



Town of Gilcrest, Colorado

Financial Statements and Supplementary Information

For the Year Ended December 31, 2014

Town of Gilcrest

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Independent Auditor's Report

Honorable Mayor and Members
of the Town Board of Trustees
Town of Gilcrest, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Gilcrest, Colorado (the "Town"), as of and for the year then ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town'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. 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 Gilcrest, 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 conformity 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 on pages 3 through 11 and the budgetary comparison information on page 37 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's basic financial statements. The budgetary comparison information on pages 38 through 41 and the Local Highway Finance Report on pages 42 and 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Anton Collins Mitchell LLP

Greeley, Colorado
July 14, 2015

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

This section of the annual financial report offers readers of the Town of Gilcrest's (the "Town") financial statements management's discussion and analysis of the Town's financial performance during the year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Background Information

The Town was incorporated in 1912. The predominant funds are comprised of five basic funds; the General, Conservation Trust, Water, Sewer and Stormwater Funds.

On November 7, 1995, (retroactive to January 1, 1994) the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992 and to remove the 5.5% property tax increase annual limitation.

Financial Highlights

- The Town financial status improved over the course of the 2014 fiscal year. Total net position increased 1 percent.
- General revenues account for \$382,759 or 36.2 percent of all revenues. The Town had \$674,514 in program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions during 2014.
- The Town had \$553,797 in expenses related to governmental activities, of which \$254,503 were offset by program specific charges for services and operating grants and contributions. General revenues (property, specific ownership, sales and use and other taxes) of \$367,911 and other revenues and expenses of (\$8,849) plus carryover reserves were adequate to provide for all other governmental activities.
- Outlays for capital assets were primarily comprised of the improvements to the utility system and for the general government operations. See the capital assets section of this management discussion and analysis for more information.
- The Town's outstanding debt at December 31, 2014, consists of \$136,700 in general obligation bonds, \$46,000 in revenue bonds, and \$132,047 in Energy Impact Assistance Loans.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town.

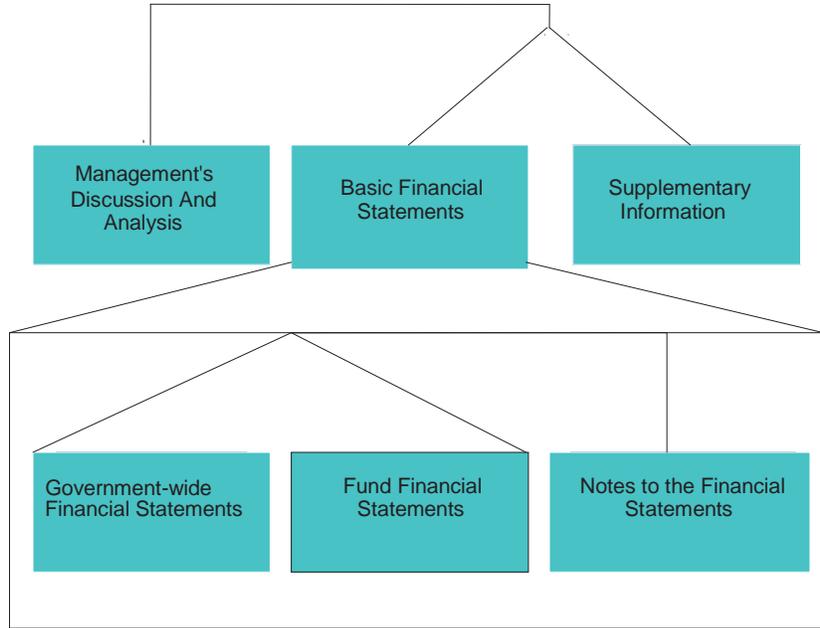
- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The governmental funds statements tell how basic services were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information that further explains and supports the financial statements with a comparison of the Town's budget versus actual expenditures for the year.

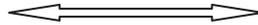
Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

**Table 1
Organization of Town's Annual Financial Report**



SUMMARY



DETAILED

Table 2, displayed on the following page summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

**Table 2
Major Features of the Town and Fund Financial Statements**

	Town Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town	The activities of the Town that are not proprietary or fiduciary.	Activities the Town operates similar to private businesses: water and sewer services
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the Town of Gilcrest finances, in a manner similar to a private-sector business. The statement of net position includes all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These statements provide both short-term and long-term information about the Town's overall financial status.

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the Town's basic services such as general government, public safety, and public works.

These statements can be found on pages 12-14 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town has governmental and proprietary funds.

- *Governmental funds:* Most of the Town's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Town's programs. Because this information does not encompass the long-term focus of the Town's statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The Town of Gilcrest maintains two governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. The General Fund is considered a major fund of the Town.

The basic governmental fund financial statements can be found on pages 15-17 of this report.

- *Proprietary Funds:* Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Gilcrest uses enterprise funds to account for its water, sewer and stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer operations, both of which are considered to be major funds of the Town of Gilcrest.

The basic proprietary fund statements can be found on pages 18-20 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 21-36 of this report.

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. This includes the budget comparison schedules for the General, Conservation Trust, Water, Sewer and Stormwater Funds.

Financial Analysis of the Town as a Whole

Net position and Changes in Net Position

The Town's combined net position was larger on December 31, 2014, than it was the year before, increasing 1 percent to \$4,145,588. Table 3 provides a summary of the Town's net position at December 31, 2014, with comparative totals for 2013.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities	Business-Type Activities	Total 2014	Total 2013
Current assets	\$ 635,426	\$ 592,561	\$ 1,227,987	\$ 1,051,936
Restricted assets	-	50,345	50,345	50,287
Capital assets	482,983	2,926,035	3,409,018	3,550,781
Total assets	1,118,409	3,568,941	4,687,350	4,653,004
Current liabilities	29,046	63,263	92,309	52,594
Long-term liabilities	3,313	318,310	321,623	350,638
Total liabilities	32,359	381,573	413,932	403,232
Deferred inflows of resources	106,779	21,051	127,830	134,168
Net investment in capital assets	482,983	2,611,288	3,094,271	3,205,523
Restricted	50,639	50,345	100,984	91,669
Unrestricted	445,649	504,684	950,333	818,412
Total net position	\$ 979,271	\$ 3,166,317	\$ 4,145,588	\$ 4,115,604

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

**Table 4
Changes in Net position from Operating Results**

	Governmental Activities	Business-Type Activities	Total 2014	Total 2013
<u>Program revenues</u>				
Charges for services	\$ 112,585	\$ 410,370	\$ 522,955	\$ 531,746
Operating grants and contributions	141,918	9,641	151,559	117,784
Capital grants and contributions	-	-	-	35,894
<u>General revenue</u>				
Property and specific ownership taxes	136,588	7,325	143,913	140,044
Specific ownership taxes	10,974	-	10,974	
Sales and use taxes	106,830	9,547	116,377	98,071
Franchise taxes	25,551		25,551	29,918
Other taxes	87,968		87,968	39,620
Earnings on investments	2,095	113	2,208	925
Other	14,011		14,011	2,056
Transfers	(10,000)	10,000	-	
Loss on disposal of capital assets	(14,955)	(3,288)	(18,243)	
<u>Total revenues</u>	<u>613,565</u>	<u>443,708</u>	<u>1,057,273</u>	<u>996,058</u>
<u>Expenses</u>				
General government	152,630	-	152,630	166,237
Public safety	141,272	-	141,272	173,210
Public works	168,577	-	168,577	183,793
Health and welfare	23,736	-	23,736	13,954
Culture, recreation, and parks	67,582	-	67,582	54,473
Unallocated depreciation	-	-	-	-
Water	-	269,529	269,529	208,415
Sewer	-	185,974	185,974	161,933
Stormwater	-	17,989	17,989	21,102
<u>Total expenses</u>	<u>553,797</u>	<u>473,492</u>	<u>1,027,289</u>	<u>983,117</u>
Change in net position	<u>\$ 59,768</u>	<u>\$ (29,784)</u>	<u>\$ 29,984</u>	<u>\$ 12,941</u>

Property, specific ownership, sales and use, franchise and other taxes account for 37 cents for every dollar raised. Another 49 cents came from charges for services, and operating and capital grants and contributions raised 14 cents. The Town expenses predominantly relate to police protection, building inspection, maintenance of the Town's streets and infrastructure, general government and recreation.

Governmental Activities

The increase in net position for governmental activities was \$59,768 in 2014.

The governmental funds monitor cash resources and expenditures. There was \$17,164 of capital outlay

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

during 2014 in the governmental funds. Capital outlay is a significant expenditure and is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities page 17, the net difference between capital outlays, depreciation expenses, and the net book value of assets disposed was \$55,675 for 2014.

The statement of activities shows the cost of program services and the related charges for services and grant offsetting those costs. Table 5 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**Table 5
Net Cost of Governmental Activities**

	2014		2013
	Total Cost of Services	Net Cost of Services	Net Cost of Services
General government	\$ 152,630	\$ (147,377)	\$ (165,086)
Public safety	141,272	(132,517)	(129,009)
Public works	168,577	37,279	(3,087)
Health and welfare	23,736	(23,736)	(13,954)
Culture, recreation and parks	67,582	(32,943)	(22,836)
Total	\$ 553,797	\$ (299,294)	\$ (333,972)

Financial Analysis of the Town's General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the Town. This fund provides for functional areas of the organization - administration, public safety, public works, health and welfare and culture and recreation. The General Fund also provides for such other items as insurance, utilities, and other costs the Town incurs. The primary funding source for the General Fund is sales and use taxes and taxation of real property. Other sources of income for the General Fund include earnings on investments, charges for services, intergovernmental revenues and other miscellaneous sources. The primary projects or program efforts for establishing needed funding during 2014 were:

1. Salaries and benefits for all existing full time personnel of the Town
2. Public safety services
3. Normal operational costs of the Town
4. Public works services
5. Recreation activities

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the General Fund anticipated that expenditures would exceed revenues by \$95,496 due to the expending of one-time sources for certain projects. The actual results for the year show revenues exceeding expenditures by \$110,867.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Culture and Recreation
- Debt Service
- Capital Outlay
- The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2014, the Town's TABOR reserve amounted to \$18,847.

Capital Assets and Debt Administration

Capital Assets

By the end of 2014, the Town had invested \$3,409,018, net of depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (See Note 5 on pages 31-32). This amount represents a decrease of \$141,763 or 4.0 percent from last year. Additional information on the Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$50,309 in the governmental funds and \$91,219 in the enterprise funds.

**Table 6
Capital Assets (Net of Depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land and water rights	\$ 37,514	\$ 37,514	\$ 683,075	\$ 683,075	\$ 720,589	\$ 720,589
System enhancement fees	-	-	137,500	137,500	137,500	137,500
Land improvements	78,574	82,304	-	-	78,574	82,304
Buildings and improvements	60,614	52,056	637	1,110	61,251	53,166
Street and improvements	122,798	130,321	-	-	122,798	130,321
Vehicles and equipment	183,483	236,463	44,035	48,584	227,518	285,047
Utility systems	-	-	2,060,788	2,141,854	2,060,788	2,141,854
Total	\$ 482,983	\$ 538,658	\$ 2,926,035	\$ 3,012,123	\$ 3,409,018	\$ 3,550,781

**Town of Gilcrest
Management's Discussion and Analysis
For the Year Ended December 31, 2014**

Long-Term Debt

At year-end the Town had \$136,700 in general obligation bonds, a reduction of 8.6 percent from the previous year, \$46,000 in revenue bonds, a reduction 17.9 percent from the previous year, and \$132,047 in energy impact assistance loans which was reduced by 5.4 percent during 2014. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

**Table 7
Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ -	\$ -	\$ 136,700	\$ 149,600	\$ 136,700	\$ 149,600
Revenue bonds	-	-	46,000	56,000	46,000	56,000
Energy impact assistance loans	-	-	132,047	139,658	132,047	139,658
Total	\$ -	\$ -	\$ 314,747	\$ 345,258	\$ 314,747	\$ 345,258

Factors Bearing on the Town's Future

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

The Town's budget for 2015 anticipates general property tax revenue of \$127,830.

The Town will be performing extensive repairs and upgrades to the wastewater treatment plant in 2015 and 2016. Funding for the project is being accomplished with a combination of a 1%, 20 year loan from the State Revolving Fund and a \$595,500 grant from the DOLA Energy Impact Assistance Fund. The loan will be repaid from revenues in the Sewer Fund.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Gilcrest at, P.O. Box 128, Gilcrest, Colorado 80623.

Basic Financial Statements

Town of Gilcrest, Colorado
Statement of Net Position
December 31, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and cash equivalents	\$ 515,254	\$ 472,160	\$ 987,414
Cash with county treasurer	7,241	455	7,696
Receivables	149,812	82,327	232,139
Prepaid items	120	618	738
Internal balances	(37,001)	37,001	-
Restricted cash	-	50,345	50,345
Capital assets:			
Not being depreciated	37,514	820,575	858,089
Being depreciated, net of accumulated depreciation	445,469	2,105,460	2,550,929
Total assets	1,118,409	3,568,941	4,687,350
Liabilities			
Accounts payable	15,148	52,525	67,673
Accrued interest payable	-	5,551	5,551
Accrued wages payable	3,636	1,762	5,398
Payroll taxes payable	10,262	3,425	13,687
Noncurrent liabilities:			
Compensated absences	3,313	3,563	6,876
Due within one year	-	32,692	32,692
Due in more than one year	-	282,055	282,055
Total liabilities	32,359	381,573	413,932
Deferred inflows of resources			
Unearned revenue	106,779	21,051	127,830
Total deferred inflows of resources	106,779	21,051	127,830
Net position			
Net investment in capital assets	482,983	2,611,288	3,094,271
Restricted for:			
Emergencies	18,847	-	18,847
Debt service	-	50,345	50,345
Parks and recreation	31,792	-	31,792
Unrestricted	445,649	504,684	950,333
Total net position	\$ 979,271	\$ 3,166,317	\$ 4,145,588

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

Town of Gilcrest, Colorado
Statement of Activities
Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities:				
General government	\$ 152,630	\$ 5,253	\$ -	\$ -
Public safety	141,272	8,755	-	-
Public works	168,577	74,218	131,638	-
Health and welfare	23,736	-	-	-
Culture, recreation and parks	67,582	24,359	10,280	-
Total government activities	553,797	112,585	141,918	-
Business-type activities:				
Water	269,529	202,836	-	-
Sewer	185,974	187,668	9,641	-
Stormwater	17,989	19,866	-	-
Total business-type activities	473,492	410,370	9,641	-
Total primary government	\$ 1,027,289	\$ 522,955	\$ 151,559	\$ -
General revenues				
Taxes:				
Property taxes levied for general purposes				
Property taxes levied for debt services				
Specific ownership taxes				
Sales and use tax				
Franchise taxes				
Other taxes				
Earnings on investments				
Other revenues				
Transfers				
Loss on disposal of capital assets				
Total general revenues				
Changes in net position				
Net position at beginning of year				
Net position at end of year				

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (147,377)	\$ -	\$ (147,377)
(132,517)	-	(132,517)
37,279	-	37,279
(23,736)	-	(23,736)
(32,943)	-	(32,943)
(299,294)	-	(299,294)
-	(66,693)	(66,693)
-	11,335	11,335
-	1,877	1,877
-	(53,481)	(53,481)
(299,294)	(53,481)	(352,775)
136,588	-	136,588
-	7,325	7,325
10,974	-	10,974
106,830	9,547	116,377
25,551	-	25,551
87,968	-	87,968
2,095	113	2,208
14,011	-	14,011
(10,000)	10,000	-
(14,955)	(3,288)	(18,243)
359,062	23,697	382,759
59,768	(29,784)	29,984
919,503	3,196,101	4,115,604
\$ 979,271	\$ 3,166,317	\$ 4,145,588

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

Town of Gilcrest, Colorado
Balance Sheet
Governmental Funds
December 31, 2014

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Assets			
Equity in pooled cash and cash equivalents	\$ 483,051	\$ 32,203	\$ 515,254
Cash with county treasurer	7,241	-	7,241
Accounts and taxes receivable	149,751	61	149,812
Prepaid items	120	-	120
Totals assets	\$ 640,163	\$ 32,264	\$ 672,427
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$ 15,148	\$ -	\$ 15,148
Accrued wages payable	3,537	99	3,636
Payroll taxes payable	9,889	373	10,262
Due to other funds	37,001	-	37,001
Total liabilities	65,575	472	66,047
Deferred inflows of resources			
Unearned revenue	106,779	-	106,779
Total deferred inflows of resources	106,779	-	106,779
Fund balances			
Nonspendable	120	-	120
Restricted	18,847	31,792	50,639
Assigned	166,509	-	166,509
Unassigned	282,333	-	282,333
Total fund balances	467,809	31,792	499,601
Total liabilities, deferred inflows of resources and fund balances	\$ 640,163	\$ 32,264	\$ 672,427

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

Fund balances of governmental funds	\$	499,601
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.

Capital assets	\$ 1,435,752	
Less: accumulated depreciation	<u>(952,769)</u>	482,983

Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities on the fund financial statements.		(3,313)
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Total net position of governmental activities	\$	979,271
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The accompanying notes are an integral part of these financial statements.

Town of Gilcrest, Colorado
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General	Conservation Trust (Nonmajor)	Total Governmental Funds
Revenues			
Taxes	\$ 367,911	\$ -	\$ 367,911
Licenses and permits	12,812	-	12,812
Charges for services	91,686	-	91,686
Fines and forfeitures	8,087	-	8,087
Intergovernmental	131,638	10,280	141,918
Earnings on investments	2,010	85	2,095
Miscellaneous revenue	14,011	-	14,011
Total revenues	628,155	10,365	638,520
Expenditures			
Current:			
General government	142,357	-	142,357
Public safety	115,892	-	115,892
Public works	162,066	-	162,066
Health and welfare	23,736	-	23,736
Culture, recreation and parks	53,648	5,206	58,854
Capital outlay	17,164	-	17,164
Total expenditures	514,863	5,206	520,069
Excess of revenues over expenditures	113,292	5,159	118,451
Other financing sources (uses)			
Proceeds from the sale of capital assets	7,575	-	7,575
Transfers out	(10,000)	-	(10,000)
Total other financing sources (uses)	(2,425)	-	(2,425)
Net change in fund balance	110,867	5,159	116,026
Fund balances at beginning of year	356,942	26,633	383,575
Fund balances at end of year	\$ 467,809	\$ 31,792	\$ 499,601

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

Town of Gilcrest, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2014

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

Total net change in fund balances - governmental funds. \$ 116,026

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are capitalized in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlay during the period.

Capital outlay	\$	17,164	
Depreciation expense		(50,309)	
Net book value of capital assets disposed		<u>(22,530)</u>	(55,675)

Increase in accrued compensated absences liability reflected against expense on the statement of activities and not reflected as an expense on the government fund statement of revenue, expenditures and changes in fund balances. (583)

Change in net position of governmental activities \$ 59,768

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

Town of Gilcrest, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2014

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Assets				
Current assets				
Equity in pooled cash and cash equivalents	\$ 312,552	\$ 141,390	\$ 18,218	\$ 472,160
Cash with county treasurer	455	-	-	455
Accounts and taxes receivable	51,934	26,312	4,081	82,327
Prepaid items	394	224	-	618
Due from other funds	25,596	13,811	494	39,901
Total current assets	390,931	181,737	22,793	595,461
Noncurrent assets				
Restricted cash	50,345	-	-	50,345
Capital assets				
Land	9,364	47,575	80,797	137,736
Water rights	545,339	-	-	545,339
System enhancement fee	137,500	-	-	137,500
Buildings and improvements	30,019	3,600	-	33,619
Utility system	1,672,933	1,244,642	651,182	3,568,757
Equipment	57,614	74,371	-	131,985
Less accumulated depreciation	(828,672)	(751,628)	(48,601)	(1,628,901)
Total noncurrent assets	1,674,442	618,560	683,378	2,976,380
Total assets	2,065,373	800,297	706,171	3,571,841
Liabilities and Net Position				
Current liabilities				
Accounts payable	33,805	18,720	-	52,525
Accrued wages payable	893	797	72	1,762
Accrued payroll taxes payable	1,335	1,839	251	3,425
Accrued interest payable	4,539	1,012	-	5,551
Due to other funds	-	-	2,900	2,900
Current portion of bonds and loans payable	28,203	4,489	-	32,692
Total current liabilities	68,775	26,857	3,223	98,855
Noncurrent liabilities				
Bonds and loans payable, net of current portion	230,082	51,973	-	282,055
Accrued compensated absences payable	1,805	1,484	274	3,563
Total noncurrent liabilities	231,887	53,457	274	285,618
Total liabilities	300,662	80,314	3,497	384,473
Deferred inflows of resources				
Unearned revenue	21,051	-	-	21,051
Total deferred inflows of resources	21,051	-	-	21,051
Net position				
Net investment in capital assets	1,365,812	562,098	683,378	2,611,288
Restricted for debt service	50,345	-	-	50,345
Unrestricted	327,503	157,885	19,296	504,684
Total net position	\$ 1,743,660	\$ 719,983	\$ 702,674	\$ 3,166,317

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

Town of Gilcrest, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2014

	Water Fund	Sewer Fund	Stormwater Fund	Totals
Operating revenues				
Charges for services	\$ 202,836	\$ 187,668	\$ 19,866	\$ 410,370
Total operating revenues	202,836	187,668	19,866	410,370
Operating expenses				
Operations and maintenance	158,377	102,926	4,965	266,268
Administration	51,075	45,984	-	97,059
Depreciation	44,168	34,027	13,024	91,219
Total operating expenses	253,620	182,937	17,989	454,546
Operating income (loss)	(50,784)	4,731	1,877	(44,176)
Nonoperating revenues (expenses)				
Property tax	7,325	-	-	7,325
Sales tax	-	9,547	-	9,547
Earnings on investments	58	55	-	113
Interest expense	(15,909)	(3,037)	-	(18,946)
Total nonoperating revenues (expenses)	(8,526)	6,565	-	(1,961)
Income before contributions and transfers	(59,310)	11,296	1,877	(46,137)
Grants and contributions	-	9,641	-	9,641
Loss on sale of capital assets	(1,644)	(1,644)	-	(3,288)
Transfers in	6,106	-	10,000	16,106
Transfers out	-	-	(6,106)	(6,106)
Changes in net position	(54,848)	19,293	5,771	(29,784)
Net position at beginning of year	1,798,508	700,690	696,903	3,196,101
Net position at end of year	\$ 1,743,660	\$ 719,983	\$ 702,674	\$ 3,166,317

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

Town of Gilcrest, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2014

	Water Fund	Sewer Fund	Stormwater Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 208,401	\$ 188,984	\$ 19,800	\$ 417,185
Cash payments to suppliers	(132,849)	(94,485)	(136)	(227,470)
Cash payments to employees	(42,898)	(38,253)	(5,340)	(86,491)
Net cash flows from operating activities	32,654	56,246	14,324	103,224
Cash flows from non-capital financing activities				
Property taxes	7,325	-	-	7,325
Sales taxes	-	9,547	-	9,547
Transfers in	6,106	-	10,000	16,106
Transfers out	-	-	(6,106)	(6,106)
Net cash flows from non-capital financing activities	13,431	9,547	3,894	26,872
Cash flows from capital and related financing activities				
Grants and contributions	-	9,641	-	9,641
Change in restricted cash and cash equivalents	(58)	-	-	(58)
Acquisitions of capital assets	(4,210)	(4,209)	-	(8,419)
Principal paid on long-term debt	(26,236)	(4,275)	-	(30,511)
Interest paid on long-term debt	(15,909)	(3,037)	-	(18,946)
Net cash flows capital and from related financing activities	(46,413)	(1,880)	-	(48,293)
Cash flows from investing activities				
Earnings on investments	58	55	-	113
Net change in cash and cash equivalents	(270)	63,968	18,218	81,916
Cash and cash equivalents at beginning of year	313,277	77,422	-	390,699
Cash and cash equivalents at end of year	\$ 313,007	\$ 141,390	\$ 18,218	\$ 472,615
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (50,784)	\$ 4,731	\$ 1,877	\$ (44,176)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	44,168	34,027	13,024	91,219
(Increase) decrease in operating assets:				
Accounts and taxes receivable	5,565	1,316	(66)	6,815
Prepaid items	(31)	-	31	-
Increase (decrease) in operating liabilities:				
Accounts payable	32,560	15,118	-	47,678
Accrued expenses	1,176	1,054	(542)	1,688
Net cash flows from operating activities	\$ 32,654	\$ 56,246	\$ 14,324	\$ 103,224

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

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

Form of Organization

The Town of Gilcrest, Colorado (the "Town") was founded in 1912 as a statutory town. The Town's major operations include general government; public safety; public works; culture, parks and recreation; and health and welfare.

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

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the Town.

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 those who 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.

The fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 recognized 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 recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual, and so, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

Governmental funds are used to account for all or most of a government's general activities. The following is the Town's major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The other governmental fund (nonmajor fund) is a special revenue fund (Conservation Trust) and has been established to account for revenues derived from specific earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for debt service and rate stabilization loan reserves, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g.,

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town's major enterprise funds include the Water, Sewer, and Storm Drainage funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds 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.

Budgets

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

- By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution.
- The Town legally adopts budgets for all of the funds. Budgets for the general and special revenue funds are adopted on a basis consistent with GAAP. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, where payments for capital assets and principal amounts of debt are treated as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year end.

The following table summarizes the individual fund budgeted expenditures, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	\$ 601,570	\$ -	\$ 601,570
Conservation trust fund	37,762	-	37,762
Business type fund:			
Water fund	280,473	-	280,473
Sewer fund	164,756	-	164,756
Stormwater fund	15,789	-	15,789
Total funds	\$ 1,100,350	\$ -	\$ 1,100,350

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Cash and Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less, including deposits in a pooled investment fund, to be cash equivalents. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan.

Restricted Cash

The amount restricted in the Water Fund is in compliance with the 1980 revenue bond reserve requirements as described in note 2.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the Town by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable.

Short-Term Interfund Receivables/Payables

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

Bond Premium and Debt Issuance Costs

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Debt issuance costs are recognized during the period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums on the debt issuance are reported as other finance sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Donated capital assets are recorded at estimated fair market value on the date received.

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 capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Description	Governmental Activities	Business-Type Activities
Land	N/A	N/A
Land improvements	40 Years	40 Years
Buildings and improvements	40 Years	10-40 Years
Utility systems	N/A	25-50 Years
Streets	20 Years	20 Years
Vehicles and equipment	5-15 Years	15 Years

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of \$3,313 for the governmental activities and \$3,563 for the business-type activities on the statement of net position at December 31, 2014.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. At December 31, 2014, there is no accrual in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Capital lease obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

At December 31, 2014, fund balances are composed of the following:

	General Fund	Conservation Trust Fund
Nonspendable:		
Prepaid items	\$ 120	\$ -
Restricted:		
Emergencies	18,847	-
Parks and recreation	-	31,792
Assigned:		
Capital projects	54,345	-
Future budgetary needs	112,164	
Unassigned:	282,333	-
Total fund balances	\$ 467,809	\$ 31,792

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes ("CRS") require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2014, the Town had deposits with financial institutions with a carrying amount of \$761,069. The bank balances with the financial institutions was \$768,753, of which \$250,000 was covered by federal depository insurance. The remaining balance of \$518,753 was collateralized with securities held by the financial institutions' agents but not in the Town's name.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The Town's policy is to hold investments until maturity.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2014, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Interest Rate Risk

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 losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2014, the Town had invested \$275,699 in the Trust, a local government investment pool. As an investment pool, the Trust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios are rated AAAm by Standard and Poor's and may invest in U.S. Treasury Securities, repurchase agreements collateralized by U.S. Treasury Securities, and the highest rated commercial paper. Wells Fargo Bank serves as custodian for the Trust's portfolios and provides services as the depository in connection with direct investments owned by the Trust. Separate financial statements can be obtained by calling (303) 864-7474 or going to www.colotrust.com.

At December 31, 2014, the Town had cash and cash equivalent balances, including restricted cash, as follows:

Cash on hand	\$ 991
Cash with county treasurer	7,696
Cash deposits	761,069
Local government investment pool	275,699
<hr/>	
Total cash deposits	\$ 1,045,455

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

The above amounts are classified in the statement of net position as follows:

Unrestricted cash:	
Governmental activities	\$ 522,495
Business-type activities	472,615
Restricted cash:	
Business-type activities	50,345
Total	\$ 1,045,455

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the Water Fund are \$50,345 as established by Ordinance #1979-2 to be used to prevent default in the payment of the general obligation water bond and interest thereon.

3. Receivables

Receivables at December 31, 2014, consisted of the following:

Types	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 106,779	\$ 21,051	\$ 127,830
Trade accounts	8,074	38,004	46,078
Intergovernmental	11,336	1,211	12,547
Other	23,623	22,061	45,684
Total	\$ 149,812	\$ 82,327	\$ 232,139

4. Individual Fund Interfund Receivables/Payables and Transfers

The Town's interfund receivables and payables at December 31, 2014 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Town had the following interfund receivables and payables at December 31, 2014:

	Due to	Due from
Governmental funds:		
Major fund		
General	\$ -	\$ 37,001
Proprietary funds:		
Major funds		
Water	25,596	-
Sewer	13,811	-
Stormwater	494	2,900
Total	\$ 39,901	\$ 39,901

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfers In	Transfers Out
Governmental funds:		
Major fund		
General	\$ -	\$ 10,000
Proprietary funds:		
Major funds		
Water	6,106	-
Stormwater	10,000	6,106
Total	\$ 16,106	\$ 16,106

5. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 37,514	\$ -	\$ -	\$ 37,514
Total capital assets, not being depreciated	37,514	-	-	37,514
Capital assets, being depreciated:				
Land improvements	149,189	-	-	149,189
Buildings and improvements	118,982	12,954	3,205	128,731
Vehicles and equipment	593,689	4,210	104,795	493,104
Streets	627,214	-	-	627,214
Total capital assets, being depreciated	1,489,074	17,164	108,000	1,398,238
Less accumulated depreciation for:				
Land improvements	(66,885)	(3,730)	-	(70,615)
Buildings and improvements	(66,926)	(3,303)	(2,112)	(68,117)
Vehicles and equipment	(357,226)	(35,753)	(83,358)	(309,621)
Streets	(496,893)	(7,523)	-	(504,416)
Total accumulated depreciated	(987,930)	(50,309)	(85,470)	(952,769)
Total capital assets, being depreciated, net	501,144	(33,145)	22,530	445,469
Governmental activities capital assets, net	\$ 538,658	\$ (33,145)	\$ 22,530	\$ 482,983

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

Depreciation expense for governmental activities has been allocated to various activities as follows:

Governmental Activities:	
General government	\$ 10,273
Public safety	24,797
Public works	6,511
Culture, parks and recreation	8,728
Total depreciation expense - governmental activities	\$ 50,309

A summary of changes in business-type activities capital assets for the year ended December 31, 2014, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 137,736	\$ -	\$ -	\$ 137,736
Water rights	545,339	-	-	545,339
System enhancement fee	137,500	-	-	137,500
Total capital assets, not being depreciated	820,575	-	-	820,575
Capital assets, being depreciated:				
Buildings and improvements	33,619	-	-	33,619
Equipment	135,702	8,419	12,136	131,985
Utility system	3,568,757	-	-	3,568,757
Total capital assets, being depreciated	3,738,078	8,419	12,136	3,734,361
Less accumulated depreciation for:				
Buildings and improvements	(32,509)	(473)	-	(32,982)
Equipment	(87,118)	(9,680)	(8,848)	(87,950)
Utility systems	(1,426,903)	(81,066)	-	(1,507,969)
Total accumulated depreciation	(1,546,530)	(91,219)	(8,848)	(1,628,901)
Total capital assets, being depreciated, net	2,191,548	(82,800)	3,288	2,105,460
Total business-type activities capital assets, net	\$ 3,012,123	\$ (82,800)	\$ 3,288	\$ 2,926,035

Depreciation expense was charged to function or programs of the Town's business-type activities as follows:

Business-type Activities:	
Water	\$ 44,168
Sewer	34,027
Storm drainage	13,024
Total depreciation expense - business-type activities	\$ 91,219

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

6. Long-Term Debt

Business-type Activities:

2004 Energy Impact Assistance Loan ("EIAF")

On September 1, 2004, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town's sewer system. The note is due in annual installments of \$7,312, principal and interest, at 5.0% through September 1, 2024. The Town agrees to establish rates and charges for the services of the sewer system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the sewer system.

2009 Energy Impact Assistance Loan ("EIAF")

On June 16, 2009, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town's water system. The note is due in annual installments of \$7,282, principal and interest, at 5.0% through September 1, 2029. The Town agrees to establish rates and charges for the services of the water system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the potable water system.

1980 Revenue Bond

In 1980, the Town issued a \$216,000 water revenue bond. The bond constitutes an irrevocable lien (but not necessarily an exclusive such lien) upon the net revenues of the water system. The bond was issued to improve the Town's water system and is subject to redemption prior to maturity at the option of the Town in the amounts of \$1,000 or any multiple thereof, in inverse order of their due date. The interest rate on this bond is 5% and is due in principal installments of \$10,000 in 2014 increasing to \$12,000 on December 1, 2018.

1993 General Obligation Bonds

In 1993, the Town issued \$300,000 of general obligation bonds. The bonds were issued to construct, enlarge and improve the Town's water system. The bonds are due in principal installments of \$12,900 in 2014 increasing to \$21,100 on October 28, 2022. The interest rate on these bonds is 6.125%.

Changes in long-term debt for the year ended December 31, 2014 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities:					
2004 EIAF loan	\$ 60,737	\$ -	\$ (4,275)	\$ 56,462	\$ 4,489
2009 EIAF loan	78,921	-	(3,336)	75,585	3,503
1980 water revenue bond	56,000	-	(10,000)	46,000	11,000
1993 general obligation bond	149,600	-	(12,900)	136,700	13,700
Accrued compensated absences	2,650	913	-	3,563	-
Total	\$ 347,908	\$ 913	\$ (30,511)	\$ 318,310	\$ 32,692

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

The following table represents future debt service requirements on the business-type activity debt as December 31, 2014:

Year	Principal	Interest
2015	\$ 32,692	\$ 17,275
2016	33,991	15,486
2017	36,211	13,622
2018	37,652	11,639
2019	27,114	9,572
2020-2024	115,561	24,022
2025-2029	31,526	4,882
Total	\$ 314,747	\$ 96,498

7. Rate Maintenance

Water Fund

Pursuant to the Farmers Home Administration 1980 revenue bond, the Town must establish, maintain and enforce rates and charges for services rendered by the water system sufficient to create income and revenue each year, which, together with any general property tax levy, pay maintenance and operation expenses of the system and cover the principal and interest payments of the general obligation water bond as they become due.

The following calculation shows the Town has complied with the rate maintenance provision of this loan agreement.

Operating revenues	\$ 202,836	
Less operating expenses	(209,452)	
Add one time purchase of non-capitalized equipment	<u>55,963</u>	
Net revenue as defined in the bond agreement		49,347
2014 principal due	10,000	
2014 interest due	<u>2,800</u>	
	12,800	
	x110%	14,080
Amount the current year revenues were in excess of the 1980 bond agreement.		<u>\$ 35,267</u>

8. Pledged Revenues

The Town has pledged future water customer revenues, net of specified operating expenses, to repay \$216,000 in water system revenue bond issued February 13, 1980 and the \$90,000 2009 Energy Impact Assistance Loan. The proceeds were used to make water system improvements and are payable through 2029. Annual principal and interest payments on these debts are expected to require less than 50% of net revenues as defined in the debt agreements. Total principal and interest remaining to be paid on these debts are \$161,082. Principal and interest paid for the current year and total customer revenues were \$20,082 and \$202,836, respectively.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

The Town has pledged future sewer customer revenues, net of specified operating expenses, to repay \$90,000 in sewer system energy impact assistance loan issued in 2004. The proceeds were used to make sewer system improvements and are payable through 2024. Annual principal and interest payments on the loan are expected to require approximately 75% of net revenues of the sewer fund. Total principal and interest remaining to be paid on the bonds is \$73,121. Principal and interest paid for the current year and total customer revenues were \$7,312 and \$187,668, respectively.

9. Defined Benefit Pension Plan - FPPA

State of Colorado Fire and Police Pension Association - Defined Benefit Plan

The Town contributes to the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association ("FPPA"). The SWDB plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered FPPA.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the Town are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the Town. The Town's contribution to the SWDB for the years ended December 31, 2014, 2013 and 2012 was \$0, \$7,952, and \$7,038, respectively, equal to the required contribution.

The Town did not have to contribute to the plan starting on January 1, 2014, as the the Town entered into an intergovernmental agreement with the Town of Platteville, Colorado to provide law enforcement services to the Town . Therefore the Town no longer has employees which provide these services.

10. Contingency

The Town is self insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). CIRSA has a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2014 limit CIRSA's per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$500,000 for 2014 and provides coverage to statutory limits for the State of Colorado.

Town of Gilcrest
Notes to Financial Statements
December 31, 2014

The Town's 2014 contributions were \$16,081 and share of surplus at December 31, 2014, amounted to approximately \$10,272 for the property and casualty pool.

The ultimate liability to the Town resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

11. Taxes, Spending, and Debt Limitations

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$18,847 for this purpose.

On November 7, 1995, the voting citizens of the Town of Gilcrest authorized the Town (retroactive to January 1, 1994) to retain all of the revenues from all sources generated during 1994 and subsequent years, and spend the same as a voter-approved revenue change as an exception to limits which would otherwise apply for each of said years. This effectively removed all revenue and spending limits imposed by TABOR.

12. Commitments & Contingencies

The Town is currently involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the Town.

13. Subsequent Events

The Town evaluated subsequent events through July 14, 2015, the date these financial statements were available to be issued. In June 2015, the District entered into loan agreement with Colorado Water Resources and Power Development Authority to upgrade the wastewater treatment plant totaling \$1,090,000. No other transactions or events that would require adjustment to the financial statements or note disclosures were identified.

Required Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 236,753	\$ 236,753	\$ 367,911	\$ 131,158
Licenses and permits	5,571	5,571	12,812	7,241
Charges for services	63,000	63,000	91,686	28,686
Fines and forfeitures	58,800	58,800	8,087	(50,713)
Intergovernmental	127,400	127,400	131,638	4,238
Earnings on investments	100	100	2,010	1,910
Miscellaneous revenue	24,450	24,450	14,011	(10,439)
Total revenues	516,074	516,074	628,155	112,081
Expenditures				
Current:				
General government	187,314	187,314	142,357	44,957
Public safety	118,764	118,764	115,892	2,872
Public works	185,915	185,915	162,066	23,849
Health and welfare	19,192	19,192	23,736	(4,544)
Culture, recreation, and parks	75,385	75,385	53,648	21,737
Capital outlay	15,000	15,000	17,164	(2,164)
Total expenditures	601,570	601,570	514,863	86,707
Excess (deficiency) of revenues over expenditures	(85,496)	(85,496)	113,292	198,788
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	7,575	7,575
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	(10,000)	(10,000)	(2,425)	7,575
Excess of revenues and other sources over expenditures and other uses	\$ (95,496)	\$ (95,496)	110,867	\$ 206,363
Fund balance at beginning of year			356,942	
Fund balance at end of year			\$ 467,809	

See accompanying independent auditor's report.

Other Supplementary Information

Town of Gilcrest, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Conservation Trust Fund
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State lottery funds	\$ 10,200	\$ 10,200	\$ 10,280	\$ 80
Earnings on investments	55	55	85	30
Total revenues	10,255	10,255	10,365	110
Expenditures				
Operating expenses	6,202	6,202	3,792	2,410
Well augmentation	1,560	1,560	1,414	146
Capital outlay	30,000	30,000	-	30,000
Total expenditures	37,762	37,762	5,206	32,556
Net change in fund balance	\$ (27,507)	\$ (27,507)	5,159	\$ 32,666
Fund balance at beginning of year			26,633	
Fund balance at end of year			\$ 31,792	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 201,000	\$ 201,000	\$ 202,836	\$ 1,836
Operating expenses				
Operations and maintenance	122,048	122,048	158,377	(36,329)
Administration	55,066	55,066	51,075	3,991
Total operating expenses	177,114	177,114	209,452	(32,338)
Operating income (loss)	23,886	23,886	(6,616)	(30,502)
Other revenues (expenses)				
Property taxes	22,065	22,065	7,325	(14,740)
Earnings on investments	75	75	58	(17)
Transfers in	6,106	6,106	6,106	-
Loss on sale of capital assets	-	-	(1,644)	(1,644)
Interest expense	(17,156)	(17,156)	(15,909)	1,247
Principal paid	(26,136)	(26,136)	(26,236)	(100)
Capital outlay	(60,067)	(60,067)	(4,210)	55,857
Total other revenues (expenses)	(75,113)	(75,113)	(34,510)	40,603
Excess (deficiency) of revenues over expenditures	\$ (51,227)	\$ (51,227)	(41,126)	\$ 10,101
Reconciliation to GAAP basis				
Depreciation			(44,168)	
Capital outlay			4,210	
Principal paid			26,236	
Change in net position - GAAP basis			(54,848)	
Net position at beginning of year			1,798,508	
Net position at end of year			\$ 1,743,660	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Sewer Fund
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for services	\$ 192,000	\$ 192,000	\$ 187,668	\$ (4,332)
Total operating revenues	192,000	192,000	187,668	(4,332)
Operating expenses				
Operations and maintenance	108,602	108,602	102,926	5,676
Administration	48,842	48,842	45,984	2,858
Total operating expenses	157,444	157,444	148,910	8,534
Operating income	34,556	34,556	38,758	4,202
Other revenues (expenses)				
Grants and contributions	-	-	9,641	9,641
Sales taxes	-	-	9,547	9,547
Earnings on investments	-	-	55	55
Loss on sale of capital assets	-	-	(1,644)	(1,644)
Interest expense	(3,240)	(3,240)	(3,037)	203
Principal paid	(4,072)	(4,072)	(4,275)	(203)
Capital outlay	-	-	(4,209)	(4,209)
Total other revenues (expenses)	(7,312)	(7,312)	6,078	13,390
Excess of revenues over expenditures	\$ 27,244	\$ 27,244	44,836	\$ 17,592
Reconciliation to GAAP basis				
Depreciation			(34,027)	
Capital outlay			4,209	
Principal paid			4,275	
Change in net position - GAAP basis			19,293	
Net position at beginning of year			700,690	
Net position at end of year			\$ 719,983	

See accompanying independent auditor's report.

Town of Gilcrest, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Stormwater Fund
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 19,000	\$ 19,000	\$ 19,866	\$ 866
Total revenues	19,000	19,000	19,866	866
Expenses				
Public works	9,683	9,683	4,965	4,718
Total expenses	9,683	9,683	4,965	4,718
Operating income	9,317	9,317	14,901	5,584
Other revenue (expenses)				
Transfers in	10,000	10,000	10,000	-
Transfers out	(6,106)	(6,106)	(6,106)	-
Total other revenue (expenses)	3,894	3,894	3,894	-
Excess of revenues over expenditures	\$ 13,211	\$ 13,211	18,795	\$ 5,584
Reconciliation to GAAP basis				
Depreciation			(13,024)	
Change in net position - GAAP basis			5,771	
Net position at beginning of year			696,903	
Net position at end of year			\$ 702,674	

See accompanying independent auditor's report.

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Gilcrest
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of Town of Gilcrest	Prepared By: Phone:	Trudy Peterson 970-737-2426

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	46,817
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	25,098
2. General fund appropriations	10,287	b. Snow and ice removal	
3. Other local imposts (from page 2)	14,455	c. Other	25,078
4. Miscellaneous local receipts (from page 2)		d. Total (a. through c.)	50,176
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	96,993
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	24,742	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	42,938	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	67,680	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	96,993

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	29,313	67,680	96,993	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (12/14):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	14,455	g. Other Misc. Receipts	
6. Total (1. through 5.)	14,455	h. Other	
c. Total (a. + b.)	14,455	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	37,381	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	5,557	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	5,557	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	42,938	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

Specific Ownership	10,974
County Road & Bridge	3,481
	14,455