

Town of Carbondale, Colorado

Financial Report

December 31, 2020



**Town of Carbondale, Colorado
Financial Report
December 31, 2020**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A2
Management's Discussion and Analysis	B1 – B8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Statement of Net Position - Proprietary Funds	C7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	C8
Statement of Cash Flows - Proprietary Funds	C9
Notes to the Financial Statements	D1 – D20
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	E1 – E2
Recreation Sales and Use Tax Fund	E3
Sales and Use Tax Fund	E4
Streetscape Fund	E5
Development Dedication Fund	E6

**Town of Carbondale, Colorado
Financial Report
December 31, 2020**

**Table of Contents
(Continued)**

	Page
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	F1
Schedule of Revenues and Expenditures - Budget and Actual - Proprietary Funds:	
Water Fund	F2
Wastewater Fund	F3
Trash Fund	F4
Combining Balance Sheet - Non-major Governmental Funds	F5 – F6
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	F7 – F8
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Non-Major Governmental Funds:	
Conservation Trust Fund	F9
Victims Assistance Fund	F10
CHA Mortgage Fund	F11
Community Enhancement Fund	F12
Lodging Tax Fund	F13
1% of Arts Fund	F14
Efficient Building Fund	F15
Disposable Bag Tax Fund	F16
Bond Fund	F17
Local Highway Finance Report	F18 – F19



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Town Council
Town of Carbondale, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado (the "Town"), as of and for the year ended December 31, 2020, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 of 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
The Honorable Mayor and Town Council
Town of Carbondale, Colorado

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 Carbondale, Colorado as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B 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.

The budgetary comparison information is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Carbondale, Colorado

Management's Discussion and Analysis December 31, 2020

As management of the Town of Carbondale, Colorado (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020.

Financial Highlights

- The 2020 Budget includes a 3% cost of living increase for Town employees.
- Sales and Use tax revenue decreased 0.6% from 2019. Property taxes increased by 12.1% from 2019.
- The Town's governmental fund balances increased \$1,601,860, which includes the General Fund balance increase of \$1,113,348, and the Town's business-type activities increased \$1,889,049.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all Town assets, liabilities, and deferred inflows of resources, with the difference between the three 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.

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 flows in future fiscal periods (i.e. uncollected revenues such as grants or earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, streets, culture and recreation, and affordable housing. The business-type activities of the Town include water distribution and system maintenance, wastewater treatment and trash hauling services.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Overview of the Financial Statements (continued)

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

Proprietary funds: The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater and trash 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 each of the business-type services provided by the Town, which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found in Section C of this report. The Town also presents budgetary comparison for its proprietary funds.

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 in Section D of this report.

Government-wide financial analysis: As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the Town's finances, in a manner similar to a private-sector business.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following graph shows the Town's net position for 2020:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 13,628,877	11,997,453	8,553,126	8,494,530	22,182,003	20,491,983
Capital assets	24,105,372	23,014,981	17,200,932	15,008,043	41,306,304	38,023,024
Total assets	37,734,249	35,012,434	25,754,058	23,502,573	63,488,307	58,515,007
Other liabilities	1,064,803	1,056,091	529,257	166,821	1,594,060	1,222,912
Long-term liabilities outstanding	771,200	951,300	-	-	771,200	951,300
Total liabilities	1,836,003	2,007,391	529,257	166,821	2,365,260	2,174,212
Deferred Inflows of Resources	559,742	552,657	-	-	559,742	552,657
Net Position:						
Net invested in capital assets	23,334,172	22,063,681	17,200,932	15,008,043	40,535,104	37,071,724
Restricted	3,314,139	3,179,816	-	-	3,314,139	3,179,816
Unrestricted	8,690,193	7,208,889	8,023,869	8,327,709	16,714,062	15,536,598
Total net position	\$ 35,338,504	32,452,386	25,224,801	23,335,752	60,563,305	55,788,138

The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 65% of the total assets. The Town uses these assets to provide services to its citizens. The Town's remaining assets are generally available to pay liabilities or fund operations. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The Town's capital assets increased due to purchased capital assets being more than depreciation expense in 2020. Maturity for the Town's 2018 long-term debt issue will be retired in 2024. Additional information regarding the Town's long-term debt can be found in the Notes to the Financial Statements in Section D of this report.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

The following chart provides financial information from the Town's Statement of Activities:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues:						
Charges for services	\$ 1,216,137	1,746,285	3,527,046	2,991,500	4,743,183	4,737,785
Operating grants and contributions	1,127,344	867,760	-	-	1,127,344	867,760
Capital grants and contributions	55,500	416,771	2,088,597	1,204,340	2,144,097	1,621,111
General revenues:						
Property taxes	553,616	493,735	-	-	553,616	493,735
Sales and use taxes	6,485,722	6,527,927	-	-	6,485,722	6,527,927
Other taxes	1,058,796	831,173	-	-	1,058,796	831,173
Interest and other revenue	650,291	491,425	171,689	57,881	821,980	549,306
Total Revenues	<u>11,147,406</u>	<u>11,375,076</u>	<u>5,787,332</u>	<u>4,253,721</u>	<u>16,934,738</u>	<u>15,628,797</u>
EXPENSES:						
General government	2,853,431	1,947,124	-	-	2,853,431	1,947,124
Public safety	2,101,597	2,055,383	-	-	2,101,597	2,055,383
Public works	1,026,217	2,701,698	-	-	1,026,217	2,701,698
Culture and recreation	2,248,690	1,865,336	-	-	2,248,690	1,865,336
Interest	26,211	31,046	-	-	26,211	31,046
Affordable housing	5,142	182,019	-	-	5,142	182,019
Water	-	-	1,766,939	1,871,999	1,766,939	1,871,999
Wastewater	-	-	1,538,716	1,468,936	1,538,716	1,468,936
Trash	-	-	592,628	148,311	592,628	148,311
Total Expenses	<u>8,261,288</u>	<u>8,782,606</u>	<u>3,898,283</u>	<u>3,489,246</u>	<u>12,159,571</u>	<u>12,271,852</u>
Change in Net Position	2,886,118	2,592,470	1,889,049	764,475	4,775,167	3,356,945
Net Position - Beginning	<u>32,452,386</u>	<u>29,859,916</u>	<u>23,335,752</u>	<u>22,571,277</u>	<u>55,788,138</u>	<u>52,431,193</u>
Net Position - Ending	<u>\$ 35,338,504</u>	<u>32,452,386</u>	<u>25,224,801</u>	<u>23,335,752</u>	<u>60,563,305</u>	<u>55,788,138</u>

The following provide additional insight into the above chart:

- Overall, revenues are up compared to 2019.
- Grants and contributions increased in 2020 due to an increase in water and wastewater tap fees and receipt of CARES Act funding.
- Other taxes increased in 2020 due to a new Tobacco Tax effective during 2020.
- Interest and other revenue increase in 2020 due to an increase in reimbursements and donations towards capital outlay expenditures.

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net position by \$2,886,118. Key elements of this change are as follows:

- The Town capitalized \$2,062,205 in fixed asset additions less depreciation expense of \$971,814 during 2020. This was for land acquisitions, and various improvements, equipment, and vehicles.

Business-type activities: Business-type activities increased the Town's net position by \$1,889,049. Key elements of this increase are as follows:

- Assets totaling \$3,215,756 were capitalized less depreciation expense of \$684,805 was recognized between the Water Fund and Wastewater Fund in 2020.
- Tap fee revenues totaling \$1,240,545 and contributed capital totaling \$805,850 were recognized between the Water and Wastewater Funds in 2020.
- The Water Fund had an increase in net position of \$1,167,398, the Wastewater Fund had an increase in net position of \$761,490, and the Trash Fund had a decrease in net position of \$39,839. On a cash basis, the Funds cumulatively decreased their cash and investment holdings by \$272,788.

Financial Analysis of the Town's Funds

As mentioned on page B2 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,359,142; an increase of \$1,601,860 from the prior year's ending fund balances. The following details ending fund balances for the past several years:

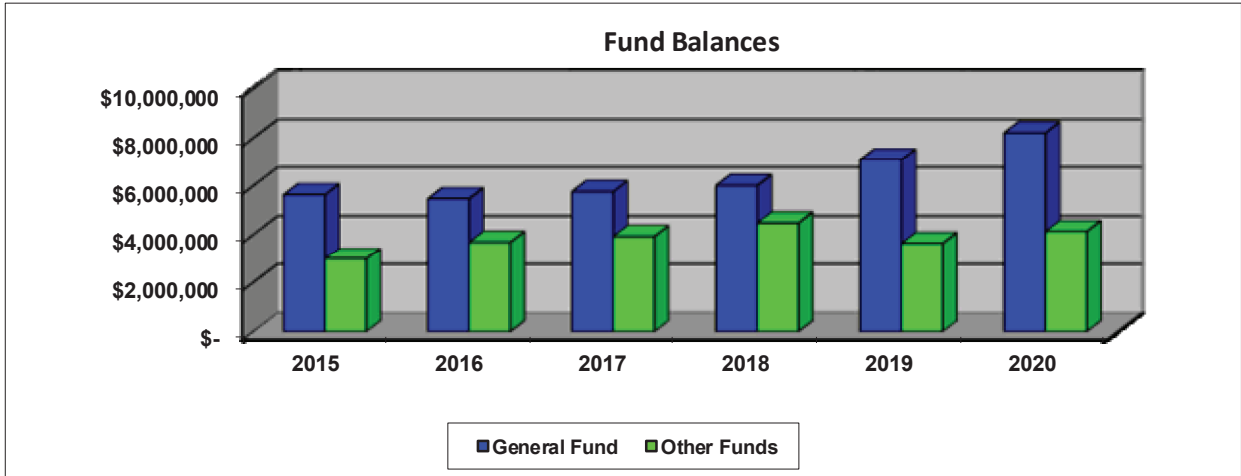
Fund	2015	2016	2017	2018	2019	2020
General	5,638,035	5,473,568	5,764,142	6,014,929	7,108,311	8,221,659
Recreation Sales and Use	996,019	937,617	1,152,124	1,571,632	1,910,234	1,887,682
Sales and Use	447,828	418,665	443,264	769,302	832,858	970,551
Streetscape	662,059	812,704	558,020	730,954	(389,683)	(142,552)
Development Dedication	407,908	312,517	347,421	351,764	455,038	573,064
Capital Projects	(125,427)	533,745	649,014	492,883	323,220	177,108
Other Governmental	592,335	679,285	784,163	569,772	517,304	671,630
Total	\$ 8,618,757	9,168,101	9,698,148	10,501,236	10,757,282	12,359,142

[REST OF PAGE INTENTIONALLY LEFT BLANK]

Financial Analysis of the Town's Funds (continued)

Governmental funds (continued):

As indicated on the table on the previous page, the Recreation Sales and Use Tax Fund and Capital Projects Fund balances decreased while balances increased for other funds. Certain Town fund balances are reduced from the prior year due to projects undertaken in the current year. The following graph is based on the table previously presented:



Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Cash in the Water Fund at the end of the current fiscal year was \$2,704,196. The Wastewater Fund had cash of \$5,301,376.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

Budget variances in the General Fund: The Town's General Fund revenues were over budget by \$1,220,831; General Fund expenditures were under budget by \$634,143. The General Fund's significant budget variances are detailed as follows:

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Reason
Revenues:					
Taxes	794,999	794,999	1,221,505	426,506	Budgeted conservatively
Licenses and permits	208,900	208,900	310,900	102,000	Budgeted conservatively
Intergovernmental	718,664	718,664	1,128,571	409,907	Unbudgeted CARES Act funding
Other	211,700	211,700	587,043	375,343	Budgeted conservatively
Expenditures:					
Attorney	145,000	145,000	242,446	(97,446)	Unbudgeted developer receivable write-offs
Trustees	158,134	158,134	260,475	(102,341)	Unbudgeted CARES Act funds disbursed
Administrative services	486,100	486,100	374,604	111,496	Budgeted conservatively
Finance and records	420,718	420,718	357,593	63,125	Budgeted conservatively
Building operations	147,235	147,235	90,437	56,798	Projects postponed
Police department	1,952,396	1,952,396	1,835,031	117,365	Budgeted conservatively
Streets, alleys, snow removal	952,107	952,107	790,440	161,667	Projects postponed
Public works administration	232,958	232,958	307,005	(74,047)	Unbudgeted engineering fees and manuals
Recreation	440,429	531,929	438,132	93,797	Savings due to closure
Parks and cemetery	554,915	554,915	607,005	(52,090)	Unbudgeted playground equipment upgrades
Community affairs	70,000	754,500	472,743	281,757	Budgeted contingency for pandemic

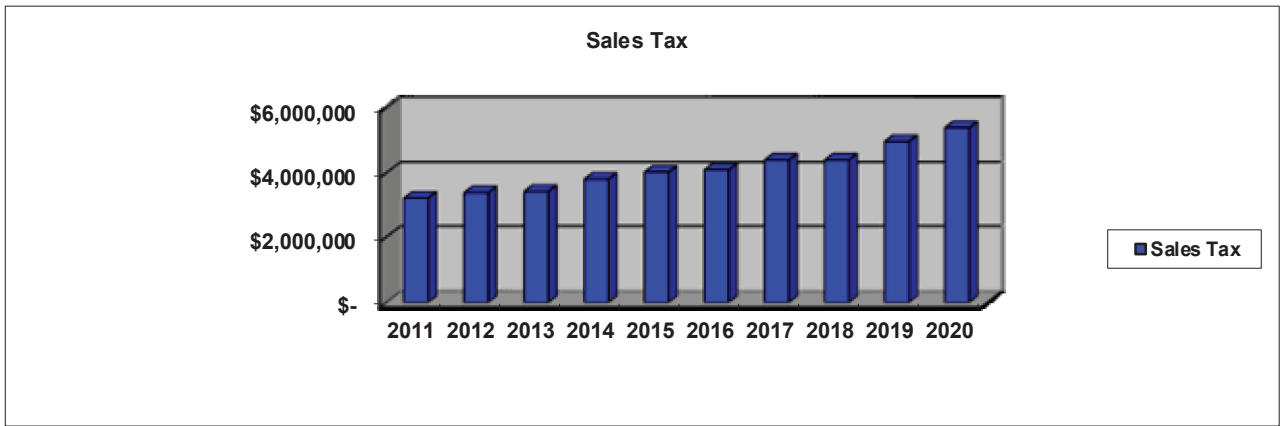
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Financial Analysis of the Town's Funds (continued)

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to capital expenditures exceeding depreciation. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements in Section D of this report.

Long-term debt: As of the end of the current fiscal year, the Town had \$1,202,295 in long-term debt. Additional information regarding the Town's debt can be found in the Notes to the Financial Statements in Section D of this report.

Sales tax: The Town has a 3.5% sales tax that is used to fund its governmental operations. One half percent of the tax is dedicated to recreation expenditures. Sales tax revenues increased from 2019 by approximately 8.5%. The following chart indicates changes in the sales tax:



Next year's budget and rates: The Town's General Fund balance at the end of fiscal year 2020 was \$8,221,659. In the 2021 budget, the Town anticipates reducing accumulated fund balance by approximately \$474,808.

Other information: Budgeted for 2021 include:

- Approx. 1.3% increase in Property Taxes;
- Approx. 0.5% increase in Sales Tax;
- A 3% wage increase for full time employees;
- Transfer to Capital Construction Fund of \$625,000

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Carbondale, Finance Department, 511 Colorado Ave., Carbondale, Colorado 81623.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Carbondale, Colorado
Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments - Unrestricted	11,765,865	8,005,572	19,771,437
Cash and investments - Restricted	105,669	-	105,669
Receivables, net:			
Taxes	559,742	-	559,742
Accounts	-	642,252	642,252
Other	391,471	-	391,471
Intergovernmental	633,856	-	633,856
Internal balances	94,698	(94,698)	-
Prepaid expenses	74,319	-	74,319
Inventories	3,257	-	3,257
Capital assets, net	24,105,372	17,200,932	41,306,304
Total Assets	<u>37,734,249</u>	<u>25,754,058</u>	<u>63,488,307</u>
Liabilities:			
Accounts payable	149,244	435,529	584,773
Other liabilities	560,749	15,676	576,425
Compensated absences	353,043	78,052	431,095
Accrued interest	1,767	-	1,767
Bonded debt payable:			
Due within one year	185,000	-	185,000
Due in more than one year	586,200	-	586,200
Total Liabilities	<u>1,836,003</u>	<u>529,257</u>	<u>2,365,260</u>
Deferred Inflows of Resources:			
Unavailable property tax revenue	559,742	-	559,742
Total Deferred Inflows of Resources	<u>559,742</u>	<u>-</u>	<u>559,742</u>
Net Position:			
Net invested in capital assets	23,334,172	17,200,932	40,535,104
Restricted for other purposes	3,314,139	-	3,314,139
Unrestricted	8,690,193	8,023,869	16,714,062
Total Net Position	<u>35,338,504</u>	<u>25,224,801</u>	<u>60,563,305</u>

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

Town of Carbondale, Colorado
Statement of Activities
For the Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:						
Governmental activities:						
General government	2,853,431	766,614	500	(1,229,095)	-	(1,229,095)
Public safety	2,101,597	-	-	(2,051,129)	-	(2,051,129)
Public works	1,026,217	276,473	30,000	(719,744)	-	(719,744)
Culture and recreation	2,248,690	83,082	25,000	(1,906,604)	-	(1,906,604)
Affordable housing	5,142	1,175	-	70,476	-	70,476
Interest on long-term debt	26,211	-	-	(26,211)	-	(26,211)
Total governmental activities	8,261,288	1,127,344	55,500	(5,862,307)	-	(5,862,307)
Business-type activities:						
Water	1,766,939	-	1,238,436	-	1,021,864	1,021,864
Wastewater	1,538,716	-	850,161	-	735,336	735,336
Trash	592,628	-	-	-	(39,840)	(39,840)
Total business-type activities	3,898,283	-	2,088,597	-	1,717,360	1,717,360
Total	12,159,571	1,127,344	2,144,097	(5,862,307)	1,717,360	(4,144,947)
General revenues:						
Taxes:						
Property tax, levied for general purposes				553,616	-	553,616
Specific ownership tax				36,323	-	36,323
Sales and use tax				6,485,722	-	6,485,722
Franchise tax				285,612	-	285,612
Lodging Tax				114,805	-	114,805
Other miscellaneous taxes				622,056	-	622,056
Investment earnings				62,996	34,139	97,135
Miscellaneous				587,295	137,550	724,845
Total general revenues and special items				8,748,425	171,689	8,920,114
Change in Net Position				2,886,118	1,889,049	4,775,167
Net Position - Beginning				32,452,386	23,335,752	55,788,138
Net Position - Ending				35,338,504	25,224,801	60,563,305

The accompanying notes are an integral part of these financial statements.
C2

FUND FINANCIAL STATEMENTS



Town of Carbondale, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedication	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments - Unrestricted	8,183,818	1,781,594	358,407	-	573,064	189,508	679,474	11,765,865
Cash and investments - Restricted	105,669	-	-	-	-	-	-	105,669
Receivables, net of allowance for uncollectibles	252,447	128,962	-	-	-	-	10,062	391,471
Due from other governments	-	-	632,463	1,393	-	-	-	633,856
Due from other funds	258,643	-	-	-	-	-	-	258,643
Property tax receivable	326,127	-	-	233,615	-	-	-	559,742
Prepaid expenses	74,319	-	-	-	-	-	-	74,319
Inventory	3,257	-	-	-	-	-	-	3,257
Total Assets	9,204,280	1,910,556	990,870	235,008	573,064	189,508	689,536	13,792,822
Liabilities:								
Accounts/vouchers payable	107,418	18,151	319	-	-	12,400	10,956	149,244
Other liabilities	549,076	4,723	-	-	-	-	6,950	560,749
Due to other funds	-	-	20,000	143,945	-	-	-	163,945
Total Liabilities	656,494	22,874	20,319	143,945	-	12,400	17,906	873,938
Deferred Inflows of Resources:								
Unavailable property tax revenue	326,127	-	-	233,615	-	-	-	559,742
Total Deferred Inflows of Resources	326,127	-	-	233,615	-	-	-	559,742
Fund Balance:								
Nonspendable	129,595	-	-	-	-	-	-	129,595
Restricted	272,672	1,887,682	970,551	-	-	-	183,234	3,314,139
Committed	40,700	-	-	-	573,064	-	494,264	1,108,028
Assigned	200,304	-	-	-	-	177,108	-	377,412
Unassigned	7,578,388	-	-	(142,552)	-	-	(5,868)	7,429,968
Total Fund Balance	8,221,659	1,887,682	970,551	(142,552)	573,064	177,108	671,630	12,359,142
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	9,204,280	1,910,556	990,870	235,008	573,064	189,508	689,536	13,792,822

Town of Carbondale, Colorado
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Governmental Funds Total Fund Balance	12,359,142
---------------------------------------	------------

Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Details of these amounts are as follows:

Capital asset	37,872,933	
Accumulated depreciation	<u>(13,767,561)</u>	
		24,105,372

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of Town long-term liabilities. Details of these amounts are as follows:

Accrued interest payable	(1,767)	
Bonded debt	(771,200)	
Compensated absences	<u>(353,043)</u>	
		<u>(1,126,010)</u>

Governmental Activities Net Position	<u><u>35,338,504</u></u>
--------------------------------------	--------------------------

Town of Carbondale, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedication	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	1,221,505	899,766	5,389,846	246,217	-	-	144,688	7,902,022
Licenses, permits, and fees	310,900	-	-	-	115,373	-	-	426,273
Intergovernmental revenue	1,128,571	25,000	-	-	-	30,000	72,257	1,255,828
Charges for services	182,109	116,024	-	-	-	-	-	298,133
Fines and forfeitures	42,729	-	-	-	-	-	7,740	50,469
Investment income	39,702	11,747	-	5,535	2,653	3,245	114	62,996
Miscellaneous	1,062,263	7,484	-	-	-	-	81,939	1,151,686
Total Revenues	3,987,779	1,060,021	5,389,846	251,752	118,026	33,245	306,738	11,147,407
Expenditures:								
General government	2,585,190	-	9,253	-	-	-	33,792	2,628,235
Public safety	2,168,897	-	-	-	-	-	13,051	2,181,948
Public works	1,097,444	-	-	4,621	-	779,357	2,000	1,883,422
Culture and recreation	1,615,800	875,023	-	-	-	-	154,394	2,645,217
Debt service:								
Principal	-	-	-	-	-	-	180,100	180,100
Interest	-	-	-	-	-	-	26,625	26,625
Total Expenditures	7,467,331	875,023	9,253	4,621	-	779,357	409,962	9,545,547
Excess (Deficiency) of Revenues Over Expenditures	(3,479,552)	184,998	5,380,593	247,131	118,026	(746,112)	(103,224)	1,601,860
Other Financing Sources (Uses):								
Operating transfers in	5,242,900	-	-	-	-	600,000	257,550	6,100,450
Operating transfers (out)	(650,000)	(207,550)	(5,242,900)	-	-	-	-	(6,100,450)
Total Other Financing Sources (Uses)	4,592,900	(207,550)	(5,242,900)	-	-	600,000	257,550	-
Net Change in Fund Balance	1,113,348	(22,552)	137,693	247,131	118,026	(146,112)	154,326	1,601,860
Fund Balance - Beginning (Deficit)	7,108,311	1,910,234	832,858	(389,683)	455,038	323,220	517,304	10,757,282
Fund Balance - Ending (Deficit)	8,221,659	1,887,682	970,551	(142,552)	573,064	177,108	671,630	12,359,142

The accompanying notes are an integral part of these financial statements.
C5

Town of Carbondale, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
December 31, 2020

Governmental Funds Changes in Fund Balances (Deficit)	1,601,860
---	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount of capital outlay and depreciation are as follows:

Capital additions	2,062,205	
Depreciation expense	<u>(971,814)</u>	
		1,090,391

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal on bonds	180,100	
Adjustments to current year interest	<u>413</u>	
		180,513

Changes in the Town employees' accrued compensated absences are considered changes in long-term liabilities. This is the change in accrued compensated absences during the year.	<u>13,354</u>
--	---------------

Governmental Activities Change in Net Position	<u><u>2,886,118</u></u>
--	-------------------------

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

Town of Carbondale, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Trash Fund</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and investments	2,704,196	5,301,376	-	8,005,572
Accounts receivable, net of allowance for uncollectibles	180,721	402,279	59,252	642,252
Total current assets	<u>2,884,917</u>	<u>5,703,655</u>	<u>59,252</u>	<u>8,647,824</u>
Non-current assets:				
Land	51,048	133,391	-	184,439
Plant and system	14,963,181	12,821,935	-	27,785,116
Building and improvements	391,052	431,693	-	822,745
Machinery and equipment	568,610	1,211,808	-	1,780,418
Water rights	356,945	-	-	356,945
Construction in progress	524,072	1,621,772	-	2,145,844
Accumulated depreciation	(6,547,970)	(9,326,605)	-	(15,874,575)
Total non-current assets	<u>10,306,938</u>	<u>6,893,994</u>	<u>-</u>	<u>17,200,932</u>
Total Assets	<u>13,191,855</u>	<u>12,597,649</u>	<u>59,252</u>	<u>25,848,756</u>
Liabilities:				
Current liabilities:				
Accounts/vouchers payable	168,608	218,363	48,558	435,529
Other liabilities	15,676	-	-	15,676
Due to other funds	-	-	94,698	94,698
Total current liabilities	<u>184,284</u>	<u>218,363</u>	<u>143,256</u>	<u>545,903</u>
Long-term liabilities:				
Accrued compensated absences	25,757	52,295	-	78,052
Total long-term liabilities	<u>25,757</u>	<u>52,295</u>	<u>-</u>	<u>78,052</u>
Total Liabilities	<u>210,041</u>	<u>270,658</u>	<u>143,256</u>	<u>623,955</u>
Net Position:				
Net invested in capital assets	10,306,938	6,893,994	-	17,200,932
Unrestricted	2,674,876	5,432,997	(84,004)	8,023,869
Total Net Position	<u>12,981,814</u>	<u>12,326,991</u>	<u>(84,004)</u>	<u>25,224,801</u>

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

Town of Carbondale, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Trash Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services:				
Service fees	1,522,397	1,361,273	552,788	3,436,458
Sale of meters	38,813	-	-	38,813
Other revenues:				
Penalty assessments	(14,026)	-	-	(14,026)
Miscellaneous	43,574	64,430	-	108,004
Total Operating Revenues	<u>1,590,758</u>	<u>1,425,703</u>	<u>552,788</u>	<u>3,569,249</u>
Operating Expenses:				
Operations and maintenance	422,811	377,087	545,523	1,345,421
Personnel costs	542,823	497,907	31,505	1,072,235
Administration	465,481	231,734	15,599	712,814
Depreciation	335,824	348,981	-	684,805
Total Operating Expenses	<u>1,766,939</u>	<u>1,455,709</u>	<u>592,627</u>	<u>3,815,275</u>
Operating (Loss)	<u>(176,181)</u>	<u>(30,006)</u>	<u>(39,839)</u>	<u>(246,026)</u>
Non-operating Revenue (Expenses):				
Investment income	7,986	26,153	-	34,139
Grants	137,548	-	-	137,548
Gain (loss) on disposal of capital assets	-	(83,007)	-	(83,007)
Total Non-operating Revenue (Expenses)	<u>145,534</u>	<u>(56,854)</u>	<u>-</u>	<u>88,680</u>
(Loss) Before Contributions and Transfers	<u>(30,647)</u>	<u>(86,860)</u>	<u>(39,839)</u>	<u>(157,346)</u>
Capital contributions, and tap fees	<u>1,198,045</u>	<u>848,350</u>	<u>-</u>	<u>2,046,395</u>
Change in Net Position	1,167,398	761,490	(39,839)	1,889,049
Total Net Position - Beginning (Deficit)	11,814,416	11,565,501	(44,165)	23,335,752
Total Net Position - Ending (Deficit)	<u><u>12,981,814</u></u>	<u><u>12,326,991</u></u>	<u><u>(84,004)</u></u>	<u><u>25,224,801</u></u>

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

Town of Carbondale, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Trash Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:				
Cash received from customers and others	1,472,447	1,082,429	532,903	3,087,779
Cash paid for goods, services and employees	(1,298,193)	(895,329)	(627,601)	(2,821,123)
Transfers	-	-	94,698	94,698
Other cash receipts	43,574	64,430	-	108,004
Net Cash Provided (Used) by Operating Activities	<u>217,828</u>	<u>251,530</u>	<u>-</u>	<u>469,358</u>
Cash Flows From Capital Financing Activities:				
Proceeds from tap and meter sales	729,418	511,600	-	1,241,018
Acquisition of capital assets	(674,392)	(1,735,514)	-	(2,409,906)
Proceeds from capital grants	137,548	-	-	137,548
Proceeds from the sale of assets	-	255,055	-	255,055
Net Cash Provided (Used) by Capital Financing Activities	<u>192,574</u>	<u>(968,859)</u>	<u>-</u>	<u>(776,285)</u>
Cash Flows From Investing Activities				
Interest received	7,986	26,153	-	34,139
Net Cash Provided by Investing Activities	<u>7,986</u>	<u>26,153</u>	<u>-</u>	<u>34,139</u>
Net Increase (Decrease) in Cash and Cash Equivalents	418,388	(691,176)	-	(272,788)
Cash and Cash Equivalents - Beginning	<u>2,285,808</u>	<u>5,992,552</u>	<u>-</u>	<u>8,278,360</u>
Cash and Cash Equivalents - Ending	<u><u>2,704,196</u></u>	<u><u>5,301,376</u></u>	<u><u>-</u></u>	<u><u>8,005,572</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating (loss)	(176,181)	(30,006)	(39,839)	(246,026)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation expense	335,824	348,981	-	684,805
(Increase) decrease in operating accounts receivable	(74,737)	(278,844)	(19,885)	(373,466)
Increase (decrease) in other liabilities	127,552	200,495	(34,974)	293,073
Increase (decrease) in compensated absences	5,370	10,904	-	16,274
Transfers	-	-	94,698	94,698
Total Adjustments	<u>394,009</u>	<u>281,536</u>	<u>39,839</u>	<u>715,384</u>
Net Cash Provided (Used) by Operating Activities	<u><u>217,828</u></u>	<u><u>251,530</u></u>	<u><u>-</u></u>	<u><u>469,358</u></u>
Noncash Investing, Capital and Financing Activities:				
Contributed capital assets	469,100	336,750	-	805,850
Total Noncash Investing, Capital and Financing Activities:	<u>469,100</u>	<u>336,750</u>	<u>-</u>	<u>805,850</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020

I. Summary of Significant Accounting Policies

The Town of Carbondale, Colorado (the "Town") is incorporated as a home rule municipality under Colorado statutes to provide public safety, highways and streets, water, sewer and trash service, culture-recreation, public health improvements, planning and zoning, and general administrative services. The Town is located in Garfield County, Colorado and operates under a Board of Trustees-Manager form of government.

An elected Mayor and Board of Trustees are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include water and sewer operations, road maintenance, police services, and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

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

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The Town's utilities, water, sewer and trash service, are classified as business activities.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts—net invested in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

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

The *Recreation Sales and Use Tax Fund* - accounts for a ½ cent sales and use tax which is restricted for recreation purposes and for repayment of long-term debt. The Recreation Sales and Use Tax Fund is considered a special revenue fund.

The *Sales and Use Tax Fund* - accounts for the 3% sales and use tax revenues. The Sales and Use Tax Fund is presented as a special revenue fund because the revenues are derived from specific sales and use taxes and the expenditures involving not only various capital projects, but specific functions, activities, and debt service of the Town.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The *Streetscape Fund* - accounts for a 1.5 mill ad valorem tax restricted to public streetscape improvements within the Town, including expanded downtown parking, pedestrian safety and street lights and beautification.

The *Development Dedication Fund* - accounts for revenue received from developers for new construction. It is based on a dollar value per square foot and assessed at time of building permit. This fee applies to all new annexations. Also represented in this fund is revenue derived from park dedication fees associated with new development.

The *Capital Projects Fund* - accounts for capital construction costs incurred by the Town.

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

The *Water Fund* - accounts for the purchase and delivery of water to the citizens of the Town. The water fund also maintains the infrastructure needed to provide water service.

The *Wastewater Fund* - accounts for activities related to the sewage treatment facilities and sewage transmission lines.

The *Trash Fund* – accounts for activities related to the trash hauling services to the citizens of the Town.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

Colorado statutes specify instruments in which local governments may invest, including:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 60 months)
- Prime Commercial Paper (maximum maturity of 60 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Restricted Assets

Certain deposits and investments held by the Town are classified as restricted assets on the balance sheet because their use is limited to TRIDENT purposes.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. Uncollectible amounts are charged off when management determines that the receivable will not be collected.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2002), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15 - 30
Buildings and improvements	15 - 40
Distribution systems	40 - 60
Equipment and vehicles	5 - 8

6. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements.

7. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category. Unavailable property tax revenue is reported in both the government-wide statement of net position and the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

8. Categories and Classification of Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Town classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Categories and Classification of Fund Balance (continued)

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Trustees. The Town's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Trustees platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of a preliminary budget. The Budget is then formally presented to the Board of Trustees via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after the Board of Trustees approval, must be presented via a public process and again approval by the Board of Trustees.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the Board of Trustees or its management designee.

Unassigned – includes residual positive fund balance within a general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The Town does not have a formal minimum fund balance policy.

In addition to the above note disclosure, GASB 54 requires disclosure of the following fund definitions:

General Fund:

The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Categories and Classification of Fund Balance (continued)

Special Revenue Funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds:

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Funds:

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Comparative Data

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2020.

- (1) For the 2020 budget year, prior to August 25, 2019, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
- (2) The Town Manager, or other qualified person appointed by the Board of Trustees, submitted to the Board of Trustees, on or before October 15, 2019, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Prior to December 15, 2019, a public hearing was held for the budget, the Board of Trustees certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board of Trustees adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

During the year, supplemental appropriations were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. As a result of the supplementary budget appropriations, the 2020 appropriations were increased as follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General Fund	\$ 7,951,474	8,751,474
Sales and Use Tax Fund	4,735,533	5,235,533
Capital Projects Fund	738,000	861,000
Trash Fund	562,383	587,383
Disposable Bag Fee Fund	25,500	30,500

The Town's Trash Fund and Bond Fund had expenditures in excess of appropriations.

B. TABOR Amendment

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 that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

In 2002 the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR's restrictions.

The Town's management believes it is in compliance with the financial 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds

A. Cash and Investments

The Town has adopted, by resolution, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the Town may invest in U.S. Treasury obligations, federal agency securities, federal instrumentality securities, repurchase agreements, commercial paper, general obligation debt, revenue obligation debt, local government investment pools including 2a7-like pools, money market funds and time certificates of deposit subject to policy requirements.

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's deposits was \$12,338,718.

At year end, the Town had the following deposits and investment:

<u>Type</u>	<u>Standard & Poor's Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Petty cash	Not Rated	\$ 795	-	-
Checking	Not Rated	352,894	-	-
Certificates of deposit	Not Rated	2,126,995	2,126,995	-
Savings and money market	Not Rated	9,858,829	-	-
<i>Investments</i>				
COLOTRUST	AAAm	4,435,351	-	-
CSAFE	AAAm	3,102,242	-	-
		<u>\$ 19,877,106</u>	<u>2,126,995</u>	<u>-</u>

The Town had the following recurring measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
COLOTRUST	\$ 4,435,351
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
CSAFE	\$ 3,102,242

The Town has invested in Colorado Government Liquid Asset Trust ("COLOTRUST") and Colorado Surplus Asset Fund Trust ("CSAFE"), which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. The local government investment pools are measured at the net asset valuation and amortized cost, respectively. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

A. Cash and Investments (continued)

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the Town has limited its interest rate risk.

Credit Risk: State law and Town policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would expect to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk: The Town places a forty percent (40%) limit in which the Town may invest in any one issuer. The asset allocation in a portfolio is flexible depending on the outlook for the economy, the securities market and the Town's anticipated cash flow needs.

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Recreation Sales and Use Tax</u>	<u>Sales and Use Tax</u>	<u>Streetscape</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:						
Taxes	\$ 326,127	-	-	233,615	-	559,742
Other	252,447	128,962	-	-	9,757	391,166
Intergovernmental	-	-	632,463	1,393	305	634,161
Net receivables	<u>\$ 578,574</u>	<u>128,962</u>	<u>632,463</u>	<u>235,008</u>	<u>10,062</u>	<u>1,585,069</u>
				<u>Total Business Funds</u>		
Receivables:						
Accounts	180,721	402,279	59,252	642,252		
Net receivables	<u>180,721</u>	<u>402,279</u>	<u>59,252</u>	<u>642,252</u>		

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$559,742 of unearned revenue for property taxes levied in 2020 but not available until 2021.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 6,484,829	-	-	6,484,829
Construction in progress	48,208	6,963	-	55,171
Total capital assets, not being depreciated	<u>6,533,037</u>	<u>6,963</u>	<u>-</u>	<u>6,540,000</u>
Capital assets, being depreciated:				
Infrastructure	10,381,260	1,094,000	-	11,475,260
Buildings	10,437,112	26,500	-	10,463,612
Improvements other than buildings	4,355,136	249,349	-	4,604,485
Vehicles	1,617,737	89,038	-	1,706,775
Equipment	2,570,425	596,355	(83,979)	3,082,801
Total capital assets being depreciated	<u>29,361,670</u>	<u>2,055,242</u>	<u>(83,979)</u>	<u>31,332,933</u>
Less accumulated depreciation for:				
Infrastructure	(3,365,231)	(369,936)	-	(3,735,167)
Buildings	(3,554,585)	(265,362)	-	(3,819,947)
Improvements other than buildings	(2,903,284)	(104,705)	-	(3,007,989)
Vehicles	(1,113,602)	(118,249)	-	(1,231,851)
Equipment	(1,943,024)	(113,562)	83,979	(1,972,607)
Total accumulated depreciation	<u>(12,879,726)</u>	<u>(971,814)</u>	<u>83,979</u>	<u>(13,767,561)</u>
Total capital assets, being depreciated, net	<u>16,481,944</u>	<u>1,083,428</u>	<u>-</u>	<u>17,565,372</u>
Governmental activities capital assets, net	<u><u>\$ 23,014,981</u></u>	<u><u>1,090,391</u></u>	<u><u>-</u></u>	<u><u>24,105,372</u></u>

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

C. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 184,439	-	-	184,439
Water rights	356,945	-	-	356,945
Construction in progress	19,905	2,125,939	-	2,145,844
Total capital assets, not being depreciated	<u>561,289</u>	<u>2,125,939</u>	<u>-</u>	<u>2,687,228</u>
Capital assets, being depreciated:				
Water/wastewater system and improvements	26,896,681	942,333	(53,898)	27,785,116
Buildings and improvements	911,125	-	(88,380)	822,745
Equipment	2,214,466	147,484	(581,532)	1,780,418
Total capital assets being depreciated	<u>30,022,272</u>	<u>1,089,817</u>	<u>(723,810)</u>	<u>30,388,279</u>
Less accumulated depreciation for:				
Water/wastewater system and improvements	(13,878,899)	(510,025)	53,889	(14,335,035)
Buildings and improvements	(462,760)	(30,573)	73,210	(420,123)
Equipment	(1,233,859)	(144,207)	258,649	(1,119,417)
Total accumulated depreciation	<u>(15,575,518)</u>	<u>(684,805)</u>	<u>385,748</u>	<u>(15,874,575)</u>
Total capital assets, being depreciated, net	<u>14,446,754</u>	<u>405,012</u>	<u>(338,062)</u>	<u>14,513,704</u>
Business-type activities capital assets, net	<u>\$ 15,008,043</u>	<u>2,530,951</u>	<u>(338,062)</u>	<u>17,200,932</u>

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
Governmental activities:		
General government	\$ 221,460	318,749
Public safety	61,723	57,044
Public works, including infrastructure	1,210,725	339,855
Culture and recreation	568,297	256,166
Total - governmental activities	<u>\$ 2,062,205</u>	<u>971,814</u>
Business-type activities:		
Water	\$ 1,143,492	335,824
Wastewater	2,072,264	348,981
Total - business-type activities	<u>\$ 3,215,756</u>	<u>684,805</u>

Any difference between capital outlay and additions to the business-type activity funds generally consists of contributed assets. Contributions of assets largely consist of assets provided by developers upon annexation.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

D. Interfund Receivables, Payables, and Transfers

The Town had the following interfund receivables or payables as of December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 258,643	-
Streetscape Capital Fund	-	143,945
Sales and Use Tax Fund	-	20,000
Trash Fund	-	94,698
Total	<u>\$ 258,643</u>	<u>258,643</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Transfers were as follows:

<u>Fund In (Out)</u>	<u>Amount</u>	<u>Reason</u>
General / (Sales and Use Tax)	\$ 5,242,900	Operating transfer
Capital Projects / (General)	600,000	To increase fund balance for Capital Projects
CHA Mortgage Fund / (General)	50,000	Affordable housing acquisition
Bond Fund / (Recreation Sales and Use Tax)	207,550	Debt service for ANB Bank Loan

E. Long-term Debt

1. ANB Bank Loan

On July 25, 2018, the Town issued a bank loan with ANB. The loan proceeds were used to redeem the Recreation Sales and Use Tax Series 2004 and 2006 Bonds and cover loan issuance costs. Interest is payable semi-annually on June 1 and December 1 at 2.75%. Principal payments are made December 1. The loan requires debt service payments through 2024.

2. Schedule of Future Payment

The Town's annual debt service is as follows:

<u>Year</u>	ANB Bank Loan		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 185,000	21,208	206,208
2022	190,100	16,121	206,221
2023	195,400	10,893	206,293
2024	200,700	5,519	206,219
Bonds outstanding	<u>\$ 771,200</u>	<u>53,741</u>	<u>824,941</u>

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

E. Long-term Debt (continued)

3. Compensated Absences

The Town has a policy for the accumulation of sick pay, vacation pay and compensatory time up to certain limits. Earned vacation pay accrues on a graduated scale from the date of employment and must be used within 12 months of the date of accrual. Upon retirement, an employee's accrued sick leave may be converted to monetary payment based upon the following scale:

<u>Length of Employment</u>	<u>Percentage Payment</u>
0 - 9 years	25%
10 - 14 years	33%
Over 15 years	50%

The estimated liability for accrued leave for the Water, Wastewater and Trash Fund employees is recorded on that fund's financial statements; the estimated liability for all other employees is recorded in governmental activities in the Statement of Net Position.

4. Changes in the Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance 12/31/20</u>	<u>Due in One Year</u>
Governmental Activities:					
ANB Bank Loan	\$ 951,300	-	(180,100)	771,200	185,000
Compensated absences	366,397	-	(13,354)	353,043	10,591
Business-Type Activities:					
Compensated absences	61,778	16,274	-	78,052	2,342
Total	<u>\$ 1,379,475</u>	<u>16,274</u>	<u>(193,454)</u>	<u>1,202,295</u>	<u>197,933</u>

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on all Funds (continued)

F. Fund Balance

Fund balance classifications are reported in the aggregate on the face of the balance sheet. The components of each classification are as follows:

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedication	Capital Projects	Conservation Trust	Victims Assistance
Nonspendable:								
Prepaid expenses	\$ 74,319	-	-	-	-	-	-	-
Inventory	3,257	-	-	-	-	-	-	-
Economic development	52,019	-	-	-	-	-	-	-
Total Nonspendable:	129,595	-	-	-	-	-	-	-
Restricted:								
Constitutionally required emergency reserve								
	248,000	-	-	-	-	-	-	-
Capital projects	-	-	970,551	-	-	-	-	-
Culture and recreation	-	1,887,682	-	-	-	-	130,284	-
Tree funding	24,672	-	-	-	-	-	-	-
Total Restricted:	272,672	1,887,682	970,551	-	-	-	130,284	-
Committed:								
General operating	-	-	-	-	573,064	-	-	-
Parking	40,700	-	-	-	-	-	-	-
Total Committed:	40,700	-	-	-	573,064	-	-	-
Assigned:								
Town Manger contract	75,225	-	-	-	-	-	-	-
Economic development	125,079	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	177,108	-	-
Total Assigned:	200,304	-	-	-	-	177,108	-	-
	CHA Mortgage	Community Enhancement	Lodging Tax	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	
Restricted:								
Culture and recreation	-	35,854	10,235	-	-	-	-	-
Debt service	-	-	-	-	-	-	6,861	-
Total Restricted:	-	35,854	10,235	-	-	-	6,861	-
Committed:								
Community enhancement	-	-	-	19,654	-	-	-	-
Affordable housing	456,950	-	-	-	-	-	-	-
Efficient building	-	-	-	-	22,018	-	-	-
Total Committed:	456,950	-	-	19,654	22,018	-	-	-

As of December 31, 2020, the Streetscape Fund, Victims Assistance Fund and Disposable Bag Tax Fund had deficit fund balances of \$142,552, \$5,868 and \$4,358, respectively. In Business-type activities, the Trash Fund had a deficit fund balance of \$84,004.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information

A. Benefits

The Town has established three contributory benefit plans as follows.

1. Contributory Pension Plan - IRC Section 401(a)

The Town established a defined contribution pension plan for all full-time employees. The plan is administered and invested by AXA Equitable Life Insurance Company.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All full time Town employees are eligible to participate in this plan. Eligibility is at the date of employment.

The Town contributes 5% of the employees' compensation to this plan. The Town's contributions vest 40% after two years, the vesting percentage increases 20% each year thereafter, and becomes fully vested after five years. Forfeitures may first be used to pay administrative expenses of the plan, with any remainder being applied to reduce the Town's contributions. Forfeitures during 2020 totaled \$124,706. The Town has no liability under the plan beyond the requirement to make the aforementioned contributions.

The Town's current year covered payroll was \$3,929,105 and current year total payroll was \$4,358,955. For 2020, the Town's required and actual contributions to the plan were \$71,749.

2. Deferred Compensation Plan - IRC Section 457

The Town offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The plan is a defined contribution plan and the Town has no liability for losses under the plan and is only liable to pay the value of benefits credited to a participant. The Town previously matched employee contributions up to 2% of the employees' wages. The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$7,500 or 33% of the participant's includible compensation for the taxable year. The Town does not administer the plan; therefore, it is not presented in the Town's financial statements.

Due to economic conditions, the Town indefinitely suspended all matching contributions to the plan on January 1, 2010. Reinstatement of the matching contributions will be considered in future budgets. The Town may at any time amend this plan.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information (continued)

A. Benefits (continued)

3. Police Pension 401(a) Plan

The Town's police department is covered by a defined contribution plan allowed under I.R.C. 401(a). The plan is administered and invested by AXA Equitable Life Insurance Company.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Eligibility is at the date of employment.

Employees contribute 8% and the Town contributes 8% of the employee's annual salary. Employee contributions are 100% vested when paid. The Town's contributions vest 20% after one year, the vesting percentage increases 20% each year thereafter, and becomes fully vested after five years. Forfeitures may first be used to pay administrative expenses of the plan, with any remainder being applied to reduce the Town's contributions. Forfeitures during 2020 totaled \$35,322. The Town has no liability under the plan beyond the requirement to make the aforementioned contributions.

The Town's current year covered payroll was \$1,197,862 and current year total payroll was \$1,273,344. For 2020, the Town's required and actual contributions to the plan were \$60,507.

B. Commitments and Contingencies - Landfill

The Town stopped accepting waste at its landfill in 1993 and substantially completed closure in 1995. Due to the Town's landfill being closed, it is not subject to certain state and federal requirements. However, state and federal laws and regulations did require that the Town place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. No future costs associated with the Landfill are anticipated.

C. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Town is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Town joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the Council of directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information (continued)

C. Risk Management (continued)

The Town's share of assets, liabilities and fund equity as of December 31, 2020, is as follows:

Property and Casualty Pool:	%
Loss fund	1.306%
Pooled excess fund	0.705%

The December 31, 2020, combined financial information is as follows:

Cash and investments	\$ 85,609,779
Other assets	8,563,951
Total	\$ 94,173,730
Liabilities	\$ 35,750,846
Members fund balance	58,422,884
Total	\$ 94,173,730
Total revenue	\$ 33,496,772
Total expense	(24,091,402)
Excess of Revenue Over Expense	\$ 9,405,370

Coverage provided by CIRSA is as follows: 1) \$250,000 per claim/occurrence property; 2) \$1,000,000 per claim/occurrence liability; and 3) \$150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Town may be liable for any losses in excess of the above coverage. At December 31, 2020, the Town does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

D. Lease Agreements

1. Operating Leases

The Town is committed under various leases for office equipment. These leases are considered, for accounting purposes, to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements.

2. Building Lease

In October 2008 the Town entered into a lease agreement with Carbondale Community Nonprofit Center for use of a building. The term of the lease is for 49 years and will expire on August 31, 2057, with an option to extend. The lease requires a onetime base lease payment of \$49 and reimbursement of certain costs incurred by the Town.

SUPPLEMENTARY INFORMATION



Town of Carbondale, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	794,999	794,999	1,221,505	426,506	931,146
Licenses and permits	208,900	208,900	310,900	102,000	428,693
Intergovernmental	718,664	718,664	1,128,571	409,907	879,392
Charges for services	196,000	196,000	182,109	(13,891)	296,442
Fines and forfeitures	63,000	63,000	42,729	(20,271)	70,024
Investment income	85,000	85,000	39,702	(45,298)	94,984
Administrative charges	453,685	453,685	453,685	-	429,400
Developer reimbursable	35,000	35,000	21,536	(13,464)	21,956
Other	211,700	211,700	587,042	375,342	283,025
Total Revenues	<u>2,766,948</u>	<u>2,766,948</u>	<u>3,987,779</u>	<u>1,220,831</u>	<u>3,435,062</u>
Expenditures:					
General Government:					
Attorney	145,000	145,000	242,446	(97,446)	151,179
Municipal elections	16,000	16,000	9,261	6,739	574
Trustees	158,134	158,134	260,475	(102,341)	120,376
Municipal Court	40,427	40,427	44,183	(3,756)	43,519
Town Manager	351,748	351,748	343,249	8,499	352,996
Administrative services	486,100	486,100	374,604	111,496	356,790
Finance and records	420,718	420,718	357,593	63,125	398,375
Planning	330,543	330,543	314,581	15,962	295,558
Data processing	183,012	183,012	178,287	4,725	149,412
Building operations	147,235	147,235	90,437	56,798	131,142
Motor pool	248,268	248,268	252,123	(3,855)	251,570
Economic development	45,000	45,000	40,000	5,000	40,000
Sales tax administration	18,300	18,300	17,728	572	23,403
Affordable housing	30,000	30,000	30,000	-	30,000
Total General Government	<u>2,620,485</u>	<u>2,620,485</u>	<u>2,554,967</u>	<u>65,518</u>	<u>2,344,894</u>
Public Safety:					
Police department	1,952,396	1,952,396	1,835,031	117,365	1,675,366
Communications	65,600	65,600	58,230	7,370	52,434
Building inspection	215,398	215,398	203,136	12,262	193,091
Ordinance control	81,771	81,771	72,499	9,272	77,020
Total Public Safety	<u>2,315,165</u>	<u>2,315,165</u>	<u>2,168,896</u>	<u>146,269</u>	<u>1,997,911</u>
Public Works:					
Streets, alleys, snow removal	952,107	952,107	790,440	161,667	722,842
Public works administration	232,958	232,958	307,005	(74,047)	261,618
Total Public Works	<u>1,185,065</u>	<u>1,185,065</u>	<u>1,097,445</u>	<u>87,620</u>	<u>984,460</u>

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

Town of Carbondale, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)
(Continued)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Culture and Recreation:					
Recreation	440,429	531,929	438,132	93,797	619,558
Parks and cemetery	554,915	554,915	607,005	(52,090)	478,224
RV park	71,615	95,615	92,489	3,126	67,113
Boat ramp	9,000	9,000	5,431	3,569	5,607
Community affairs	70,000	754,500	472,743	281,757	66,000
Total Culture and Recreation	<u>1,145,959</u>	<u>1,945,959</u>	<u>1,615,800</u>	<u>330,159</u>	<u>1,236,502</u>
Other:					
Environmental health and recycling	34,800	34,800	30,223	4,577	37,975
Total Other	<u>34,800</u>	<u>34,800</u>	<u>30,223</u>	<u>4,577</u>	<u>37,975</u>
Total Expenditures	<u>7,301,474</u>	<u>8,101,474</u>	<u>7,467,331</u>	<u>634,143</u>	<u>6,601,742</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,534,526)	(5,334,526)	(3,479,552)	1,854,974	(3,166,680)
Other Financing Sources (Uses):					
Sale of fixed assets	10,000	10,000	-	(10,000)	42,292
Transfers (out)	(650,000)	(650,000)	(650,000)	-	(1,150,000)
Transfers in	4,725,533	4,725,533	5,242,900	517,367	5,367,770
Total Other Financing Sources (Uses)	<u>4,085,533</u>	<u>4,085,533</u>	<u>4,592,900</u>	<u>507,367</u>	<u>4,260,062</u>
Net Change in Fund Balance	<u>(448,993)</u>	<u>(1,248,993)</u>	1,113,348	<u>2,362,341</u>	1,093,382
Fund Balance - Beginning			7,108,311		6,014,929
Fund Balance - Ending			<u>8,221,659</u>		<u>7,108,311</u>

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

Town of Carbondale, Colorado
Recreation Sales and Use Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020		Final Budget Variance Positive (Negative)	2019
	Original and Final Budget	Actual		Actual
Revenues:				
Sales tax revenue	670,065	745,209	75,144	688,954
Use tax - motor vehicle	65,000	76,396	11,396	85,788
Use tax - building permits	50,000	78,161	28,161	134,980
Investment income	7,000	11,747	4,747	14,898
Intergovernmental	106,250	25,000	(81,250)	79,761
Charges for services	361,900	116,024	(245,876)	406,395
Other income	40,600	7,484	(33,116)	40,440
Total Revenues	1,300,815	1,060,021	(240,794)	1,451,216
Expenditures:				
Pool	22,650	22,270	380	14,669
Park improvements	70,000	29,723	40,277	72,268
Trail improvements	10,000	28,890	(18,890)	-
Salaries and benefits	523,162	440,502	82,660	505,089
Park and recreation facilities	394,365	353,638	40,727	315,588
Master plan	18,750	-	18,750	-
Total Expenditures	1,038,927	875,023	163,904	907,614
Excess (Deficiency) of Revenues Over Expenditures	261,888	184,998	(76,890)	543,602
Other Financing Sources (Uses):				
Operating transfers (out)	(207,550)	(207,550)	-	(205,000)
Total Other Financing Sources (Uses)	(207,550)	(207,550)	-	(205,000)
Net Change in Fund Balance	54,338	(22,552)	(76,890)	338,602
Fund Balance - Beginning		1,910,234		1,571,632
Fund Balance - Ending		1,887,682		1,910,234

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

Town of Carbondale, Colorado
Sales and Use Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Sales tax	4,110,533	4,110,533	4,462,829	352,296	4,114,152
Use tax - motor vehicle	425,000	425,000	458,217	33,217	514,645
Use tax - building permits	200,000	200,000	468,800	268,800	809,330
Investment income	-	-	-	-	2,149
Total Revenues	<u>4,735,533</u>	<u>4,735,533</u>	<u>5,389,846</u>	<u>654,313</u>	<u>5,440,276</u>
Expenditures:					
Miscellaneous	10,000	10,000	9,253	747	8,950
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,253</u>	<u>747</u>	<u>8,950</u>
Excess (Deficiency) of Revenues Over Expenditures	4,725,533	4,725,533	5,380,593	655,060	5,431,326
Other Financing (Uses):					
Operating transfers (out)	(4,725,533)	(5,225,533)	(5,242,900)	(17,367)	(5,367,770)
Total Other Financing (Uses)	<u>(4,725,533)</u>	<u>(5,225,533)</u>	<u>(5,242,900)</u>	<u>(17,367)</u>	<u>(5,367,770)</u>
Net Change in Fund Balance	<u>-</u>	<u>(500,000)</u>	137,693	<u>637,693</u>	63,556
Fund Balance - Beginning			<u>832,858</u>		<u>769,302</u>
Fund Balance - Ending			<u>970,551</u>		<u>832,858</u>

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

Town of Carbondale, Colorado
Streetscape Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020		Final Budget Variance Positive (Negative)	2019
	Original and Final Budget	Actual		Actual
Revenues:				
Property tax	230,658	230,453	(205)	205,840
Specific ownership tax	10,000	15,160	5,160	14,726
Delinquent tax and interest	150	604	454	226
Investment income	-	5,535	5,535	8,059
Total Revenues	240,808	251,752	10,944	228,851
Expenditures:				
Treasurer fee	5,000	4,621	379	4,124
Streetscape improvements	60,000	-	60,000	26
Parking	-	-	-	1,345,338
Total Expenditures	65,000	4,621	60,379	1,349,488
Net Change in Fund Balance	175,808	247,131	71,323	(1,120,637)
Fund Balance - Beginning (Deficit)		(389,683)		730,954
Fund Balance - Ending (Deficit)		(142,552)		(389,683)

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

Town of Carbondale, Colorado
Special Revenue Funds
Development Dedication Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2019</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Park development fee	-	-	-	7,000
General development fee	25,000	115,373	90,373	94,767
Investment income	900	2,653	1,753	1,507
Total Revenues	<u>25,900</u>	<u>118,026</u>	<u>92,126</u>	<u>103,274</u>
Expenditures:				
Reserve	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>25,900</u>	118,026	<u>92,126</u>	103,274
Fund Balance - Beginning		<u>455,038</u>		<u>351,764</u>
Fund Balance - Ending		<u>573,064</u>		<u>455,038</u>

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

REQUIRED SUPPLEMENTARY INFORMATION



Town of Carbondale, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Grants	-	-	30,000	30,000	330,010
Investment income	1,000	1,000	3,245	2,245	1,844
Miscellaneous	14,466	14,466	-	(14,466)	-
Total Revenues	<u>15,466</u>	<u>15,466</u>	<u>33,245</u>	<u>17,779</u>	<u>331,854</u>
Expenditures:					
Property acquisition	-	-	1,059	(1,059)	575,843
Highway 133	153,000	153,000	72,035	80,965	29,995
Construction	330,000	330,000	412,296	(82,296)	276,423
Contribution - community	-	-	-	-	5,000
Street resurfacing	127,000	250,000	186,692	63,308	291,835
Equipment purchase	-	-	-	-	273,153
Landfill reclamation	5,000	5,000	-	5,000	-
Vehicles	123,000	123,000	107,275	15,725	149,268
Total Expenditures	<u>738,000</u>	<u>861,000</u>	<u>779,357</u>	<u>81,643</u>	<u>1,601,517</u>
Excess (Deficiency) of Revenues Over Expenditures	(722,534)	(845,534)	(746,112)	99,422	(1,269,663)
Other Financing Sources (Uses):					
Operating transfers in	600,000	600,000	600,000	-	1,100,000
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>1,100,000</u>
Net Change in Fund Balance	<u>(122,534)</u>	<u>(245,534)</u>	<u>(146,112)</u>	<u>99,422</u>	<u>(169,663)</u>
Fund Balance - Beginning			<u>323,220</u>		<u>492,883</u>
Fund Balance - Ending			<u>177,108</u>		<u>323,220</u>

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

Town of Carbondale, Colorado
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Water Fund
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		<u>2019</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Charges for services:				
Sale of meters	10,000	38,813	28,813	48,120
Service fees	1,364,309	1,522,397	158,088	1,424,013
Penalty assessments	7,600	(14,026)	(21,626)	4,690
Miscellaneous	4,300	43,574	39,274	21,799
Total Revenues	<u>1,386,209</u>	<u>1,590,758</u>	<u>204,549</u>	<u>1,498,622</u>
Operating Expenses:				
Operations and maintenance	287,825	249,738	38,087	421,917
Personnel costs	515,258	542,823	(27,565)	503,029
Administration	452,280	465,481	(13,201)	450,409
Capital outlay	2,246,750	847,465	1,399,285	322,326
Total operating expenses	<u>3,502,113</u>	<u>2,105,507</u>	<u>1,396,606</u>	<u>1,697,681</u>
Operating Income (Loss) Budget Basis	(2,115,904)	(514,749)	1,601,155	(199,059)
Non-operating revenues (expenses):				
Investment income	7,500	7,986	486	13,676
Grant revenue	500,000	137,548	(362,452)	4,278
Total non-operating revenues (expenses):	<u>507,500</u>	<u>145,534</u>	<u>(361,966)</u>	<u>17,954</u>
Capital contributions	185,900	728,945	543,045	684,184
Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis	<u>(1,422,504)</u>	<u>359,730</u>	<u>1,782,234</u>	<u>503,079</u>
Reconciliation to GAAP Basis:				
Capitalized assets		674,392		147,832
Contributed capital assets		469,100		-
Depreciation		(335,824)		(329,050)
Loss on disposal of capital assets		-		6,900
Net Income - GAAP Basis		<u>1,167,398</u>		<u>328,761</u>

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

Town of Carbondale, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Proprietary Funds
Wastewater Fund
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		<u>2019</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Charges for services:				
Service fees	1,389,000	1,361,273	(27,727)	1,343,738
Miscellaneous	67,100	64,430	(2,670)	67,002
Total Revenues	<u>1,456,100</u>	<u>1,425,703</u>	<u>(30,397)</u>	<u>1,410,740</u>
Operating Expenses:				
Operations and maintenance	379,475	351,025	28,450	270,221
Personnel costs	553,096	497,907	55,189	504,690
Administration	256,685	231,734	24,951	258,649
Capital outlay	2,122,435	1,761,576	360,859	103,285
Total operating expenses	<u>3,311,691</u>	<u>2,842,242</u>	<u>469,449</u>	<u>1,136,845</u>
Operating Income (Loss) Budget Basis	(1,855,591)	(1,416,539)	439,052	273,895
Non-operating revenues (expenses):				
Investment income	16,000	26,153	10,153	39,927
Grant revenue	200,000	-	(200,000)	-
Total non-operating revenues (expenses):	<u>216,000</u>	<u>26,153</u>	<u>(189,847)</u>	<u>39,927</u>
Capital contributions	100,000	511,600	411,600	498,148
Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis	<u>(1,539,591)</u>	<u>(878,786)</u>	<u>660,805</u>	<u>811,970</u>
Reconciliation to GAAP Basis:				
Capitalized assets		1,735,514		11,256
Contributed capital assets		336,750		-
Depreciation		(348,981)		(343,347)
Loss on disposal of capital assets		(83,007)		-
Net Income - GAAP Basis		<u>761,490</u>		<u>479,879</u>

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

Town of Carbondale, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Proprietary Funds
Trash Fund
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			<u>2019</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Charges for services:					
Service fees	577,206	577,206	552,788	(24,418)	104,146
Total Revenues	<u>577,206</u>	<u>577,206</u>	<u>552,788</u>	<u>(24,418)</u>	<u>104,146</u>
Operating Expenses:					
Operations and maintenance	475,786	500,786	545,523	(44,737)	94,049
Personnel costs	65,507	65,507	31,505	34,002	37,845
Administration	21,090	21,090	15,599	5,491	13,298
Capital outlay	-	-	-	-	3,119
Total operating expenses	<u>562,383</u>	<u>587,383</u>	<u>592,627</u>	<u>(5,244)</u>	<u>148,311</u>
Operating Income (Loss) Budget Basis	14,823	(10,177)	(39,839)	(29,662)	(44,165)
Non-operating revenues (expenses):					
Investment income	-	-	-	-	-
Total non-operating revenues (expenses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis	<u>14,823</u>	<u>(10,177)</u>	<u>(39,839)</u>	<u>(29,662)</u>	<u>(44,165)</u>
Reconciliation to GAAP Basis:					
Capitalized assets			-		-
Net Income - GAAP Basis			<u>(39,839)</u>		<u>(44,165)</u>

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

Town of Carbondale, Colorado
 Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2020

	Special Revenue						Sub-total Non-Major Governmental Funds
	Conservation Trust	Victims Assistance	CHA Mortgage	Community Enhancement	Lodging Tax		
Assets:							
Cash and investments - Unrestricted	133,913	(5,868)	463,595	35,854	7,805		635,299
Receivables, net of allowance for uncollectibles	-	-	305	-	9,757		10,062
Total Assets	<u>133,913</u>	<u>(5,868)</u>	<u>463,900</u>	<u>35,854</u>	<u>17,562</u>		<u>645,361</u>
Liabilities:							
Accounts/vouchers payable	3,629	-	-	-	7,327		10,956
Other liabilities	-	-	6,950	-	-		6,950
Total Liabilities	<u>3,629</u>	<u>-</u>	<u>6,950</u>	<u>-</u>	<u>7,327</u>		<u>17,906</u>
Fund Balance:							
Restricted	130,284	-	-	35,854	10,235		176,373
Committed	-	-	456,950	-	-		456,950
Unassigned	-	(5,868)	-	-	-		(5,868)
Total Fund Balance	<u>130,284</u>	<u>(5,868)</u>	<u>456,950</u>	<u>35,854</u>	<u>10,235</u>		<u>627,455</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>133,913</u>	<u>(5,868)</u>	<u>463,900</u>	<u>35,854</u>	<u>17,562</u>		<u>645,361</u>

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

Town of Carbondale, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2020
(Continued)

	Special Revenue		Debt Service		Total Non-Major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	
Assets:					
Cash and investments - Unrestricted	19,654	22,018	(4,358)	6,861	679,474
Receivables, net of allowance for uncollectibles	-	-	-	-	10,062
Total Assets	<u>19,654</u>	<u>22,018</u>	<u>(4,358)</u>	<u>6,861</u>	<u>689,536</u>
Liabilities:					
Accounts/vouchers payable	-	-	-	-	10,956
Other liabilities	-	-	-	-	6,950
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,906</u>
Fund Balance:					
Restricted	-	-	-	6,861	183,234
Committed	19,654	22,018	(4,358)	-	494,264
Unassigned	-	-	-	-	(5,868)
Total Fund Balance	<u>19,654</u>	<u>22,018</u>	<u>(4,358)</u>	<u>6,861</u>	<u>671,630</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>19,654</u>	<u>22,018</u>	<u>(4,358)</u>	<u>6,861</u>	<u>689,536</u>

The accompanying notes are an integral part of these financial statements.
F6

Town of Carbondale, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue						Sub-total
	Conservation Trust	Victims Assistance	CHA Mortgage	Community Enhancement	Lodging Tax	Non-major Governmental Funds	
Revenues:							
Taxes	-	-	22,090	-	114,805	136,895	
Intergovernmental revenue	71,082	-	1,175	-	-	72,257	
Fines and forfeitures	-	7,740	-	-	-	7,740	
Investment income	114	-	-	-	-	114	
Miscellaneous	-	-	74,469	7,470	-	81,939	
Total Revenues	<u>71,196</u>	<u>7,740</u>	<u>97,734</u>	<u>7,470</u>	<u>114,805</u>	<u>298,945</u>	
Expenditures:							
General government	-	-	5,141	-	-	5,141	
Public safety	-	13,051	-	-	-	13,051	
Public works	-	-	-	-	-	-	
Culture and recreation	49,239	-	-	-	105,155	154,394	
Debt service:							
Principal	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	
Total Expenditures	<u>49,239</u>	<u>13,051</u>	<u>5,141</u>	<u>-</u>	<u>105,155</u>	<u>172,586</u>	
Excess (Deficiency) of Revenues Over Expenditures	21,957	(5,311)	92,593	7,470	9,650	126,359	
Other Financing Sources (Uses):							
Operating transfers in	-	-	50,000	-	-	50,000	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	
Net Change in Fund Balance	21,957	(5,311)	142,593	7,470	9,650	176,359	
Fund Balance - Beginning (Deficit)	108,327	(557)	314,357	28,384	585	451,096	
Fund Balance - Ending (Deficit)	<u>130,284</u>	<u>(5,868)</u>	<u>456,950</u>	<u>35,854</u>	<u>10,235</u>	<u>627,455</u>	

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

Town of Carbondale, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2020
(Continued)

	Special Revenue			Debt Service		Sub-total	Total
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Non-major Governmental Funds	Non-major Governmental Funds	
Revenues:							
Taxes	-	-	7,793	-	136,895	144,688	
Intergovernmental revenue	-	-	-	-	72,257	72,257	
Fines and forfeitures	-	-	-	-	7,740	7,740	
Investment income	-	-	-	-	114	114	
Miscellaneous	-	-	-	-	81,939	81,939	
Total Revenues	-	-	7,793	-	298,945	306,738	
Expenditures:							
General government	-	-	28,651	-	5,141	33,792	
Public safety	-	-	-	-	13,051	13,051	
Public works	-	2,000	-	-	-	2,000	
Culture and recreation	-	-	-	-	154,394	154,394	
Debt service:							
Principal	-	-	-	180,100	-	180,100	
Interest	-	-	-	26,625	-	26,625	
Total Expenditures	-	2,000	28,651	206,725	172,586	409,962	
Excess (Deficiency) of Revenues Over Expenditures	-	(2,000)	(20,858)	(206,725)	126,359	(103,224)	
Other Financing Sources (Uses):							
Operating transfers in	-	-	-	207,550	50,000	257,550	
Total Other Financing Sources (Uses)	-	-	-	207,550	50,000	257,550	
Net Change in Fund Balance	-	(2,000)	(20,858)	825	176,359	154,326	
Fund Balance - Beginning (Deficit)	19,654	24,018	16,500	6,036	451,096	517,304	
Fund Balance - Ending (Deficit)	19,654	22,018	(4,358)	6,861	627,455	671,630	

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

Town of Carbondale, Colorado
Special Revenue Funds
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020		Final Budget Variance Positive (Negative)	2019
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental revenue	72,000	71,082	(918)	78,200
Investment income	600	114	(486)	15
Total Revenues	72,600	71,196	(1,404)	78,215
Expenditures:				
Personnel	41,271	38,288	2,983	39,619
Park maintenance	44,000	10,951	33,049	47,998
Total Expenditures	85,271	49,239	36,032	87,617
Net Change in Fund Balance	(12,671)	21,957	34,628	(9,402)
Fund Balance - Beginning		108,327		117,729
Fund Balance - Ending		130,284		108,327

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

Town of Carbondale, Colorado
Special Revenue Funds
Victims Assistance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	2020		Final Budget Variance Positive (Negative)	2019
	Original and Final Budget	Actual		Actual
Revenues:				
Fines and surcharge	14,500	7,740	(6,760)	12,046
Total Revenues	14,500	7,740	(6,760)	12,046
Expenditures:				
Victim's assistance	9,000	8,000	1,000	7,500
Police training	5,500	5,051	449	4,740
Total Expenditures	14,500	13,051	1,449	12,240
Net Change in Fund Balance	-	(5,311)	(5,311)	(194)
Fund Balance - Beginning (Deficit)		(557)		(363)
Fund Balance - Ending (Deficit)		(5,868)		(557)

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

Town of Carbondale, Colorado
Special Revenue Funds
CHA Mortgage Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		Final Budget Variance Positive (Negative)	<u>2019</u>
	Original and Final Budget	Actual		Actual
Revenues:				
Real estate transfer assessment	5,000	22,090	17,090	21,745
Lease income	56,000	74,443	18,443	55,270
Grant revenue	1,376,000	1,175	(1,374,825)	-
Other revenue	-	26	26	-
Total Revenues	<u>1,437,000</u>	<u>97,734</u>	<u>(1,339,266)</u>	<u>77,015</u>
Expenditures:				
Fixed asset - housing purchase	50,000	-	50,000	50,000
Other expense	25,500	5,141	20,359	127,960
Grant expense	1,376,500	-	1,376,500	4,059
Total Expenditures	<u>1,452,000</u>	<u>5,141</u>	<u>1,446,859</u>	<u>182,019</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	92,593	107,593	(105,004)
Other Financing Sources (Uses):				
Operating transfers in	50,000	50,000	-	50,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	<u>35,000</u>	142,593	<u>107,593</u>	(55,004)
Fund Balance - Beginning		<u>314,357</u>		<u>369,361</u>
Fund Balance - Ending		<u>456,950</u>		<u>314,357</u>

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

Town of Carbondale, Colorado
Special Revenue Funds
Community Enhancement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		Final Budget Variance Positive (Negative)	<u>2019</u>
	Original and Final Budget	Actual		Actual
Revenues:				
Community enhancement	8,000	7,470	(530)	7,798
Total Revenues	<u>8,000</u>	<u>7,470</u>	<u>(530)</u>	<u>7,798</u>
Expenditures:				
Community projects	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>8,000</u>	7,470	<u>(530)</u>	7,798
Fund Balance - Beginning		<u>28,384</u>		<u>20,586</u>
Fund Balance - Ending		<u>35,854</u>		<u>28,384</u>

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

Town of Carbondale, Colorado
Special Revenue Funds
Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		Final Budget Variance Positive (Negative)	<u>2019</u>
	Original and Final Budget	Actual		Actual
Revenues:				
Lodging tax	110,000	114,805	4,805	131,324
Total Revenues	<u>110,000</u>	<u>114,805</u>	<u>4,805</u>	<u>131,324</u>
Expenditures:				
Chamber of Commerce	110,000	105,155	4,845	140,286
Total Expenditures	<u>110,000</u>	<u>105,155</u>	<u>4,845</u>	<u>140,286</u>
Net Change in Fund Balance	<u><u>-</u></u>	9,650	<u><u>9,650</u></u>	(8,962)
Fund Balance - Beginning		<u>585</u>		<u>9,547</u>
Fund Balance - Ending		<u><u>10,235</u></u>		<u><u>585</u></u>

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

Town of Carbondale, Colorado
Special Revenue Funds
1% of Arts Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			<u>2019</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Miscellaneous	2,000	-	(2,000)	212
Total Revenues	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>212</u>
Expenditures:				
Reserve	7,000	-	7,000	-
Total Expenditures	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	212
Fund Balance - Beginning		<u>19,654</u>		<u>19,442</u>
Fund Balance - Ending		<u>19,654</u>		<u>19,654</u>

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

Town of Carbondale, Colorado
Special Revenue Funds
Efficient Building Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		Final Budget Variance Positive (Negative)	<u>2019</u>
	Original and Final Budget	Actual		Actual
Revenues:				
Miscellaneous	-	-	-	15,750
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,750</u>
Expenditures:				
Building inspection	2,000	2,000	-	-
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>	15,750
Fund Balance - Beginning		<u>24,018</u>		<u>8,268</u>
Fund Balance - Ending		<u>22,018</u>		<u>24,018</u>

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

Town of Carbondale, Colorado
Special Revenue Funds
Disposable Bag Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>			Final Budget Variance Positive (Negative)	<u>2019</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	20,000	20,000	7,793	(12,207)	19,901
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>7,793</u>	<u>(12,207)</u>	<u>19,901</u>
Expenditures:					
Miscellaneous	25,500	30,500	28,651	1,849	20,819
Total Expenditures	<u>25,500</u>	<u>30,500</u>	<u>28,651</u>	<u>1,849</u>	<u>20,819</u>
Net Change in Fund Balance	<u>(5,500)</u>	<u>(10,500)</u>	(20,858)	<u>(10,358)</u>	(918)
Fund Balance - Beginning			<u>16,500</u>		<u>17,418</u>
Fund Balance - Ending			<u>(4,358)</u>		<u>16,500</u>

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

Town of Carbondale, Colorado
Debt Service Funds
Bond Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2020
(With Comparative Totals For 2019)

	<u>2020</u>		Final Budget Variance Positive (Negative)	<u>2019</u>
	Original and Final Budget	Actual		Actual
Revenues:				
Investment income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Long-term debt principal	180,100	180,100	-	175,300
Long-term debt interest	26,168	26,625	(457)	31,448
Total Expenditures	<u>206,268</u>	<u>206,725</u>	<u>(457)</u>	<u>206,748</u>
Excess (Deficiency) of Revenues Over Expenditures	(206,268)	(206,725)	(457)	(206,748)
Other Financing Sources (Uses):				
Operating transfers in	207,550	207,550	-	205,000
Total Other Financing Sources (Uses)	<u>207,550</u>	<u>207,550</u>	<u>-</u>	<u>205,000</u>
Net Change in Fund Balance	<u>1,282</u>	825	<u>(457)</u>	(1,748)
Fund Balance - Beginning		<u>6,036</u>		<u>7,784</u>
Fund Balance - Ending		<u>6,861</u>		<u>6,036</u>

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

LOCAL HIGHWAY FINANCE REPORT



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

LOCAL HIGHWAY FINANCE REPORT		City or County: Carbondale
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _____ or County of _____ Town of Carbondale)	Prepared By: S. Renae Gustine	Phone: 970.510.1204

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)	505,978
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	715,789
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,389,045	b. Snow and ice removal	117,331
3. Other local imposts (from page 2)	550,497	c. Other	19,522
4. Miscellaneous local receipts (from page 2)	44,743	d. Total (a. through c.)	136,853
5. Transfers from toll facilities		4. General administration & miscellaneous	159,877
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	760,522
a. Bonds - Original Issues		6. Total (1 through 5)	2,279,019
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,984,285	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	191,516	2. Notes:	
D. Receipts from Federal Government (from page 2)	103,218	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,279,019	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)	
			2,279,019

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
	0	2,279,019	2,279,019		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	
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	471,740	a. Interest on investments	12,697
b. Other local imposts:		b. Traffic Fines & Penalties	32,046
1. Sales Taxes	47,725	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	31,032	g. Other Misc. Receipts	
6. Total (1. through 5.)	78,757	h. Other	
c. Total (a. + b.)	550,497	i. Total (a. through h.)	44,743
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	167,095	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	24,421	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	103,218
f. Total (a. through e.)	24,421	g. Total (a. through f.)	103,218
4. Total (1. + 2. + 3.f)	191,516	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		259,432	259,432
(4). System Enhancement & Operation		246,546	259,432
(5). Total Construction (1) + (2) + (3) + (4)		0	505,978
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	505,978
			(Carry forward to page 1)
Notes and Comments:			