

RANGELY JUNIOR COLLEGE DISTRICT

—

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

—

JUNE 30, 2022

FINANCIAL STATEMENTS - 2022

RANGELY JUNIOR COLLEGE DISTRICT

2021-2022 BOARD OF TRUSTEES

Ms. Ann Brady, Chairman

Mr. Bart Nielsen, Vice Chairman

Mr. Davin Boydston, Secretary

Mr. James Dillon

Ms. Lisa Piering

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rangely Junior College District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rangely Junior College District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Rangely Junior College District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rangely Junior College District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures

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include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rangely Junior College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rangely Junior College District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

CaloCPA Services, PC

Rangely, Colorado
September 22, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Rangely Junior College District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded liabilities by \$3,200,744 at June 30, 2022.
- Total District's cash and investments decreased by \$111,172 or 3 percent from 2020-2021.
- The June 30, 2022 General Fund balance is \$98,941 more than the previous year. The total fund balance is 218 percent of 2021-2022 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 District 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 provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICTS FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District'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 District's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, all of the District's activities are reported as Governmental 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.

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 17 through 22 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund on pages 25 through 26 of this report.

REPORTING THE DISTRICT 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 District's net position for 2020-2021 and 2021-2022.

	Governmental Activities	
	<u>2020-2021</u>	<u>2021-2022</u>
Assets		
Current and other assets	\$ 3,875,889	\$ 3,389,655
Total assets	<u>3,875,889</u>	<u>3,389,655</u>
Liabilities		
Current and other liabilities	346,384	188,911
Total liabilities	<u>346,384</u>	<u>188,911</u>
Net Position		
Restricted	924,493	868,384
Unrestricted	<u>2,605,012</u>	<u>2,332,360</u>
Total net position	<u>\$ 3,529,505</u>	<u>\$ 3,200,744</u>

A significant portion of the District's net position represents an unrestricted net position of \$2,332,360 which may be used to meet the ongoing obligations to patrons and creditors.

An additional \$868,384 of the District'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 \$47,026 and \$821,358 in reserves for college capital outlay and maintenance.

The following table indicates the changes in net position for 2020-2021 and 2021-2022.

	<u>Governmental Activities</u>	
	<u>2020-2021</u>	<u>2021-2022</u>
Revenues:		
Program revenues:		
Charge for services	\$ -	\$ -
Capital grants and contributions	-	-
General revenues:		
General property taxes	1,604,346	1,504,530
Specific ownership tax	65,986	59,717
Investment earnings	6,230	3,298
Total revenues	<u>1,676,562</u>	<u>1,567,545</u>
Expenses:		
Administration	86,216	85,831
College Support	1,396,073	1,647,165
Tuition Assistance	214,609	163,310
Total expenses	<u>1,696,898</u>	<u>1,896,306</u>
Increase (decrease) in net position	<u>\$ (20,336)</u>	<u>\$ (328,761)</u>

Governmental Activities. Governmental activities decreased the District’s net position by \$328,761 in 2021-2022. Key elements of this decrease are as follows:

Several revenue sources fund the District. Property tax is the biggest contributor, accounting for 94 percent of gross revenue. This comes from a 5.0 for general operations and a 1.6 for college capital outlay and maintenance Mill Levies. Total Property taxes were \$1,504,530, down 6 percent from the prior year.

Expenses totaled \$1,896,306, up 12 percent from prior year expenses. During fiscal year 2021-2022, the District approved forgiving the long-term liability of \$374,864 with Colorado Northwestern Community College.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The District has two governmental funds, the General Fund and the Special Revenue Fund. Information about the District’s governmental funds begins on page 11. These funds are accounted for using the modified accrual basis of accounting.

As of June 30, 2022, the total fund balances of the District’s General Fund and Special Revenue Fund were \$2,379,386 and \$821,358, respectively. Approximately 98 percent of the General Fund balance consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of General Fund balance is reserved to indicate that it is not available for new spending because it is committed for a state-Constitution mandated emergency reserve (\$47,026). The entire Special Revenue Fund balance is designated for college capital outlay and maintenance (\$821,358). The District had General Fund and Special Revenue Fund revenues of \$1,188,407 and \$379,138, respectively, and expenditures of \$1,089,466 and \$431,976, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

2021-2022 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 1,722,668	\$ -	\$ 1,722,668	\$ 2,280,445
Revenue and other financing sources	1,253,648	-	1,253,648	1,188,407
Expenditures and other financing uses	(1,253,626)	-	(1,253,626)	(1,089,466)
Ending Fund Balance	<u>\$ 1,722,690</u>	<u>\$ -</u>	<u>\$ 1,722,690</u>	<u>\$ 2,379,386</u>

Actual revenue and other financing sources were \$65,241 less than budgeted. Investment income was \$3,240, but was not budgeted for.

Actual expenditures and other financing uses were \$164,160 less than budgeted. Tuition assistance was under budget by \$66,690 and college support was under budget by \$63,818.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2022-2023 budget:

- No significant changes anticipated.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, P.O. Box 375, Rangely, Colorado 81648.

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FINANCIAL STATEMENTS

RANGELY JUNIOR COLLEGE DISTRICT

STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 947,880
Investments	2,431,908
Property taxes receivable, net	<u>9,867</u>
TOTAL ASSETS	<u>3,389,655</u>
LIABILITIES	
Accounts payable	<u>188,911</u>
TOTAL LIABILITIES	<u>188,911</u>
NET POSITION	
Restricted for college capital outlay and maintenance	821,358
Restricted for Tabor emergencies	47,026
Unrestricted	<u>2,332,360</u>
TOTAL NET POSITION	<u>\$ 3,200,744</u>

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

RANGELY JUNIOR COLLEGE DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General Fund</u>	<u>Construction Maintenance Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 926,918	\$ 20,962	\$ 947,880
Investments	1,564,001	867,907	2,431,908
Property taxes receivable, net	<u>7,475</u>	<u>2,392</u>	<u>9,867</u>
TOTAL ASSETS	<u><u>\$ 2,498,394</u></u>	<u><u>\$ 891,261</u></u>	<u><u>\$ 3,389,655</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	<u>\$ 119,008</u>	<u>\$ 69,903</u>	<u>\$ 188,911</u>
TOTAL LIABILITIES	<u>119,008</u>	<u>69,903</u>	<u>188,911</u>
FUND BALANCES			
Restricted for:			
Labor emergencies	47,026	-	47,026
College capital outlay and maintenance	-	821,358	821,358
Unassigned	<u>2,332,360</u>	<u>-</u>	<u>2,332,360</u>
TOTAL FUND EQUITY	<u>2,379,386</u>	<u>821,358</u>	<u>3,200,744</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,498,394</u></u>	<u><u>\$ 891,261</u></u>	<u><u>\$ 3,389,655</u></u>

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

RANGELY JUNIOR COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Construction Maintenance Fund</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 1,139,927	\$ 364,603	\$ 1,504,530
Specific ownership tax	45,240	14,477	59,717
Investment income			
Net increase (decrease) in fair value of investments	(2,699)	(2,699)	(5,398)
Interest earned	<u>5,939</u>	<u>2,757</u>	<u>8,696</u>
TOTAL REVENUES	<u>1,188,407</u>	<u>379,138</u>	<u>1,567,545</u>
EXPENDITURES			
Current operating			
College support	840,325	431,976	1,272,301
Tuition assistance	163,310	-	163,310
Professional services	3,800	-	3,800
Insurance	1,237	-	1,237
Treasurer fees	57,011	-	57,011
Board operations	<u>23,783</u>	<u>-</u>	<u>23,783</u>
TOTAL EXPENDITURES	<u>1,089,466</u>	<u>431,976</u>	<u>1,521,442</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	98,941	(52,838)	46,103
FUND BALANCE - BEGINNING OF YEAR	<u>2,280,445</u>	<u>874,196</u>	<u>3,154,641</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,379,386</u>	<u>\$ 821,358</u>	<u>\$ 3,200,744</u>

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

RANGELY JUNIOR COLLEGE DISTRICT

RECONCILIATION OF THE CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
June 30, 2022

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 46,103

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

During the year, the District forgave a long-term receivable. The funds
were recognized by the fund at the time of actual disbursement.

(374,864)

CHANGE IN NET POSITION

\$ (328,761)

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

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NOTES TO THE FINANCIAL STATEMENTS

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Rangely Junior College District (the District), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

Located in Rangely, Rio Blanco County, Colorado, the District supports the Rangely Campus of the State of Colorado community college system known as Colorado Northwestern Community College by tax levies against property located within the district. The District supports the post-secondary educational needs of Northwestern Colorado by providing tuition assistance for local residents, financial support to new and continuing college programs and accumulation of funds for campus maintenance and capital outlay.

The District is governed by an elected five member Board of Trustees. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District component units. Component units are legally separate entities for which the District 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 District'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 District.

B. 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 non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of 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 customers or applicants 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.

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. 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 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 District 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.

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Governmental Funds

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes and interest income. Expenditures include tuition assistance, operating costs, and capital outlay.

Special Revenue Fund

The Special Revenue Fund is used to account for revenues and expenditures that have to be applied to a specific purpose. The Construction/Maintenance Fund is used to track the tax funds received as a result of Referendum 3A, passed on November 1, 2005. The 1.6 Mill Levy is dedicated to capital construction and facilities maintenance on the buildings and facilities on the CNCC Rangely Campus which are not covered by the State of Colorado.

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

D. Budget and Budgetary Accounting

Revenues and expenditures are controlled by a system of budgetary accounting that is maintained in accordance with the legal requirements of the State of Colorado and the policies and procedures of the Board of Trustees of the District. The budgets are used for accounting and reporting purposes. The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The District's Trustees propose an operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public meetings are conducted to obtain the taxpayers' comments.
3. In June, 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 Fund and Construction/Maintenance Fund.
6. Budget appropriations lapse at the end of each fiscal year.
7. The Trustees certify the mill levy and revenue requirements to the County Commissioners in December of the budget year. The County Commissioners certify the required mill levy.
8. The District Trustees may authorize supplemental appropriations during the year. The District did authorize supplemental appropriations for the fiscal year 2021-2022 for the Special Revenue Fund increasing expenditures by \$60,000.

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Tax Receivable and Reserve for Uncollectable Taxes

Property taxes for 2021, collected in 2022, were levied by the County Commissioners on December 15, 2021. Property taxes attach as an enforceable lien on January 1, 2022. They are due in total April 30, 2022, or in equal installments February 28, 2022, and June 15, 2022, at the option of the taxpayer. The County treasurer remits taxes collected to the District by the 10th day of the month following collection. The amount uncollected at June 30, 2022 is shown as property taxes receivable. The mill levies, assessed valuation and anticipated revenue to be collected are as follows:

	<u>Mill Levy</u>	<u>Assessed Valuation</u>	<u>Anticipated Revenue</u>	<u>Receivable June 30</u>	<u>Uncollectable June 30</u>	<u>Net</u>
General	5.000	<u>\$ 227,219,160</u>	<u>\$1,136,096</u>	<u>\$ 16,956</u>	<u>\$ 9,481</u>	<u>\$ 7,475</u>
Special	1.600	<u>\$ 227,219,160</u>	<u>\$ 363,551</u>	<u>\$ 5,426</u>	<u>\$ 3,034</u>	<u>\$ 2,392</u>

F. Use of Estimates

The presentation 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.

G. Encumbrances

The District does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

NOTE 2– CASH AND INVESTMENTS

The District’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 authorized the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District’s investment policy is not more restrictive than State statutes. The District’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.

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2- CASH AND INVESTMENTS, Continued

Investments held as of June 30, 2022 are as follows:

<u>June 30, 2022</u>	<u>Cost</u>	<u>Market Value</u>
COLOTRUST	\$ 2,437,307	\$ 2,431,901

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust offer shared in three portfolios, COLOTRUST Prime, COLOTRUST Plus+, and COLOTRUST EDGE. COLOTRUST Prime and COLOTRUST Plus+ operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST EDGE is a variable NAV fund managed to approximate a \$10.00 transactional share price, calculated and publishing a fair value NAV on a daily basis. 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 June 30, 2022, the District invested \$2,235,660 in COLOTRUST Plus+ and \$196,248 in COLOTRUST EDGE. The District's investment in the COLOTRUST Plus+ is rated AAAM by S&P Global Ratings and COLOTRUST EDGE is rated AAAs/S1 by FitchRatings.

A summary of cash and investments which are combined on the balance sheet is as follows:

Cash deposits in bank	\$ 871,481
Cash held by county treasurer	<u>76,399</u>
Total cash and cash equivalents	<u>947,880</u>
Colostrust	<u>2,431,908</u>
Total investments	<u>2,431,908</u>
Total cash and investments	\$ <u>3,379,788</u>

NOTE 3 – CONTINGENCIES

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known 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.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2021-2022, \$47,026 of the year-end fund balance in the general fund has been reserved for emergencies.

In 1997, the registered voters of the District voted to allow the district to collect, retain, and expend all revenues and other funds collected in 1997-1998 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 Rangely Junior College District in excess of the limits of Article X, Section 20 of the Colorado Constitution.

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 3 – CONTINGENCIES, Continued

The District's management believes it is in compliance with the provisions 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 4 - RESTRICTED NET POSITION

At the coordinated election held November 1, 2005, the voters of Rio Blanco County voted favorably on the following ballot question:

Shall Rangely Junior College District be allowed to retain the current Ross Hall Mill Levy and dedicate the funds generated to Capital Construction and facilities maintenance on buildings and facilities on the CNCC Rangely Campus, which are not covered by the State of Colorado?

The fund generated by the continuation of the 1.6 mills currently levied will be restricted to any CNCC Rangely maintenance and construction needs within the Rangely Junior College District boundaries.

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claims made against the District and losses incurred by the District are covered by commercial insurance for all major areas. 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 6 – LONG-TERM RECEIVABLE

On May 15, 2014, the District entered into an agreement with Colorado Northwestern Community College to pay the remaining outstanding balance of \$374,864 for the Rector Building remodel. Colorado Northwestern Community College will have 2 years from the date of the agreement to reimburse the District. If the amount is not reimbursed by the due date, the amount still owed will be withheld from the amount given to Colorado Northwestern Community College for the budget year 2016-2017 in the Capital Building and Maintenance Fund. The agreement was amended on May 10, 2016 to extend the due date to May 15, 2018 and if the amount is not reimbursed by the amended due date, the amount still owed will be withheld from the amount given to Colorado Northwestern Community College for the budget year 2018-2019 in the Capital Building and Maintenance Fund. The agreement was amended on May 14, 2018 to extend the due date to May 15, 2020 and if the amount is not reimbursed by the amended due date, the amount still owed will be withheld from the amount given to Colorado Northwestern Community College for the budget year 2020-2021 in the Capital Building and Maintenance Fund. As of June 30, 2022, the Board forgave the liability.

RANGELY JUNIOR COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 7 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2011, the District 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 board establishes (and modifies or rescinds) fund balance commitments as action items in board 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 a 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 for which any could be used.

NOTE 8 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 22, 2022, 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

RANGELY JUNIOR COLLEGE DISTRICT

**BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 2022**

	General Fund			
	Budget		Actual	Variance
	Original	Final		
REVENUES				
General property taxes	\$ 1,218,648	\$ 1,218,648	\$ 1,139,927	\$ (78,721)
Specific ownership tax	35,000	35,000	45,240	10,240
Investment income	-	-	3,240	3,240
TOTAL REVENUES	<u>1,253,648</u>	<u>1,253,648</u>	<u>1,188,407</u>	<u>(65,241)</u>
EXPENDITURES				
Current operating				
College support	904,143	904,143	840,325	63,818
Tuition assistance	230,000	230,000	163,310	66,690
Professional services	8,700	8,700	3,800	4,900
Insurance	1,200	1,200	1,237	(37)
Treasurer fees	60,933	60,933	57,011	3,922
Board operations	43,650	43,650	23,783	19,867
Scholarships	5,000	5,000	-	5,000
TOTAL EXPENDITURES	<u>1,253,626</u>	<u>1,253,626</u>	<u>1,089,466</u>	<u>164,160</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	<u>\$ 22</u>	<u>\$ 22</u>	98,941	<u>\$ 98,919</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,280,445</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,379,386</u>	

Special Revenue Fund

Budget		Actual	Variance
Original	Final		
\$ 389,967	\$ 389,967	\$ 364,603	\$ (25,364)
12,000	12,000	14,477	2,477
-	-	58	58
<u>401,967</u>	<u>401,967</u>	<u>379,138</u>	<u>(22,829)</u>
382,456	442,456	431,976	10,480
-	-	-	-
-	-	-	-
19,499	19,499	-	19,499
-	-	-	-
-	-	-	-
<u>401,955</u>	<u>461,955</u>	<u>431,976</u>	<u>29,979</u>
<u>\$ 12</u>	<u>\$ (59,988)</u>	(52,838)	<u>\$ 7,150</u>
		<u>874,196</u>	
		<u>\$ 821,358</u>	

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