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. **THEREFORE THIS APPLICATION IS APPROVED.**

|                               |        |
|-------------------------------|--------|
| Local Licensing Authority For | Date   |
| Signature                     | Title  |
|                               | Attest |

TO: Mayor and Town Council

From: Chief Wilczek

RE: Pinyon Tree Liquor Store renewal of liquor license

Date: June 18, 2015

I have reviewed the application for Pinyon Tree Liquor license and provide you with the following information on incidents from this establishment. For a one year period of time there has been no incidents at the business and no alcohol violations from the establishment from the last renewal.

If you have any further questions you can contact me at 970-675-8466.

Thanks

Chief Vince Wilczek

VALUES

HONESTY ◇ INTEGRITY & PROFESSIONALISM ◇ COMMITMENT OF SERVICE ◇

PRESERVATION OF LIFE

RESPECT FOR THE DIGNITY OF ALL PERSONS ◇ REVERENCE OF THE LAW

209 E MAIN STREET, RANGELY, COLORADO 81648

(970) 675-8466 FAX (970) 675-2609 EMAIL: VINCE@RANGELYGOVT.COM

# 13 – Informational Items