

Town of Carbondale, Colorado

Financial Report

December 31, 2014



**Town of Carbondale, Colorado
Financial Report
December 31, 2014**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A2
Management's Discussion and Analysis	B1 – B7
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 Balance - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balance (Deficit) 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, 2014**

**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	F2
Combining Balance Sheet - Non-major Governmental Funds	F3 – F4
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds	F5 – F6
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Non-Major Governmental Funds:	
Conservation Trust Fund	F7
Victims Assistance Fund	F8
CHA Mortgage Fund	F9
Community Enhancement Fund	F10
Lodging Tax Fund	F11
1% of Arts Fund	F12
Efficient Building Fund	F13
Disposable Bag Tax Fund	F14
Bond Fund	F15
Bond Reserve Fund	F16
Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets	F17 – F19



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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 (the "Town"), as of and for the year ended December 31, 2014, 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.

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 as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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 in section E is not a required part of the basic financial statements but is 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 23, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Carbondale, Colorado

Management's Discussion and Analysis December 31, 2014

As management of the Town of Carbondale, ("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, 2014.

Financial Highlights

- The 2014 Budget includes a 3% cost of living increase for Town employees.
- Sales tax revenue increased 11% in 2014. Property tax was down 18.3% over 2013.
- The Town's governmental fund balances decreased \$15,195, which includes the General Fund balance decrease of \$263,126, and the Town's business-type activities increased \$14,138.

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 and wastewater treatment.

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 and wastewater 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 a 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 2014:

Town of Carbondale's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 9,068,515	9,819,563	6,193,437	5,972,541	15,261,952	15,792,104
Capital assets	21,049,875	19,734,691	16,139,474	16,300,496	37,189,349	36,035,187
Total assets	30,118,390	29,554,254	22,332,911	22,273,037	52,451,301	51,827,291
Other liabilities	829,624	1,500,206	236,013	47,648	1,065,637	1,547,854
Long-term liabilities outstanding	1,666,041	1,791,257	1,841,042	1,983,671	3,507,083	3,774,928
Total liabilities	2,495,665	3,291,463	2,077,055	2,031,319	4,572,720	5,322,782
Deferred Inflows of Resources	364,314	365,519	-	-	364,314	365,519
Net Position:						
Net invested in capital assets	19,383,834	17,943,434	16,139,474	16,300,496	35,523,308	34,243,930
Restricted	2,260,927	2,092,183	-	-	2,260,927	2,092,183
Unrestricted	5,613,650	5,861,655	4,116,382	3,941,222	9,730,032	9,802,877
Total net position	\$27,258,411	25,897,272	20,255,856	20,241,718	47,514,267	46,138,990

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 71% 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 2014. Maturing for the Town's remaining debt are as follows; the Town's 2004 issue will be retired in 2024, and the Town's 2006 issue will retire in 2024. Additional information regarding the Town's long-term debt is available in Section D of the footnotes.

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Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

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

Town of Carbondale's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES:						
Program revenues:						
Charges for services	\$ 1,259,005	1,312,784	2,359,408	2,375,720	3,618,413	3,688,504
Operating grants and contributions	1,139,058	873,986	-	-	1,139,058	873,986
Capital grants and contributions	931,196	258,459	343,199	191,492	1,274,395	449,951
General revenues:						
Property taxes	362,788	444,767	-	-	362,788	444,767
Sales and use taxes	4,507,302	3,926,521	-	-	4,507,302	3,926,521
Other taxes	392,841	448,845	-	-	392,841	448,845
Interest and other revenue	263,794	224,134	35,467	29,669	299,261	253,803
Total Revenues	8,855,984	7,489,496	2,738,074	2,596,881	11,594,058	10,086,377
EXPENSES:						
General government	2,235,422	2,196,248	-	-	2,235,422	2,196,248
Public safety	1,765,434	1,628,557	-	-	1,765,434	1,628,557
Public works	1,620,612	1,703,472	-	-	1,620,612	1,703,472
Culture and recreation	1,783,514	1,787,714	-	-	1,783,514	1,787,714
Interest	85,282	90,390	-	-	85,282	90,390
Affordable housing	4,581	16,557	-	-	4,581	16,557
Water	-	-	1,265,516	1,294,140	1,265,516	1,294,140
Wastewater	-	-	1,458,420	1,484,402	1,458,420	1,484,402
Total Expenses	7,494,845	7,422,938	2,723,936	2,778,542	10,218,781	10,201,480
Change in Net Position	1,361,139	66,558	14,138	(181,661)	1,375,277	(115,103)
Net Position - Beginning	25,897,272	25,830,714	20,241,718	20,423,379	46,138,990	46,254,093
Net Position - Ending	\$ 27,258,411	25,897,272	20,255,856	20,241,718	47,514,267	46,138,990

The following provide additional insight into the above chart:

- Under Revenues, operating grants and contributions increased significantly due to mineral leasing and severance tax.
- Charges for services decreased due to a decrease in developer reimbursements and court fines.
- Other taxes decreased due to a decrease in franchise tax.

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net position by \$1,361,139. Key elements of this increase are as follows:

- The Town capitalized \$2,134,606 in fixed asset additions during 2014. This was for Highway 133, a bike park, Public Works building improvements, vehicles, and snow blower equipment.

Business-type activities: Business-type activities increased the Town's net position by \$14,138. Key elements of this increase are as follows:

- Assets totaling \$431,382 were capitalized between the Water Fund and Wastewater Fund in 2014.
- The Water Fund had an increase in net position of \$53,814, and the Wastewater Fund had a decrease in net position of \$39,676. On a cash basis, the Funds cumulatively increased their cash and investment holdings by \$261,894.

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 \$8,156,781; a decrease of \$15,195 from the prior year's ending fund balances. The following details ending fund balances for the past several years:

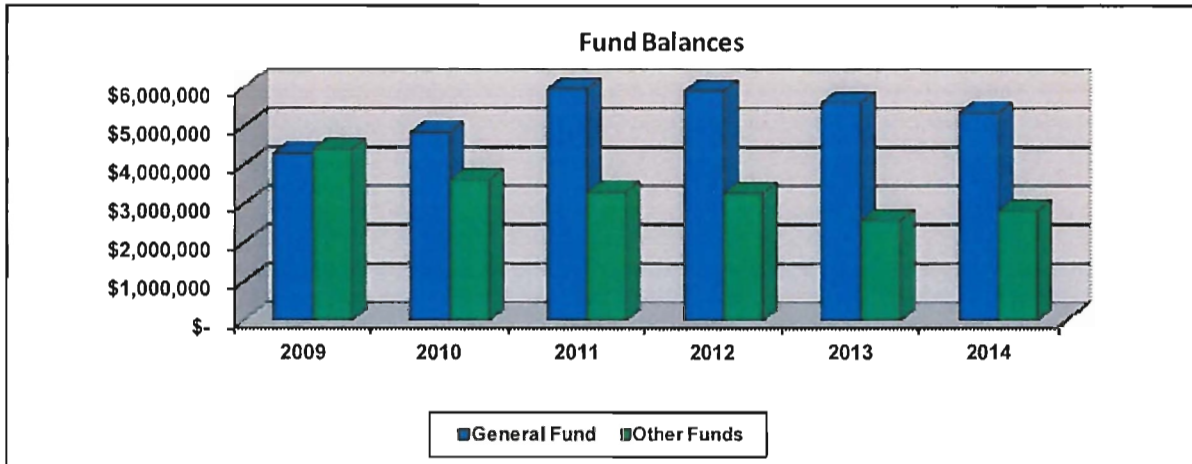
Fund	2009	2010	2011	2012	2013	2014
General	\$ 4,285,547	4,832,055	5,952,230	5,899,801	5,599,674	5,336,548
Recreation Sales and Use	1,675,570	1,084,189	897,153	919,743	871,226	804,593
Sales and Use	259,477	290,165	305,798	295,298	323,089	382,725
Streetscape	225	91,022	318,808	281,038	347,207	504,949
Development Dedication	1,020,657	940,589	778,061	653,374	663,878	546,911
Capital Projects	471,693	222,415	496,827	602,201	(146,158)	(236,604)
Other Governmental	967,284	984,071	504,363	518,349	513,060	817,659
Total	\$ 8,680,453	8,444,506	9,253,240	9,169,804	8,171,976	8,156,781

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Financial Analysis of the Town's Funds (continued)

Governmental funds (continued):

As indicated on the table on the previous page the Sales and Use Tax Fund and the Streetscape Fund balances have increased from the prior year. Certain Town fund balances were 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 \$1,375,998. The Wastewater Fund had cash of \$4,581,002.

Budget variances in the General Fund: The Town's General Fund revenues were over budget by \$572,807; General Fund expenditures were under budget by \$1,608,325. The General Fund's significant budget variances are detailed as follows:

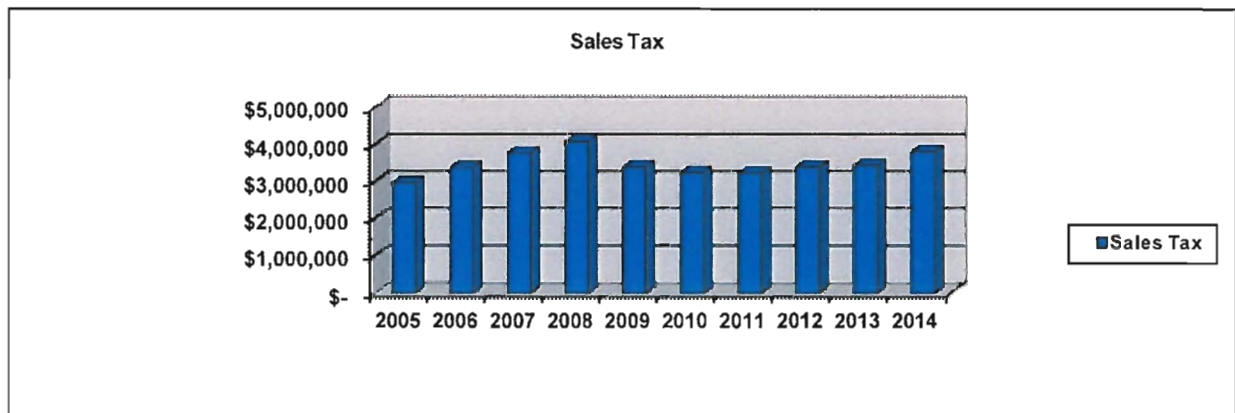
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Reason
Revenues:					
Licenses and permits	\$ 117,450	117,450	228,304	110,854	Building permits more than expected
Intergovernmental	909,457	909,457	1,167,420	257,963	Mineral leasing more than expected
Charges for services	94,500	94,500	190,821	96,321	Plan check, recreation, and police service fees more than expected
Other	57,500	57,500	180,632	123,132	Notary fees and refunds for expenditures more than expected
Expenditures:					
Planning	386,185	386,185	304,654	81,531	Projects suspended until 2015
Public works administration	235,085	235,085	294,507	(59,422)	Building improvements more than expected
Contingency	50,000	1,558,708	-	1,558,708	Unused

Financial Analysis of the Town's Funds (continued)

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, decreased due to depreciation exceeding capital expenditures. 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 \$3,824,527 in long-term debt. Additional information regarding the Town's debt can be found 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 increased from 2013 by approximately 10.4%. The following chart indicates changes in the sales tax:



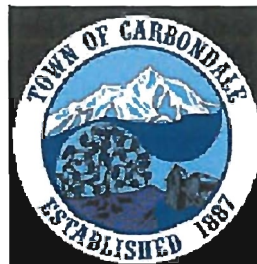
Next year's budget and rates: The Town's General Fund balance at the end of fiscal year 2014 was \$5,336,548. In the 2015 budget, the Town anticipates reducing accumulated fund balance by approximately \$1,220,609.

Other information: A 3% wage increase for full time employees was approved in the 2015 budget.

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, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents - Unrestricted	7,009,149	5,957,000	12,966,149
Cash and cash equivalents - Restricted	189,410	-	189,410
Receivables, net:			
Taxes	364,314	-	364,314
Accounts	-	242,016	242,016
Other	449,162	-	449,162
Intergovernmental	913,902	-	913,902
Internal balances	75,647	(75,647)	-
Prepaid expenses	64,377	70,068	134,445
Inventories	2,554	-	2,554
Capital assets, net	21,049,875	16,139,474	37,189,349
Total Assets	30,118,390	22,332,911	52,451,301
Liabilities:			
Accounts payable	170,231	182,568	352,799
Other liabilities	377,189	10,431	387,620
Compensated absences	275,471	43,014	318,485
Accrued interest	6,733	-	6,733
Reimbursable prepaid tap fees	-	1,841,042	1,841,042
Bonded debt payable:			
Due within one year	135,000	-	135,000
Due in more than one year	1,531,041	-	1,531,041
Total Liabilities	2,495,665	2,077,055	4,572,720
Deferred Inflows of Resources:			
Unavailable property tax revenue	364,314	-	364,314
Total Deferred Inflows of Resources	364,314	-	364,314
Net Position:			
Net invested in capital assets	19,383,834	16,139,474	35,523,308
Restricted for other purposes	2,260,927	-	2,260,927
Unrestricted	5,613,650	4,116,382	9,730,032
Total Net Position	27,258,411	20,255,856	47,514,267

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

Town of Carbondale, Colorado
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	2,235,422	649,204	134,117	2,800	(1,449,301)	-	(1,449,301)
Public safety	1,765,434	67,723	-	-	(1,697,711)	-	(1,697,711)
Public works	1,620,612	830	934,194	903,396	217,808	-	217,808
Culture and recreation	1,783,514	504,537	70,747	25,000	(1,183,230)	-	(1,183,230)
Affordable housing	4,581	36,711	-	-	32,130	-	32,130
Interest on long-term debt	85,282	-	-	-	(85,282)	-	(85,282)
Total governmental activities	<u>7,494,845</u>	<u>1,259,005</u>	<u>1,139,058</u>	<u>931,196</u>	<u>(4,165,586)</u>	<u>-</u>	<u>(4,165,586)</u>
Business-type activities:							
Water	1,265,516	1,117,499	-	172,938	-	24,921	24,921
Wastewater	1,458,420	1,241,909	-	170,261	-	(46,250)	(46,250)
Total business-type activities	<u>2,723,936</u>	<u>2,359,408</u>	<u>-</u>	<u>343,199</u>	<u>-</u>	<u>(21,329)</u>	<u>(21,329)</u>
Total	<u>10,218,781</u>	<u>3,618,413</u>	<u>1,139,058</u>	<u>1,274,395</u>	<u>(4,165,586)</u>	<u>(21,329)</u>	<u>(4,186,915)</u>
General revenues:							
Taxes:							
Property tax, levied for general purposes					362,788	-	362,788
Specific ownership tax					22,443	-	22,443
Sales and use tax					4,507,302	-	4,507,302
Franchise tax					273,403	-	273,403
Lodging Tax					73,251	-	73,251
Other miscellaneous taxes					23,744	-	23,744
Investment earnings					11,305	6,573	17,878
Miscellaneous					252,489	28,894	281,383
Total general revenues					<u>5,526,725</u>	<u>35,467</u>	<u>5,562,192</u>
Change in Net Position					<u>1,361,139</u>	<u>14,138</u>	<u>1,375,277</u>
Net Position - Beginning					<u>25,897,272</u>	<u>20,241,718</u>	<u>46,138,990</u>
Net Position - Ending					<u>27,258,411</u>	<u>20,255,856</u>	<u>47,514,267</u>

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

FUND FINANCIAL STATEMENTS



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

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedication	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash - Unrestricted	4,375,391	754,039	15,269	504,069	546,911	-	813,470	7,009,149
Cash - Restricted	189,410	-	-	-	-	-	-	189,410
Receivables, net of allowance for uncollectibles	402,572	5,673	32,946	-	-	-	7,971	449,162
Due from other governments	-	58,512	354,510	880	-	500,000	-	913,902
Due from other funds	820,554	-	-	-	-	-	-	820,554
Property tax receivable	211,858	-	-	152,456	-	-	-	364,314
Prepaid expenses	64,377	-	-	-	-	-	-	64,377
Inventory	2,554	-	-	-	-	-	-	2,554
Total Assets	6,066,716	818,224	402,725	657,405	546,911	500,000	821,441	9,813,422
Liabilities:								
Accounts/vouchers payable	146,498	10,396	-	-	-	11,697	1,582	170,173
Other liabilities	315,661	3,235	-	-	-	-	2,200	321,096
Accrued payroll and related liabilities	56,151	-	-	-	-	-	-	56,151
Due to other funds	-	-	20,000	-	-	724,907	-	744,907
Total Liabilities	518,310	13,631	20,000	-	-	736,604	3,782	1,292,327
Deferred Inflows of Resources:								
Unavailable property tax revenue	211,858	-	-	152,456	-	-	-	364,314
Total Deferred Inflows of Resources	211,858	-	-	152,456	-	-	-	364,314
Fund Balance:								
Nonspendable	147,803	-	-	-	-	-	-	147,803
Restricted	251,358	804,593	382,725	504,949	-	-	317,302	2,260,927
Committed	76,261	-	-	-	546,911	-	500,357	1,123,529
Assigned	177,032	-	-	-	-	-	-	177,032
Unassigned	4,684,094	-	-	-	-	(236,604)	-	4,447,490
Total Fund Balance	5,336,548	804,593	382,725	504,949	546,911	(236,604)	817,659	8,156,781
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	6,066,716	818,224	402,725	657,405	546,911	500,000	821,441	9,813,422

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

Town of Carbondale, Colorado
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2014

Governmental Funds Total Fund Balance	8,156,781
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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	30,027,357	
Accumulated depreciation	<u>(8,977,482)</u>	
		21,049,875

Deferred charges such as deferred refunding costs, and premiums and discounts on bonded debt, are treated as current transactions on the fund financial statements but are capitalized and amortized on the Statement of Net Position. Details of these amounts are as follows:

Discount on bonded debt, net	1,411	
Premium on bonded debt, net	<u>(2,452)</u>	
		(1,041)

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	(6,733)	
Bonded debt	(1,665,000)	
Compensated absences	<u>(275,471)</u>	
		<u>(1,947,204)</u>

Governmental Activities Net Position	<u><u>27,258,411</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Carbondale, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2014

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedication	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	500,845	611,870	3,750,682	160,770	-	-	93,989	5,118,156
Licenses, permits, and fees	228,304	-	-	-	57,961	-	-	286,265
Intergovernmental revenue	1,167,420	25,000	-	-	-	800,000	62,821	2,055,241
Charges for services	190,821	312,022	-	-	-	-	-	502,843
Fines and forfeitures	55,599	-	-	-	-	-	12,124	67,723
Investment income	10,800	341	6	-	72	86	-	11,305
Miscellaneous	593,801	42,991	-	-	-	103,396	53,626	793,814
Total Revenues	2,747,590	992,224	3,750,688	160,770	58,033	903,482	222,560	8,835,347
Expenditures:								
General government	2,150,955	-	2,321	-	-	-	13,161	2,166,437
Public safety	1,696,823	-	-	-	-	-	24,317	1,721,140
Public works	925,860	-	-	3,028	-	2,193,928	-	3,122,816
Culture and recreation	662,002	841,357	-	-	-	-	152,060	1,655,419
Debt service:								
Principal	-	-	-	-	-	-	125,000	125,000
Interest	-	-	-	-	-	-	85,923	85,923
Total Expenditures	5,435,640	841,357	2,321	3,028	-	2,193,928	400,461	8,876,735
Excess (Deficiency) of Revenues Over Expenditures	(2,688,050)	150,867	3,748,367	157,742	58,033	(1,290,446)	(177,901)	(41,388)
Other Financing Sources (Uses):								
Sale of fixed assets	26,193	-	-	-	-	-	-	26,193
Operating transfers in	3,863,731	-	-	-	-	1,200,000	482,500	5,546,231
Operating transfers (out)	(1,465,000)	(217,500)	(3,688,731)	-	(175,000)	-	-	(5,546,231)
Total Other Financing Sources (Uses)	2,424,924	(217,500)	(3,688,731)	-	(175,000)	1,200,000	482,500	26,193
Net Change in Fund Balance	(263,126)	(66,633)	59,636	157,742	(116,967)	(90,446)	304,599	(15,195)
Fund Balance - Beginning	5,599,674	871,226	323,089	347,207	663,878	(146,158)	513,060	8,171,976
Fund Balance - Ending	5,336,548	804,593	382,725	504,949	546,911	(236,604)	817,659	8,156,781

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

Town of Carbondale, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
December 31, 2014

Governmental Funds Changes in Fund Balances (Deficit)	(15,195)
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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	2,134,606	
Depreciation expense	<u>(817,747)</u>	
		1,316,859

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	125,000	
Amortization of debt related deferrals, net	213	
Adjustments to current year interest	<u>427</u>	
		125,640

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	(64,493)
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The net effect of various miscellaneous transactions involving capital assets is a decrease to net position.	<u>(1,672)</u>
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Governmental Activities Change in Net Position	<u><u>1,361,139</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and investments	1,375,998	4,581,002	5,957,000
Accounts receivable	125,540	116,476	242,016
Prepaid expenses	70,068	-	70,068
Total current assets	<u>1,571,606</u>	<u>4,697,478</u>	<u>6,269,084</u>
Non-current assets:			
Land	51,048	133,391	184,439
Plant and system	13,565,032	12,539,083	26,104,115
Building and improvements	229,526	495,123	724,649
Machinery and equipment	557,737	999,293	1,557,030
Water rights	356,945	-	356,945
Accumulated depreciation	(4,915,439)	(7,872,265)	(12,787,704)
Total non-current assets	<u>9,844,849</u>	<u>6,294,625</u>	<u>16,139,474</u>
Total Assets	<u>11,416,455</u>	<u>10,992,103</u>	<u>22,408,558</u>
Liabilities:			
Current liabilities:			
Accounts/vouchers payable	99,812	82,756	182,568
Other liabilities	10,431	-	10,431
Due to other funds	75,647	-	75,647
Total current liabilities	<u>185,890</u>	<u>82,756</u>	<u>268,646</u>
Long-term liabilities:			
Accrued compensated absences	26,642	16,372	43,014
Reimbursable prepaid tap fees	724,562	1,116,480	1,841,042
Total long-term liabilities	<u>751,204</u>	<u>1,132,852</u>	<u>1,884,056</u>
Total Liabilities	<u>937,094</u>	<u>1,215,608</u>	<u>2,152,702</u>
Net Position:			
Net invested in capital assets	9,844,849	6,294,625	16,139,474
Unrestricted	634,512	3,481,870	4,116,382
Total Net Position	<u>10,479,361</u>	<u>9,776,495</u>	<u>20,255,856</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, 2014

	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for services:			
Service fees	1,084,642	1,175,292	2,259,934
Sale of meters	18,017	-	18,017
Other revenues:			
Penalty assessments	6,693	6,856	13,549
Miscellaneous	35,244	59,762	95,006
Total Operating Revenues	<u>1,144,596</u>	<u>1,241,910</u>	<u>2,386,506</u>
Operating Expenses:			
Operations and maintenance	338,267	422,274	760,541
Personnel costs	322,193	494,339	816,532
Administration	332,796	221,664	554,460
Depreciation	272,261	320,143	592,404
Total Operating Expenses	<u>1,265,517</u>	<u>1,458,420</u>	<u>2,723,937</u>
Operating (Loss)	<u>(120,921)</u>	<u>(216,510)</u>	<u>(337,431)</u>
Non-operating Revenue (Expenses):			
Investment income	1,797	6,573	8,370
Total Non-operating Revenue (Expenses)	<u>1,797</u>	<u>6,573</u>	<u>8,370</u>
(Loss) Before Contributions	(119,124)	(209,937)	(329,061)
Capital contributions, and tap fees	172,938	170,261	343,199
Change in Net Position	53,814	(39,676)	14,138
Total Net Position - Beginning	<u>10,425,547</u>	<u>9,816,171</u>	<u>20,241,718</u>
Total Net Position - Ending	<u><u>10,479,361</u></u>	<u><u>9,776,495</u></u>	<u><u>20,255,856</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, 2014

	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities:			
Cash received from customers and others	1,133,746	1,182,345	2,316,091
Cash paid for goods, services and employees	(951,401)	(1,057,896)	(2,009,297)
Transfers	75,647	-	75,647
Other cash receipts	38,934	59,762	98,696
Net Cash Provided (Used) by Operating Activities	<u>296,926</u>	<u>184,211</u>	<u>481,137</u>
Cash Flows From Capital Financing Activities:			
Proceeds from tap and meter sales	106,642	97,127	203,769
Acquisition of capital assets	(254,867)	(176,515)	(431,382)
Net Cash Provided (Used) by Capital Financing Activities	<u>(148,225)</u>	<u>(79,388)</u>	<u>(227,613)</u>
Cash Flows From Investing Activities			
Interest received	1,797	6,573	8,370
Net Cash Provided by Investing Activities	<u>1,797</u>	<u>6,573</u>	<u>8,370</u>
Net Increase (Decrease) in Cash and Cash Equivalents	150,498	111,396	261,894
Cash and Cash Equivalents - Beginning	1,225,500	4,469,606	5,695,106
Cash and Cash Equivalents - Ending	<u>1,375,998</u>	<u>4,581,002</u>	<u>5,957,000</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating (loss)	(120,921)	(216,510)	(337,431)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation expense	272,261	320,143	592,404
(Increase) decrease in operating accounts receivable	24,394	197	24,591
(Increase) decrease in prepaid expense	(62,438)	-	(62,438)
Increase (decrease) in other liabilities	103,504	82,757	186,261
Increase (decrease) in compensated absences	4,479	(2,376)	2,103
Transfers	75,647	-	75,647
Total Adjustments	<u>417,847</u>	<u>400,721</u>	<u>818,568</u>
Net Cash Provided (Used) by Operating Activities	<u>296,926</u>	<u>184,211</u>	<u>481,137</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, 2014

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 and sewer 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 and sewer service, are classified as a business activities.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(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 bonded debt. The Recreation Sales and Use Tax Fund are 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 involve 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, 2014
(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 Construction 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.

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.

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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 and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

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. Investments

Investments are stated at fair value.

4. 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.

5. 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. 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. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

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

7. Compensated Absences

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

8. Bond Discount and Premium

Bond discounts and premiums for the governmental fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method.

9. 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 two types of items that qualify for reporting in this category. Accordingly, unavailable property tax revenue is reported in both the government-wide statement of net position and the governmental funds balance sheet, and unearned water tank revenue is reported in both the government-wide statement of net position and the proprietary fund type statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that these amounts become available.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. 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:

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

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Categories and Classification of Fund Balance (continued)

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.

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Significant Accounting Policies (continued)

2. Proprietary Funds

As required by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Town has elected to follow for its proprietary funds, all (1) GASB pronouncements and (2) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

3. 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.

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 2014.

- (1) For the 2014 budget year, prior to August 25, 2013, 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, 2013, 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, 2013, 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (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 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015. 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.

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 2014 appropriations were increase as follows:

Fund	Original Appropriation	Supplemental Appropriation
General Fund	\$ 6,335,257	7,843,965
Sales and Use Tax Fund	3,195,287	3,854,713
Capital Construction Fund	2,241,500	2,341,500
Water Fund	1,508,855	1,858,855
CHA Housing Fund	8,000	273,000
Lodging Tax Fund	55,938	83,938
Efficient Building Fund	5,000	8,500

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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.

III. Detailed Notes on all Funds

A. Deposits

Pursuant to its charter, the Town has adopted, by ordinance, 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 federally insured banks, debt obligations of the U.S. Government, its agencies and instrumentalities, governmental mutual fund and pools including 2a7-like pools, and repurchase agreements 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 \$9,917,148. Petty cash totaled \$908.

At year end, the Town had the following investments and maturities:

			Maturities	
	Standard & Poors Rating	Carrying amounts	Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 908	908	-
Checking	Not Rated	542,010	542,010	-
Certificates of Deposit	Not Rated	165,590	165,590	-
Savings and money market	Not Rated	9,209,548	9,209,548	-
Investments:				
Investment pools	AAAm	3,237,503	3,237,503	-
		\$ 13,155,559	13,155,559	-

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

A. Deposits (continued)

The Town's holding in an investment pool is comprised of a balance with COLOTRUST and 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. 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.

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 fifty percent (50%) limit in which the Town may invest in any one issuer. Also, a twenty-five percent (25%) limit of the Town's portfolio may be invested in any single investment, except for U.S. Treasury Obligations.

At year end, more than five percent of the Town's investments were held in COLOTRUST and CSAFE. Such concentration is permitted by the Town's investment policy.

B. Receivables

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

	Recreation									
	General	Sales and Use Tax	Sales and Use Tax	Streetscape	Lodging Tax	Disposable Bag Tax	Water	Wastewater	Capital Projects	Total
Receivables:										
Taxes	\$211,858	-	-	152,456	-	-	-	-	-	364,314
Accounts	-	-	-	-	-	-	125,540	116,476	-	242,016
Other	402,572	5,673	32,946	-	5,218	2,753	-	-	-	449,162
Intergovernmental	-	58,512	354,510	880	-	-	-	-	500,000	913,902
Gross receivables	614,430	64,185	387,456	153,336	5,218	2,753	125,540	116,476	500,000	1,969,394
Less: allowance for uncollectible	-	-	-	-	-	-	-	-	-	-
Net receivables	\$614,430	64,185	387,456	153,336	5,218	2,753	125,540	116,476	500,000	1,969,394

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 \$364,314 of unearned revenue for property taxes levied in 2014 but not available until 2015.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2014 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	\$ 4,745,343	-	-	4,745,343
Construction in progress	965,518	-	(924,810)	40,708
Total capital assets, not being depreciated	<u>5,710,861</u>	<u>-</u>	<u>(924,810)</u>	<u>4,786,051</u>
Capital assets, being depreciated:				
Infrastructure	6,444,823	2,609,783	-	9,054,606
Buildings	9,019,985	110,624	-	9,130,609
Improvements other than buildings	3,424,298	130,277	-	3,554,575
Vehicles	1,504,673	96,486	(177,415)	1,423,744
Equipment	1,984,476	112,246	(18,950)	2,077,772
Total capital assets being depreciated	<u>22,378,255</u>	<u>3,059,416</u>	<u>(196,365)</u>	<u>25,241,306</u>
Less accumulated depreciation for:				
Infrastructure	(1,519,528)	(265,316)	-	(1,784,844)
Buildings	(2,104,308)	(231,422)	-	(2,335,730)
Improvements other than buildings	(1,985,811)	(153,450)	-	(2,139,261)
Vehicles	(1,021,399)	(107,775)	175,739	(953,435)
Equipment	(1,723,379)	(59,783)	18,950	(1,764,212)
Total accumulated depreciation	<u>(8,354,425)</u>	<u>(817,746)</u>	<u>194,689</u>	<u>(8,977,482)</u>
Total capital assets, being depreciated, net	<u>14,023,830</u>	<u>2,241,670</u>	<u>(1,676)</u>	<u>16,263,824</u>
Governmental activities				
capital assets, net	<u><u>\$ 19,734,691</u></u>	<u><u>2,241,670</u></u>	<u><u>(926,486)</u></u>	<u><u>21,049,875</u></u>

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Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 184,439	-	-	184,439
Water rights	356,945	-	-	356,945
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	541,384	-	-	541,384
Capital assets, being depreciated:				
Water/wastewater system and improvements	25,783,840	320,276	-	26,104,116
Buildings and improvements	724,650	-	-	724,650
Equipment	1,473,513	111,106	(27,592)	1,557,027
Total capital assets being depreciated	27,982,003	431,382	(27,592)	28,385,793
Less accumulated depreciation for:				
Water/wastewater system and improvements	(10,965,451)	(479,267)	-	(11,444,718)
Buildings and improvements	(325,357)	(21,376)	-	(346,733)
Equipment	(932,083)	(91,761)	27,592	(996,252)
Total accumulated depreciation	(12,222,891)	(592,404)	27,592	(12,787,703)
Total capital assets, being depreciated, net	15,759,112	(161,022)	-	15,598,090
Business-type activities				
capital assets, net	\$ 16,300,496	(161,022)	-	16,139,474

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

	Capital Outlay	Depreciation Expense
Governmental activities:		
General government	\$ 104,111	172,605
Public safety	49,657	51,078
Public works, including infrastructure	1,822,208	310,393
Culture and recreation	158,630	283,670
Total - governmental activities	\$ 2,134,606	817,746
Business-type activities:		
Water	\$ 254,867	272,261
Wastewater	176,515	320,143
Total - business-type activities	\$ 431,382	592,404

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, 2014
(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, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 820,554	-
Capital Construction Fund	-	724,907
Sales and Use Tax Fund	-	20,000
Water Fund	-	75,647
Total	<u>\$ 820,554</u>	<u>820,554</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)	\$ 3,688,731	Operating transfer
General / (Development Dedication)	175,000	Operating transfer
Capital Projects / (General)	1,200,000	Highway 133 improvements
Capital Projects / (CHA Mortgage Fund)	265,000	Operating transfer
Bond Fund / (Recreation Sales and Use Tax)	217,500	Debt service for 2004 and 2006 Sales and Use Tax bonds.

E. Long-term Debt

1. Recreation Sales and Use Tax Series 2004 Bonds

On July 1, 2004, the Town issued Series 2004 Recreation Sales and Use Tax Bonds in the amount of \$2,200,000. The bond proceeds are to be used to finance the developing, constructing, and equipping of a new park and recreation facility, improvements to existing park facilities and to pay the costs of issuance of the bonds. The bonds after December 1, 2015, are subject to redemption prior to maturity, at the option of the Town. Interest is payable semi-annually on June 1 and December 1 at 2% to 5%. Principal payments are made December 1. The bonds require debt service payments through 2024.

2. Recreation Sales and Use Tax Series 2006 Bonds

On November 2, 2006, the Town issued Series 2006 Recreation Sales and Use Tax Bonds in the amount of \$450,000. The bond proceeds are to be used to finance the developing, constructing, and equipping of a new park and recreation facility, improvements to existing park facilities and to pay the costs of issuance of the bonds. The bonds after December 1, 2017, are subject to redemption prior to maturity, at the option of the Town. Interest is payable semi-annually on June 1 and December 1 at 4.5% to 5.0%. Principal payments are made December 1. The bonds require debt service payments through 2024.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

E. Long-term Debt (continued)

3. Advance Refunding

The Town has advance refunded the 1988 Sales Tax Revenue Bonds and 1994 Series B CWRPDA Water Bonds. Sufficient U.S. government, state and local government securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Town's financial records. The information relating to these two debt issuances is not available at year end.

4. Schedule of Future Payment

The Town's annual debt service is as follows:

Year	Recreation Sales and Use Bonds Series 2004	Recreation Sales and Use Bonds Series 2006	Total
2015	169,010	46,788	215,798
2016	169,075	45,438	214,513
2017	168,905	44,088	212,993
2018	168,500	42,660	211,160
2019	172,860	46,238	219,098
2020 - 2024	848,500	225,238	1,073,738
Total	1,696,850	450,450	2,147,300
Less: interest	(381,850)	(100,450)	(482,300)
Bonds outstanding	<u>\$ 1,315,000</u>	<u>350,000</u>	<u>1,665,000</u>
Add: Unamortized bond premium			2,452
Less: Unamortized bond discount			(1,411)
Total debt			<u>1,666,041</u>

5. 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:

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

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

E. Long-term Debt (continued)

5. Compensated Absences (continued)

The estimated liability for accrued leave for the Water and Wastewater 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.

6. Tap Fees Agreement

In November 2010, the Town entered into an agreement regarding tap fees (the "agreement" with Crystal River Limited Partnership ("CRLP"). As part of this agreement CRLP paid the Town \$493,761 to prepay water and wastewater tap fees. After the payment, CRLP had prepaid the Town for River Valley Ranch ("RVR") water and wastewater tap fees which CRLP had not issued prepaid tap fee certificates ("Remaining Credit Earned") to owners of lots with RVR; this amount totaled \$2,112,497.

The Town agreed, under certain conditions, that fees collected to serve properties within RVR shall reimburse CRLP up to the amount of the Remaining Credit Earned. One of the conditions is that the term to repay the obligation shall not exceed eight years. If the Town has not reimbursed its obligation to CRLP in 2017, the amount owed under the obligation will be considered extinguished, and the Town will no longer be liable for the obligation under the Agreement.

7. Changes in the Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2014:

	Balance 1/1/14	Additions	(Reductions)	Balance 12/31/14
Governmental Activities:				
Series 2004 Bonds	\$ 1,415,000	-	(100,000)	1,315,000
Series 2006 Bonds	375,000	-	(25,000)	350,000
Compensated absences	210,978	64,493	-	275,471
Business-Type Activities:				
Compensated absences	40,911	2,103	-	43,014
Reimbursable prepaid tap fees	1,983,671	-	(142,629)	1,841,042
Total	\$ 4,025,560	66,596	(267,629)	3,824,527

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(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	\$ 64,377	-	-	-	-	-	-	-
Inventory	2,554	-	-	-	-	-	-	-
Economic development	80,872	-	-	-	-	-	-	-
Total Nonspendable:	147,803	-	-	-	-	-	-	-
Restricted:								
Constitutionally required emergency reserve	225,000	-	-	-	-	-	-	-
Capital projects	-	-	382,725	-	-	-	-	-
Community enhancement	-	-	-	504,949	-	-	-	-
Culture and recreation	-	804,593	-	-	-	-	86,879	-
Tree funding	26,358	-	-	-	-	-	-	-
Total Restricted:	251,358	804,593	382,725	504,949	-	-	86,879	-
Committed:								
Developer improvements	3,960	-	-	-	-	-	-	-
General operating	-	-	-	-	546,911	-	-	-
Parking	40,700	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	8,690
Energy efficiency plan	31,601	-	-	-	-	-	-	-
Total Committed:	76,261	-	-	-	546,911	-	-	8,690
Assigned:								
Town Manger contract	60,000	-	-	-	-	-	-	-
Economic development	117,032	-	-	-	-	-	-	-
Total Assigned:	177,032	-	-	-	-	-	-	-
	CHA Mortgage	Community Enhancement	Lodging Tax	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve
Restricted:								
Culture and recreation	-	17,432	9,157	-	-	-	-	-
Debt service	-	-	-	-	-	-	30,216	173,618
Total Restricted:	-	17,432	9,157	-	-	-	30,216	173,618
Committed:								
Community enhancement	-	-	-	14,019	-	-	-	-
Affordable housing	437,635	-	-	-	-	-	-	-
Efficient building	-	-	-	-	8,268	-	-	-
Education and awareness	-	-	-	-	-	31,745	-	-
Total Committed:	437,635	-	-	14,019	8,268	31,745	-	-

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on all Funds (continued)

F. Fund Balance (continued)

As of December 31, 2014, the Capital Projects Fund had a deficit fund balance of \$236,604.

IV. Other Information

A. Benefits

The Town has established two contributory benefit plans as follows.

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

The Town established a defined contribution pension plan for all full-time employees. The plan is administered and invested by ICMA, Inc.

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 Town's vesting percentage increases 20% each year thereafter, and become fully vested after five years. The assets are valued at market.

The Town's current year covered payroll was \$5,154,667 and current year total payroll was \$3,489,770. During the year, the Town's required and actual contributions amounted to \$154,640, which was 3% of its current year covered payroll.

2. Deferred Compensation Plan - IRC 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 Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town previously matched employee contributions up to 2% of the employees' wages. 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2014
(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 ICMA, Inc. and therefore, is not presented in the Town's financial statements.

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. Employee contributions are 100% vested when paid. Employees contribute 8% and the Town contributes 8% of the employee's annual salary.

The Town's current year covered payroll was \$885,663 and current year total payroll was \$954,110. During the year, the Town's required and actual contributions amounted to \$70,853.

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, 2014
(Continued)

IV. Other Information (continued)

C. Risk Management (continued)

The Town's share of assets, liabilities and fund equity as of December 31, 2014, the latest date for which information is available, is as follows:

Property and Casualty Pool:	%
Loss fund	0.966%
Pooled excess fund	0.256%

The December 31, 2014, combined financial information is as follows:

Cash and investments	\$ 76,309,382
Other assets	6,327,089
Total	\$ 82,636,471
Liabilities	\$ 33,713,754
Members fund balance	48,922,717
Total	\$ 82,636,471
Total revenue	\$ 25,463,136
Total expense	(18,029,023)
Excess of Revenue Over Expense	\$ 7,434,113

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, 2014, 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.

REQUIRED 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, 2014
(With Comparative Totals For 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes	486,369	486,369	500,845	14,476	612,064
Licenses and permits	117,450	117,450	228,304	110,854	151,746
Intergovernmental	909,457	909,457	1,167,420	257,963	903,627
Charges for services	94,500	94,500	190,821	96,321	151,845
Fines and forfeitures	70,000	70,000	55,599	(14,401)	89,711
Interest	14,000	14,000	10,800	(3,200)	16,984
Administrative charges	410,507	410,507	403,732	(6,775)	403,732
Developer reimbursable	15,000	15,000	9,437	(5,563)	70,659
Other	57,500	57,500	180,632	123,132	182,712
Total Revenues	2,174,783	2,174,783	2,747,590	572,807	2,583,080
Expenditures:					
General Government:					
Attorney	105,000	105,000	127,849	(22,849)	141,663
Municipal elections	8,927	8,927	6,858	2,069	1,976
Trustees	87,168	87,168	81,559	5,609	82,933
Municipal Court	32,097	32,097	28,786	3,311	26,133
Town Manager	285,113	285,113	278,079	7,034	260,965
Administrative services	475,800	475,800	469,140	6,660	397,627
Finance and records	337,296	337,296	293,728	43,568	405,414
Planning	386,185	386,185	304,654	81,531	292,598
Data processing	53,400	53,400	48,264	5,136	50,310
Building operations	92,095	92,095	78,372	13,723	79,337
Motor pool	229,428	229,428	267,847	(38,419)	227,315
Economic development	30,000	30,000	30,000	-	30,900
Sales tax administration	14,516	14,516	50,022	(35,506)	33,838
Affordable housing	30,000	30,000	28,000	2,000	28,000
Total General Government	2,167,025	2,167,025	2,093,158	73,867	2,059,009
Public Safety:					
Police department	1,449,868	1,449,868	1,438,095	11,773	1,514,911
Communications	38,750	38,750	40,909	(2,159)	38,541
Building inspection	148,521	148,521	146,308	2,213	141,435
Ordinance control	75,952	75,952	71,511	4,441	70,654
Total Public Safety	1,713,091	1,713,091	1,696,823	16,268	1,765,541
Public Works:					
Streets, alleys, snow removal	606,782	606,782	631,353	(24,571)	600,000
Public works administration	235,085	235,085	294,507	(59,422)	227,298
Total Public Works	841,867	841,867	925,860	(83,993)	827,298

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, 2014
(With Comparative Totals For 2013)
(Continued)

	2014				2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Culture and Recreation:					
Recreation	302,004	302,004	287,190	14,814	286,796
Municipal pool	-	-	28	(28)	-
Parks and cemetery	296,974	296,974	276,081	20,893	316,277
RV park	42,876	42,876	25,836	17,040	23,377
Boat ramp	20,520	20,520	20,688	(168)	751
Community affairs	55,000	55,000	52,179	2,821	64,348
Total Culture and Recreation	<u>717,374</u>	<u>717,374</u>	<u>662,002</u>	<u>55,372</u>	<u>691,549</u>
Other:					
Environmental health and recycling	45,900	45,900	57,797	(11,897)	52,243
Contingency	50,000	1,558,708	-	1,558,708	-
Total Other	<u>95,900</u>	<u>1,604,608</u>	<u>57,797</u>	<u>1,546,811</u>	<u>52,243</u>
Total Expenditures	<u>5,535,257</u>	<u>7,043,965</u>	<u>5,435,640</u>	<u>1,608,325</u>	<u>5,395,640</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,360,474)	(4,869,182)	(2,688,050)	2,181,132	(2,812,560)
Other Financing Sources (Uses):					
Sale of fixed assets	10,000	10,000	26,193	16,193	17,433
Transfers (out)	(800,000)	(800,000)	(1,465,000)	(665,000)	(750,000)
Transfers in	3,370,287	3,370,287	3,863,731	493,444	3,245,000
Total Other Financing Sources (Uses)	<u>2,580,287</u>	<u>2,580,287</u>	<u>2,424,924</u>	<u>(155,363)</u>	<u>2,512,433</u>
Net Change in Fund Balance	<u>(780,187)</u>	<u>(2,288,895)</u>	<u>(263,126)</u>	<u>2,025,769</u>	<u>(300,127)</u>
Fund Balance - Beginning			5,599,674		5,899,801
Fund Balance - Ending			<u>5,336,548</u>		<u>5,599,674</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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Sales tax revenue	485,846	513,898	28,052	477,278
Use tax - motor vehicle	40,333	56,637	16,304	47,633
Use tax - building permits	15,300	41,336	26,036	19,893
Investment earnings	1,000	341	(659)	405
Intergovernmental	116,250	25,000	(91,250)	213,618
Charges for services	305,500	312,021	6,521	339,907
Other income	40,200	42,991	2,791	49,060
Total Revenues	1,004,429	992,224	(12,205)	1,147,794
Expenditures:				
Pool	550	46	504	10,098
Park improvements	112,000	111,362	638	23,333
Trail improvements	5,000	1,000	4,000	130,890
Riding area and building	2,000	-	2,000	78,832
Salaries and benefits	451,410	416,204	35,206	438,974
Park and recreation facilities	286,660	266,722	19,938	296,684
Master plan	45,000	46,023	(1,023)	-
Contingency	50,000	-	50,000	-
Total Expenditures	952,620	841,357	111,263	978,811
Excess (Deficiency) of Revenues Over Expenditures	51,809	150,867	99,058	168,983
Other Financing Sources (Uses):				
Operating transfers (out)	(217,600)	(217,500)	100	(217,500)
Total Other Financing Sources (Uses)	(217,600)	(217,500)	100	(217,500)
Net Change in Fund Balance	(165,791)	(66,633)	99,158	(48,517)
Fund Balance - Beginning		871,226		919,743
Fund Balance - Ending		804,593		871,226

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, 2014
(With Comparative Totals For 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Sales tax	2,915,287	2,915,287	3,164,549	249,262	2,854,281
Use tax - motor vehicle	235,000	235,000	338,206	103,206	299,192
Use tax - building permits	45,000	45,000	247,927	202,927	119,318
Investment earnings	-	-	6	6	-
Total Revenues	<u>3,195,287</u>	<u>3,195,287</u>	<u>3,750,688</u>	<u>555,401</u>	<u>3,272,791</u>
Expenditures:					
Miscellaneous	-	2,500	2,321	179	-
Total Expenditures	<u>-</u>	<u>2,500</u>	<u>2,321</u>	<u>179</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	3,195,287	3,192,787	3,748,367	555,580	3,272,791
Other Financing (Uses):					
Operating transfers (out)	(3,195,287)	(3,852,213)	(3,688,731)	163,482	(3,245,000)
Total Other Financing (Uses)	<u>(3,195,287)</u>	<u>(3,852,213)</u>	<u>(3,688,731)</u>	<u>-</u>	<u>(3,245,000)</u>
Net Change in Fund Balance	<u>-</u>	<u>(659,426)</u>	59,636	<u>719,062</u>	27,791
Fund Balance - Beginning			<u>323,089</u>		<u>295,298</u>
Fund Balance - Ending			<u>382,725</u>		<u>323,089</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, 2014
(With Comparative Totals For 2013)

	2014		2013
	Original and Final Budget	Actual	Variance Positive (Negative)
			Actual
Revenues:			
Property tax	153,500	151,055	(2,445)
Specific ownership tax	8,000	9,367	1,367
Delinquent tax and interest	72	348	276
Total Revenues	<u>161,572</u>	<u>160,770</u>	<u>(802)</u>
Expenditures:			
Treasurer fee	3,800	3,028	772
Streetscape improvements	-	-	-
Capital projects	20,000	-	20,000
Total Expenditures	<u>23,800</u>	<u>3,028</u>	<u>20,772</u>
Net Change in Fund Balance	<u>137,772</u>	<u>157,742</u>	<u>19,970</u>
Fund Balance - Beginning		<u>347,207</u>	<u>281,038</u>
Fund Balance - Ending		<u>504,949</u>	<u>347,207</u>

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

Town of Carbondale, Colorado
Special Revenue Funds
Development Dedication Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Park development fee	-	2,800	2,800	-
General development fee	24,000	55,161	31,161	10,424
Investment earnings	100	72	(28)	80
Total Revenues	<u>24,100</u>	<u>58,033</u>	<u>33,933</u>	<u>10,504</u>
Excess (Deficiency) of Revenues Over Expenditures	24,100	58,033	33,933	10,504
Other Financing Sources (Uses):				
Operating transfers (out)	<u>(175,000)</u>	<u>(175,000)</u>	-	-
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(175,000)</u>	-	-
Net Change in Fund Balance	<u>(150,900)</u>	<u>(116,967)</u>	<u>33,933</u>	10,504
Fund Balance - Beginning		<u>663,878</u>		<u>653,374</u>
Fund Balance - Ending		<u>546,911</u>		<u>663,878</u>

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

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, 2014
(With Comparative Totals For 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Grants	600,000	600,000	800,000	200,000	44,841
Investment earnings	25	25	86	61	22
Miscellaneous	100,000	100,000	103,396	3,396	-
Total Revenues	700,025	700,025	903,482	203,457	44,863
Expenditures:					
Highway 133	1,663,500	1,763,500	1,608,938	154,562	1,002,604
Construction	175,000	175,000	172,903	2,097	47,626
Street resurfacing	200,000	200,000	195,735	4,265	242,278
1% for the Arts project	-	-	1,859	(1,859)	-
Vehicles	203,000	203,000	214,493	(11,493)	250,714
Total Expenditures	2,241,500	2,341,500	2,193,928	147,572	1,543,222
Excess (Deficiency) of Revenues Over Expenditures	(1,541,475)	(1,641,475)	(1,290,446)	55,885	(1,498,359)
Other Financing Sources (Uses):					
Operating transfers in	800,000	800,000	1,200,000	(400,000)	750,000
Total Other Financing Sources (Uses)	800,000	800,000	1,200,000	(400,000)	750,000
Net Change in Fund Balance	(741,475)	(841,475)	(90,446)	751,029	(748,359)
Fund Balance - Beginning			(146,158)		602,201
Fund Balance - Ending			(236,604)		(146,158)

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
For the Year Ended December 31, 2014
(With Comparative Totals For 2013)

	Water Fund					Wastewater Fund			
	2014		Final Budget Variance Positive (Negative)	2013		2014		2013	
	Original Budget	Final Budget		Actual	Actual	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:									
Charges for services:									
Sale of meters	3,000	3,000		18,017	13,016	-	-	-	-
Service fees	1,276,690	1,276,690		1,084,642	1,131,098	1,344,977	1,175,292	(169,685)	1,155,634
Penalty assessments	7,422	7,422		6,693	5,457	3,250	6,856	3,606	5,912
Miscellaneous	17,100	17,100		35,244	23,798	75,800	59,762	(16,038)	61,467
Total Revenues	1,304,212	1,304,212		1,144,596	1,173,369	1,424,027	1,241,910	(182,117)	1,223,013
Operating Expenses:									
Operations and maintenance	162,589	512,589		185,346	201,518	338,371	327,094	11,277	445,538
Personnel costs	422,784	422,784		322,193	373,494	443,202	494,339	(51,137)	445,322
Administration	333,668	333,668		332,796	313,132	213,082	221,664	(8,582)	233,458
Miscellaneous / contingency	50,000	50,000		-	-	-	-	-	-
Capital outlay	539,814	539,814		407,788	379,187	190,020	271,695	(81,675)	656,402
Total operating expenses	1,508,855	1,858,855		1,248,123	1,267,331	1,184,675	1,314,792	(130,117)	1,780,720
Operating Income (Loss) Budget Basis	(204,643)	(554,643)		(103,527)	(93,962)	239,352	(72,882)	(312,234)	(557,707)
Non-operating revenues (expenses):									
Investment earnings	2,000	2,000		1,797	2,025	8,000	6,573	(1,427)	6,982
Principal payments	-	-		(69,494)	(11,066)	-	(73,134)	(73,134)	(11,645)
Total non-operating revenues (expenses):	2,000	2,000		(67,697)	(9,041)	8,000	(66,561)	(74,561)	(4,663)
Capital contributions	25,200	25,200		172,938	96,773	28,500	170,261	141,761	94,719
Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis	(177,443)	(527,443)		1,714	(6,230)	275,852	30,818	(245,034)	(467,651)
Reconciliation to GAAP Basis:									
Capitalized assets				254,867	241,676		176,515		582,054
Principal payments				69,494	11,066		73,134		11,645
Depreciation				(272,261)	(268,487)		(320,143)		(285,736)
Net Income - GAAP Basis				53,814	(21,975)		(39,676)		(159,688)

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

Town of Carbondale, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2014

	Special Revenue					Sub-total Non-Major Governmental Funds
	Conservation Trust	Victims Assistance	CHA Mortgage	Community Enhancement	Lodging Tax	
Assets:						
Cash - Unrestricted	86,879	9,724	440,383	17,432	3,939	558,357
Other receivables	-	-	-	-	5,218	5,218
Total Assets	<u>86,879</u>	<u>9,724</u>	<u>440,383</u>	<u>17,432</u>	<u>9,157</u>	<u>563,575</u>
Liabilities:						
Accounts/vouchers payable	-	1,034	548	-	-	1,582
Other liabilities	-	-	2,200	-	-	2,200
Total Liabilities	<u>-</u>	<u>1,034</u>	<u>2,748</u>	<u>-</u>	<u>-</u>	<u>3,782</u>
Fund Balance:						
Restricted	86,879	-	-	17,432	9,157	113,468
Committed	-	8,690	437,635	-	-	446,325
Total Fund Balance	<u>86,879</u>	<u>8,690</u>	<u>437,635</u>	<u>17,432</u>	<u>9,157</u>	<u>559,793</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>86,879</u>	<u>9,724</u>	<u>440,383</u>	<u>17,432</u>	<u>9,157</u>	<u>563,575</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, 2014
(Continued)

	Special Revenue			Debt Service		Sub-total Non-Major Governmental Funds	Total Non-Major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
Assets:							
Cash - Unrestricted	14,019	8,268	28,992	30,216	173,618	558,357	813,470
Other receivables	-	-	2,753	-	-	5,218	7,971
Total Assets	<u>14,019</u>	<u>8,268</u>	<u>31,745</u>	<u>30,216</u>	<u>173,618</u>	<u>563,575</u>	<u>821,441</u>
Liabilities:							
Accounts/vouchers payable	-	-	-	-	-	1,582	1,582
Other liabilities	-	-	-	-	-	2,200	2,200
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,782</u>	<u>3,782</u>
Fund Balance:							
Restricted	-	-	-	30,216	173,618	113,468	317,302
Committed	14,019	8,268	31,745	-	-	446,325	500,357
Total Fund Balance	<u>14,019</u>	<u>8,268</u>	<u>31,745</u>	<u>30,216</u>	<u>173,618</u>	<u>559,793</u>	<u>817,659</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>14,019</u>	<u>8,268</u>	<u>31,745</u>	<u>30,216</u>	<u>173,618</u>	<u>563,575</u>	<u>821,441</u>

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

Town of Carbondale, Colorado
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue					Sub-total Non-major Governmental Funds
	Conservation Trust	Victims Assistance	CHA Mortgage	Community Enhancement	Lodging Tax	
Revenues:						
Taxes	-	-	4,075	-	73,251	77,326
Intergovernmental revenue	62,821	-	-	-	-	62,821
Fines and forfeitures	-	12,124	-	-	-	12,124
Miscellaneous	-	-	40,591	6,300	-	46,891
Total Revenues	<u>62,821</u>	<u>12,124</u>	<u>44,666</u>	<u>6,300</u>	<u>73,251</u>	<u>199,162</u>
Expenditures:						
General government	-	-	8,461	-	-	8,461
Public safety	-	24,317	-	-	-	24,317
Culture and recreation	68,915	-	-	-	71,645	140,560
Total Expenditures	<u>68,915</u>	<u>24,317</u>	<u>8,461</u>	<u>-</u>	<u>71,645</u>	<u>173,338</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,094)	(12,193)	36,205	6,300	1,606	25,824
Other Financing Sources (Uses):						
Operating transfers in	-	-	265,000	-	-	265,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>265,000</u>	<u>-</u>	<u>-</u>	<u>265,000</u>
Net Change in Fund Balance	(6,094)	(12,193)	301,205	6,300	1,606	290,824
Fund Balance - Beginning	<u>92,973</u>	<u>20,883</u>	<u>136,430</u>	<u>11,132</u>	<u>7,551</u>	<u>268,969</u>
Fund Balance - Ending	<u>86,879</u>	<u>8,690</u>	<u>437,635</u>	<u>17,432</u>	<u>9,157</u>	<u>559,793</u>

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

Town of Carbondale, Colorado
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended December 31, 2014
(Continued)

	Special Revenue			Debt Service		Sub-total Non-major Governmental Funds	Total Non-major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
Revenues:							
Taxes	-	-	16,663	-	-	77,326	93,989
Intergovernmental revenue	-	-	-	-	-	62,821	62,821
Fines and forfeitures	-	-	-	-	-	12,124	12,124
Miscellaneous	5,905	830	-	-	-	46,891	53,626
Total Revenues	<u>5,905</u>	<u>830</u>	<u>16,663</u>	<u>-</u>	<u>-</u>	<u>199,162</u>	<u>222,560</u>
Expenditures:							
General government	-	-	4,700	-	-	8,461	13,161
Public safety	-	-	-	-	-	24,317	24,317
Culture and recreation	11,500	-	-	-	-	140,560	152,060
Debt service:							
Principal	-	-	-	125,000	-	-	125,000
Interest	-	-	-	85,923	-	-	85,923
Total Expenditures	<u>11,500</u>	<u>-</u>	<u>4,700</u>	<u>210,923</u>	<u>-</u>	<u>173,338</u>	<u>400,461</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,595)	830	11,963	(210,923)	-	25,824	(177,901)
Other Financing Sources (Uses):							
Operating transfers in	-	-	-	217,500	-	265,000	482,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,500</u>	<u>-</u>	<u>265,000</u>	<u>482,500</u>
Net Change in Fund Balance	(5,595)	830	11,963	6,577	-	290,824	304,599
Fund Balance - Beginning	<u>19,614</u>	<u>7,438</u>	<u>19,782</u>	<u>23,639</u>	<u>173,618</u>	<u>268,969</u>	<u>513,060</u>
Fund Balance - Ending	<u>14,019</u>	<u>8,268</u>	<u>31,745</u>	<u>30,216</u>	<u>173,618</u>	<u>559,793</u>	<u>817,659</u>

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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Intergovernmental revenue	62,000	62,821	821	69,279
Interest	300	-	(300)	310
Total Revenues	<u>62,300</u>	<u>62,821</u>	<u>521</u>	<u>69,589</u>
Expenditures:				
Personnel	42,617	32,036	10,581	42,326
Park maintenance	42,360	36,879	5,481	52,277
Equipment	-	-	-	1,680
Total Expenditures	<u>84,977</u>	<u>68,915</u>	<u>16,062</u>	<u>96,283</u>
Net Change in Fund Balance	<u>(22,677)</u>	<u>(6,094)</u>	<u>16,583</u>	<u>(26,694)</u>
Fund Balance - Beginning		<u>92,973</u>		<u>119,667</u>
Fund Balance - Ending		<u>86,879</u>		<u>92,973</u>

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, 2014
(With Comparative Totals For 2013)

	2014		2013
	Original and Final Budget	Actual	Variance Positive (Negative)
			Actual
Revenues:			
Fines and surcharge	18,360	12,124	(6,236)
Total Revenues	<u>18,360</u>	<u>12,124</u>	<u>(6,236)</u>
Expenditures:			
Victim's assistance	18,530	9,396	9,134
Police training	7,500	14,876	(7,376)
Board expenses	-	45	(45)
Total Expenditures	<u>26,030</u>	<u>24,317</u>	<u>1,713</u>
Net Change in Fund Balance	<u>(7,670)</u>	<u>(12,193)</u>	<u>(4,523)</u>
Fund Balance - Beginning		<u>20,883</u>	<u>8,810</u>
Fund Balance - Ending		<u>8,690</u>	<u>20,883</u>

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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Real estate transfer assessment	-	-	4,075	4,075
Fannie Mae mortgage fee	1,100	1,100	3,880	2,780
Lease income	48,000	48,000	36,711	(11,289)
Other revenue	-	-	-	-
Total Revenues	<u>49,100</u>	<u>49,100</u>	<u>44,666</u>	<u>(4,434)</u>
Expenditures:				
Other expense	8,000	273,000	7,719	265,281
Grant expense	-	-	742	(742)
Total Expenditures	<u>8,000</u>	<u>273,000</u>	<u>8,461</u>	<u>264,539</u>
Excess (Deficiency) of Revenues Over Expenditures	41,100	(223,900)	36,205	260,105
Other Financing Sources (Uses):				
Operating transfers in	-	-	265,000	265,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>265,000</u>	<u>265,000</u>
Net Change in Fund Balance	<u>41,100</u>	<u>(223,900)</u>	301,205	<u>525,105</u>
Fund Balance - Beginning			136,430	105,027
Fund Balance - Ending			<u>437,635</u>	<u>136,430</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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Community enhancement	5,934	6,300	366	3,971
Total Revenues	<u>5,934</u>	<u>6,300</u>	<u>366</u>	<u>3,971</u>
Expenditures:				
Community projects	7,000	-	7,000	44,643
Total Expenditures	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>44,643</u>
Net Change in Fund Balance	<u>(1,066)</u>	6,300	<u>7,366</u>	(40,672)
Fund Balance - Beginning		<u>11,132</u>		<u>51,804</u>
Fund Balance - Ending		<u>17,432</u>		<u>11,132</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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Lodging tax	56,100	56,100	73,251	17,151
Total Revenues	<u>56,100</u>	<u>56,100</u>	<u>73,251</u>	<u>17,151</u>
Expenditures:				
Chamber of Commerce	55,938	83,938	71,645	12,293
Total Expenditures	<u>55,938</u>	<u>83,938</u>	<u>71,645</u>	<u>12,293</u>
Net Change in Fund Balance	<u>162</u>	<u>(27,838)</u>	1,606	<u>29,444</u>
Fund Balance - Beginning			7,551	3,683
Fund Balance - Ending			<u>9,157</u>	<u>7,551</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, 2014
 (With Comparative Totals For 2013)

	2014		2013
	Original and Final Budget	Actual	Variance Positive (Negative)
			Actual
Revenues:			
Miscellaneous	-	5,905	5,905
Total Revenues	-	5,905	5,905
Expenditures:			
Reserve	14,615	11,500	3,115
Total Expenditures	14,615	11,500	3,115
Net Change in Fund Balance	<u>(14,615)</u>	<u>(5,595)</u>	<u>9,020</u>
Fund Balance - Beginning		<u>19,614</u>	<u>18,239</u>
Fund Balance - Ending		<u>14,019</u>	<u>19,614</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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Miscellaneous	-	-	830	760
Total Revenues	-	-	830	760
Expenditures:				
Building inspection	5,000	8,500	-	3,070
Total Expenditures	5,000	8,500	-	3,070
Net Change in Fund Balance	<u>(5,000)</u>	<u>(8,500)</u>	830	(2,310)
Fund Balance - Beginning			7,438	9,748
Fund Balance - Ending			<u>8,268</u>	<u>7,438</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, 2014
(With Comparative Totals For 2013)

	2014		2013
	Original and Final Budget	Actual	Variance Positive (Negative)
			Actual
Revenues:			
Taxes	12,000	16,663	4,663
Total Revenues	<u>12,000</u>	<u>16,663</u>	<u>4,663</u>
Expenditures:			
Miscellaneous	12,000	4,700	7,300
Total Expenditures	<u>12,000</u>	<u>4,700</u>	<u>7,300</u>
Net Change in Fund Balance	<u>-</u>	<u>11,963</u>	<u>11,963</u>
Fund Balance - Beginning		<u>19,782</u>	<u>5,266</u>
Fund Balance - Ending		<u>31,745</u>	<u>19,782</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, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Bond principal	210,923	125,000	85,923	125,000
Bond interest	-	85,923	(85,923)	91,048
Agents fee	600	-	600	300
Total Expenditures	211,523	210,923	600	216,348
Excess (Deficiency) of Revenues Over Expenditures	(211,523)	(210,923)	600	(216,348)
Other Financing Sources (Uses):				
Operating transfers in	217,600	217,500	(100)	217,500
Total Other Financing Sources (Uses)	217,600	217,500	(100)	217,500
Net Change in Fund Balance	6,077	6,577	500	1,152
Fund Balance - Beginning		23,639		22,487
Fund Balance - Ending		30,216		23,639

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

Town of Carbondale, Colorado
Debt Service Funds
Bond Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2014
(With Comparative Totals For 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	-	-	-	-
Total Revenues	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning		173,618		173,618
Fund Balance - Ending		173,618		173,618

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

**ANNUAL SCHEDULE OF REVENUES AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS**





Calendar Year 2014

Problems? Please contact the Help Desk at 303-757-9317

ANNUAL HIGHWAY FINANCE REPORT

Step 1: Enter your email and select your City or County from the list below.
Step 2: Click on "Start" to edit/update your data.
Step 3: Click on "Submit" at the bottom of the form to edit/update your data.

Your Email Address: City or County:

II - RECEIPTS FOR ROAD AND STREET PURPOSES

A. Receipts from local sources

2. General Fund Appropriations:	\$	2151417
3. Other local imposts: <i>from A.3. Total below</i>	\$	509,099
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	42,618
5. Transfers from toll facilities	\$	0
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0
b. Bonds - Refunding Issues:	\$	0
c. Notes:	\$	0
SubTotal:	\$	2,703,134

B. Private Contributions	\$	0
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II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	309198
b. Other Local Imposts		
1. Sales Taxes:	\$	29377
2. Infrastructure and Impact Fees:	\$	151350
3. Liens:	\$	0
4. Licenses:	\$	0
5. Specific Ownership and/or Other:	\$	19174

Total: *(a + b) carried to 'Other local imposts' above* \$ 509,099

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	919
b. Traffic fines & Penalties:	\$	41699

b. Traffic fines & penalties:	✓	
c. Parking Garage Fees:	\$	0
d. Parking Meter Fees:	\$	0
e. Sale of Surplus Property:	\$	0
f. Charges for Services:	\$	0
g. Other Misc. Receipts:	\$	0
h. Other:	\$	0

Total: (a through h) carried to 'Misc local receipts' above) \$ 42,618

C. Receipts from State Government

1. Highway User Taxes:	\$	162215
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	22378
d. Other (Specify) - DOLA Grant:		
(Specify in comments section below)	\$	0
e. Other (Specify):		
(Specify in comments section below)	\$	0

Total: (1-3c,d,e) \$ 184,593

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0
b. FEMA:	\$	0
c. HUD:	\$	0
d. Federal Transit Administration:	\$	0
e. U.S. Corp of Engineers	\$	0
f. Other Federal:	\$	620629

Total: (2a-f) \$ 620,629

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

A. Local highway disbursements

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	1,953,579
2. Maintenance:	\$	0
3. Road and street services		
a. Traffic control operations:	\$	6686
b. Snow and ice removal:	\$	112571
c. Other:	\$	76309
4. General administration & miscellaneous	\$	766701
5. Highway law enforcement and safety	\$	592510

Total: (A.1-5) \$ 3,508,356

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0
b. Redemption	\$	0
2. Notes		
a. Interest	\$	0
b. Redemption	\$	0

SubTotal: (1+2) \$ 0

C. Payments to State for Highways:	\$	0
D. Payments to Toll Facilities:	\$	0
Total Disbursements: (A+B+C+D)	\$	3,508,356

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A. 1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0	\$ 0	\$ 0
b. Engineering Costs:	\$ 0	\$ 7150	\$ 7,150
c. Construction			
1. New Facilities:	\$ 0	\$ 0	\$ 0
2. Capacity Improvements:	\$ 1577791	\$ 0	\$ 1,577,791
3. System Preservation:	\$ 0	\$ 333303	\$ 333,303
4. System Enhancement:	\$ 0	\$ 35335	\$ 35,335
5. Total Construction:			\$ 1,946,429
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 1,953,579

IV. LOCAL HIGHWAY DEBT STATUS

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0	\$ 0	\$ 0	\$ 0
1. Bonds (Refunding Portion)	\$	\$ 0	\$ 0	\$ 0
B. Notes (Total):	\$ 0	\$ 0	\$ 0	\$ 0

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0	\$ 3,508,356	\$ 3,508,356	\$ 0	\$ 0

Notes & Comments:

Please enter your name: Renae Gustine

Please provide a telephone number where you may be reached: 9705101204

If all entries are to be considered final and no more editing is expected, please check here: ☐