

Town of Carbondale, Colorado

Financial Report

December 31, 2009



**Town of Carbondale, Colorado
Financial Report
December 31, 2009**

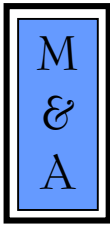
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Town Council Town of Carbondale, Colorado

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado, (the "Town"), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town's non-major governmental funds as presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Town. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis in Section B is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary schedules in section E are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary fund information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects the basic financial statements taken as a whole.

Member: American Institute of Certified Public Accountants

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Our audit was made for the purpose of forming an opinion on the government-wide and fund financial statements taken as a whole. The accompanying financial information in Section F is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Carbondale, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

McMahan and Associates, L.L.C.

June 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Carbondale, Colorado

Management's Discussion and Analysis December 31, 2009

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, 2009.

Financial Highlights

- In 2009, the Town made significant expenditure reductions and also reduced the number of Town employees approximately 15% through attrition and layoffs.
- In 2009, Town of Carbondale sales tax revenues dropped over 15%; revenues for construction related revenue sources through the Building Department dropped over 80%.
- The Town's governmental fund balances increased \$457,018, which includes the General Fund balance increase of \$1,157,110, and the Town's business-type activities increased \$713,352.

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 Assets presents information on all Town assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, and culture and recreation. 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.

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.

Overview of the Financial Statements (continued)

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 assets for 2009:

Town of Carbondale's Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	10,351,755	9,128,881	5,576,237	5,337,741	15,927,992	14,466,622
Capital assets	16,255,134	15,840,998	16,216,101	15,886,038	32,471,235	31,727,036
Total assets	26,606,889	24,969,879	21,792,338	21,223,779	48,399,227	46,193,658
Other liabilities	1,760,056	1,152,759	189,487	48,505	1,949,543	1,201,264
Long-term liabilities outstanding	2,262,277	2,365,000	800,662	949,436	3,062,939	3,314,436
Total liabilities	4,022,333	3,517,759	990,149	997,941	5,012,482	4,515,700
Net assets:						
Invested in capital assets, net of related debt	14,096,173	13,583,149	15,415,439	14,936,602	29,511,612	28,519,751
Restricted	363,148	458,462	-	-	363,148	458,462
Unrestricted	8,125,235	7,410,509	5,386,750	5,289,236	13,511,985	12,699,745
Total net assets	\$ 22,584,556	21,452,120	20,802,189	20,225,838	43,386,745	41,677,958

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 67% 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 assets, 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 the purchase of vehicles and equipment. Maturing for the Town's remaining debt are as follows; the Town's 1998B issue will be retired in 2015, the Town's 2004 issue will be retired in 2024, the Town's 2006 issue will retire in 2024 and the Town's 2006 supplemental interest coupon will retire in 2010. Additional information regarding the Town's long-term debt is available in Section D of the footnotes.

The Town has reserved a portion of its net assets for the following purposes

	Balance 1/1/09	Additions	Deletions	Balance 12/31/09
Emergency reserve	\$ 187,262	12,648	-	199,910
Parking	31,400	9,300	-	40,700
Manager contract	228,800	-	(129,262)	99,538
Solar panels	11,000	12,000	-	23,000
Total	\$ 447,462	33,948	(129,262)	363,148

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 Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
REVENUES:						
Program revenues:						
Charges for services	\$ 1,092,546	\$ 1,210,041	2,367,370	2,505,757	3,459,916	3,715,798
Operating grants and contributions	1,457,036	677,583	-	-	1,457,036	677,583
Capital grants and contributions	105,706	296,912	699,174	683,326	804,880	980,238
General revenues:						
Property taxes	443,100	426,285	-	-	443,100	426,285
Sales and use taxes	3,795,444	5,022,166	-	-	3,795,444	5,022,166
Other taxes	418,216	503,966	-	-	418,216	503,966
Interest and other revenue	347,054	384,115	72,676	95,400	419,730	479,515
Special items	566,063	2,000,000	-	-	566,063	2,000,000
Total Revenues	8,225,165	10,521,068	3,139,220	3,284,483	11,364,385	13,805,551
EXPENSES:						
General government	2,496,202	2,579,772	-	-	2,496,202	2,579,772
Public safety	1,664,144	2,512,333	-	-	1,664,144	2,512,333
Public works	1,022,140	954,404	-	-	1,022,140	954,404
Culture and recreation	1,940,716	2,071,776	-	-	1,940,716	2,071,776
Interest	106,497	110,011	-	-	106,497	110,011
Affordable housing	33	13,786	-	-	33	13,786
Water	-	-	1,293,194	1,243,874	1,293,194	1,243,874
Wastewater	-	-	1,132,673	1,294,972	1,132,673	1,294,972
Total Expenses	7,229,732	8,242,082	2,425,867	2,538,846	9,655,599	10,780,928
Change in Net Assets	995,433	2,278,986	713,353	745,637	1,708,786	3,024,623
Net Assets - Beginning	21,452,122	19,173,134	20,225,838	19,480,201	41,677,960	38,653,335
Net Assets - Ending	\$ 22,447,555	21,452,120	20,939,191	20,225,838	43,386,746	41,677,958

The following provide additional insight into the above chart:

- Under Revenues, operating grants and contributions increased significantly with a onetime Mineral Leasing and Mineral Severance Tax distribution. 2010 budget projection for this revenue is based on less than 20% of 2009 actual.
- Special Items in 2009 reflects contributed capital by developer (Keator Grove).
- Overall expenses reflect significant reductions in all aspects of government activities.

Overview of the Financial Statements (continued)

Governmental activities: Governmental activities increased the Town's net assets by \$995,434. Key elements of this increase are as follows:

- The Town capitalized \$1,234,175 in fixed asset additions during 2009. The majority of this increase was relating to Streetscape Phase II and roads and sidewalks for Keator Grove.

Business-type activities: Business-type activities increased the Town's net assets by \$713,353. Key elements of this increase are as follows:

- Assets totaling \$862,050 were capitalized between the Water Fund and Wastewater Fund in 2009.
- The Water Fund and Wastewater Fund had net income of \$167,894 and \$545,459 respectively. On a cash basis, the Funds cumulatively increased their cash and investment holdings by \$307,678.

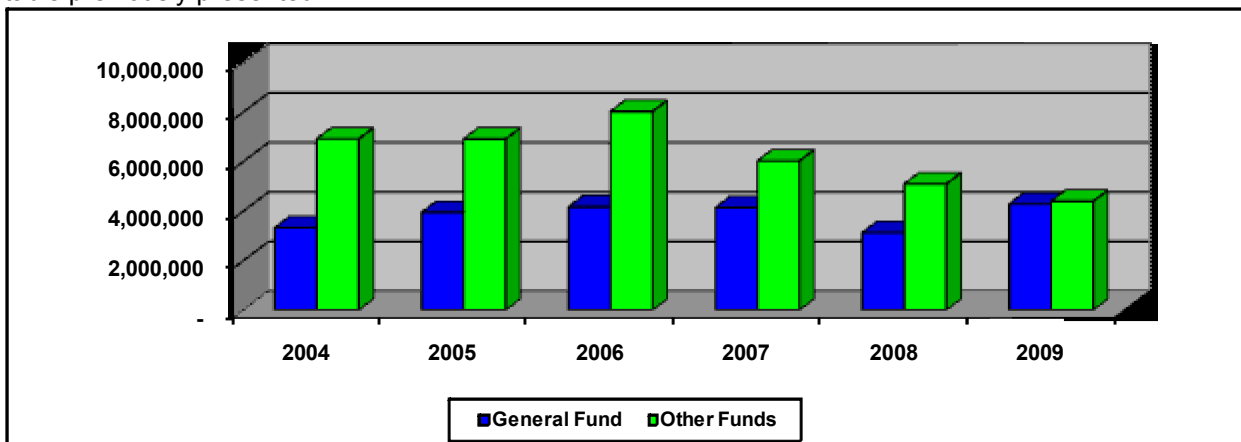
Financial Analysis of the Town's Funds

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 \$8,680,453; an increase of \$457,018 from the prior year's ending fund balances. The following details ending fund balances for the past several years:

Fund	2004	2005	2006	2007	2008	2009
General	3,325,965	3,943,569	4,172,128	4,138,332	3,128,437	4,285,547
Sales and Use	423,692	465,802	318,141	372,610	346,700	259,477
Recreation Sales and Use	3,588,173	3,667,583	4,214,290	2,301,633	1,822,069	1,675,570
Streetscape	195,744	346,251	352,579	467,316	199,513	225
Capital Projects	722,762	149,733	738,019	587,542	950,101	471,693
Other Governmental	1,982,410	2,279,573	2,398,319	2,296,745	1,776,615	1,987,941
Total	10,238,746	10,852,511	12,193,476	10,164,178	8,223,435	8,680,453

As indicated on the table above, certain Town's fund balances were reduced from the prior year due to the completion of projects undertaken, or caused by a reduction in revenue as, specifically, experienced in the Recreation Sales and Use Tax Fund. The following graph is based on the table previously presented:



Financial Analysis of the Town's Funds (continued)

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 \$1,427,569. The Wastewater Fund had cash of \$3,959,180.

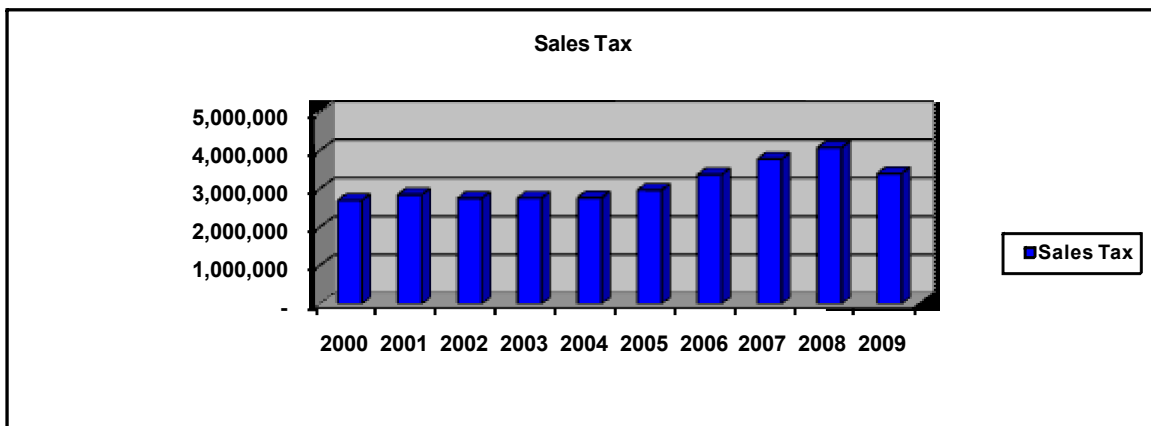
Budget variances in the General Fund: The Town's General Fund revenues were over budget by \$1,059,907; General Fund expenditures were under budget by \$501,615. The General Fund's significant budget variances are detailed as follows:

	Variance Positive (Negative)	Reason
Revenues:		
Intergovernmental	947,355	Mineral Leasing/Severance Tax distribution
Developer reimbursable	101,962	Reimbursement related to proposed projects
Other	144,882	Refund towing costs, CIRSA claims, SRO, Qwest refund
Expenditures:		
Trustees	32,727	CHPG not completed
Affordable housing	45,041	Possible housing acquisition did not take place
Police department	34,842	Reduction in towing, consulting and public education
Communications	34,412	Less radio maintenance and phone service costs
Streets, alleys, snow removal	46,391	Less sidewalk and tree maintenance
Parks and cemetery	130,788	Reduced personnel costs due to budget reductions
Contingency	160,000	Retained with budget reductions

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to expenditures for various construction in progress and infrastructure. 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 debts: As of the end of the current fiscal year, the Town had \$3,413,106 in long-term debts. 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 decreased from 2008 by approximately 16.5%. The following chart indicates changes in the sales tax:



Financial Analysis of the Town's Funds (continued)

Next year's budget and rates: The Town's General Fund balance at the end of fiscal year 2009 was \$4,285,547. In the 2010 budget, the Town anticipates using approximately \$100,000 of accumulated fund balance.

Other information: Phase II of the Streetscape will be completed in 2010 with an additional project at Snowmass & Main St. This will be accomplished with an EIAF grant of \$291,175.

Due to economic conditions, other discretionary spending will be at a minimum. A salary and hiring freeze was implemented in the 2009 budget and will likely remain through 2010.

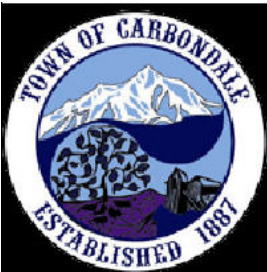
Request for Information

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



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



Town of Carbondale, Colorado
Statement of Net Assets
December 31, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents - Unrestricted	8,361,447	5,386,750	13,748,197
Cash and cash equivalents - Restricted	223,178	-	223,178
Receivables, net:			
Taxes	959,611	-	959,611
Accounts	-	220,512	220,512
Other	159,250	-	159,250
Intergovernmental	71,868	755	72,623
Note receivable	276,200	-	276,200
Internal balances	(68,500)	68,500	-
Prepaid expenses	125,666	16,389	142,055
Bond issuance costs, net	103,316	20,331	123,647
Inventories	2,719	-	2,719
Capital assets, net	16,255,134	16,216,101	32,471,235
Total Assets	<u>26,469,889</u>	<u>21,929,338</u>	<u>48,399,227</u>
Liabilities:			
Accounts payable	329,521	-	329,521
Deferred revenue	631,746	152,374	784,120
Other liabilities	469,722	5,128	474,850
Compensated absences	320,459	31,985	352,444
Accrued interest and bond premium	8,608	-	8,608
Bonded debt payable:			
Due within one year	110,000	113,160	223,160
Due in more than one year	2,152,277	687,502	2,839,779
Total Liabilities	<u>4,022,333</u>	<u>990,149</u>	<u>5,012,482</u>
Net Assets:			
Invested in capital assets, net of related debt	14,096,173	15,415,439	29,511,612
Restricted for other purposes	363,148	-	363,148
Unrestricted	7,988,235	5,523,750	13,511,985
Total Net Assets	<u>22,447,556</u>	<u>20,939,189</u>	<u>43,386,745</u>

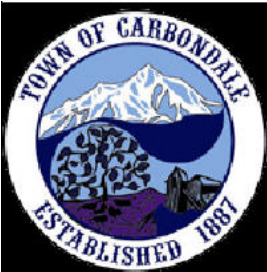
The accompanying notes are an integral part of these financial statements.

Town of Carbondale, Colorado
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	2,496,202	528,786	217,184	-	(1,750,232)	-	(1,750,232)
Public safety	1,664,144	107,997	379	-	(1,555,768)	-	(1,555,768)
Public works	1,022,140	-	1,147,082	-	124,942	-	124,942
Culture and recreation	1,940,716	427,383	92,391	105,706	(1,315,236)	-	(1,315,236)
Affordable housing	33	28,380	-	-	28,347	-	28,347
Interest on long-term debt	106,497	-	-	-	(106,497)	-	(106,497)
Total governmental activities	7,229,732	1,092,546	1,457,036	105,706	(4,574,444)	-	(4,574,444)
Business-type activities:							
Water	1,293,194	1,096,190	-	353,040	-	156,036	156,036
Wastewater	1,132,673	1,271,180	-	346,134	-	484,641	484,641
Total business-type activities	2,425,867	2,367,370	-	699,174	-	640,677	640,677
Total	9,655,599	3,459,916	1,457,036	804,880	(4,574,444)	640,677	(3,933,767)
General revenues:							
Taxes:							
Property tax, levied for general purposes					443,100	-	443,100
Specific ownership tax					27,308	-	27,308
Sales and use tax					3,795,444	-	3,795,444
Franchise tax					257,157	-	257,157
Lodging Tax					59,721	-	59,721
Other miscellaneous taxes					74,030	-	74,030
Investment earnings					120,165	60,818	180,983
Miscellaneous					226,889	11,858	238,747
Special items					566,063	-	566,063
Total general revenues and special items					5,569,877	72,676	5,642,553
Change in Net Assets					995,433	713,353	1,708,786
Net Assets - Beginning (restated)					21,452,122	20,225,837	41,677,959
Net Assets - Ending					22,447,555	20,939,190	43,386,745

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

FUND FINANCIAL STATEMENTS



Town of Carbondale, Colorado
Balance Sheet
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Recreation Sales and Use Tax</u>	<u>Sales and Use Tax</u>	<u>Streetscape</u>	<u>Capital Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Cash - Unrestricted	4,169,715	1,621,270	(929)	10,628	898,693	1,662,068	8,361,445
Cash - Restricted	223,178	-	-	-	-	-	223,178
Receivables, net of allowance for uncollectibles	101,529	88,100	-	-	-	-	189,629
Due from other governments	38,503	46,762	280,406	697	-	279,186	645,554
Due from other funds	422,038	-	-	172,000	-	134,600	728,638
Property tax receivable	368,079	-	-	263,667	-	-	631,746
Prepaid expenses	125,666	-	-	-	-	-	125,666
Inventory	2,719	-	-	-	-	-	2,719
Total Assets	<u>5,451,427</u>	<u>1,756,132</u>	<u>279,477</u>	<u>446,992</u>	<u>898,693</u>	<u>2,075,854</u>	<u>10,908,575</u>
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	329,037	119	-	-	-	-	329,156
Other liabilities	355,019	1,318	-	-	-	-	356,337
Accrued payroll and related liabilities	113,745	-	-	-	-	-	113,745
Due to other funds	-	79,125	20,000	183,100	427,000	87,913	797,138
Deferred property taxes not collectible until subsequent year	368,079	-	-	263,667	-	-	631,746
Total Liabilities	<u>1,165,880</u>	<u>80,562</u>	<u>20,000</u>	<u>446,767</u>	<u>427,000</u>	<u>87,913</u>	<u>2,228,122</u>
Fund Balance:							
Reserved	340,148	23,000	-	-	-	-	363,148
Unreserved, reported in:							
General	3,945,399	-	-	-	-	-	3,945,399
Special revenue	-	1,652,570	259,477	225	-	1,803,334	3,715,606
Debt service	-	-	-	-	-	184,607	184,607
Capital projects	-	-	-	-	471,693	-	471,693
Total Fund Balance	<u>4,285,547</u>	<u>1,675,570</u>	<u>259,477</u>	<u>225</u>	<u>471,693</u>	<u>1,987,941</u>	<u>8,680,453</u>
Total Liabilities and Fund Balance	<u>5,451,427</u>	<u>1,756,132</u>	<u>279,477</u>	<u>446,992</u>	<u>898,693</u>	<u>2,075,854</u>	<u>10,908,575</u>

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 Assets
December 31, 2009

Governmental Funds Total Fund Balance \$ 8,680,453

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	21,612,675	
Accumulated depreciation	<u>(5,357,540)</u>	
		16,255,135

Deferred charges such as bond issuance costs, 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 Assets. Details of these amounts are as follows:

Bond issuance costs, net	103,316	
Discount on bonded debt, net	3,055	
Premium on bonded debt, net	<u>(5,332)</u>	
		101,039

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	(8,608)	
Bonded debt	(2,260,000)	
Compensated absences	<u>(320,459)</u>	
		<u>(2,589,067)</u>

Governmental Activities Net Assets \$ 22,447,560

Town of Carbondale, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2009

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	531,403	519,002	3,078,834	196,162	-	105,461	4,430,862
Licenses, permits, and fees	92,688	-	-	-	-	-	92,688
Intergovernmental revenue	1,577,843	105,706	-	-	-	60,082	1,743,631
Charges for services	183,277	246,269	-	-	-	-	429,546
Fines and forfeitures	85,171	-	-	-	-	22,826	107,997
Investment income	31,219	21,242	172	592	14,373	52,560	120,158
Miscellaneous	612,059	51,373	-	-	-	73,116	736,548
Total Revenues	3,113,660	943,592	3,079,006	196,754	14,373	314,045	7,661,430
Expenditures:							
General government	2,424,466	-	-	-	-	4,061	2,428,527
Public safety	1,639,208	-	-	-	-	33,160	1,672,368
Public works	765,375	-	-	373,109	55,281	6,102	1,199,867
Culture and recreation	857,231	746,828	-	-	-	88,531	1,692,590
Debt service:							
Principal	-	-	-	-	-	105,000	105,000
Interest	-	-	-	-	-	106,060	106,060
Total Expenditures	5,686,280	746,828	-	373,109	55,281	342,914	7,204,412
Excess (Deficiency) of Revenues Over Expenditures	(2,572,620)	196,764	3,079,006	(176,355)	(40,908)	(28,869)	457,018
Other Financing Sources (Uses):							
Operating transfers in	3,729,730	-	-	172,000	-	215,659	4,117,389
Operating transfers (out)	-	(343,263)	(3,146,229)	-	(437,500)	(190,397)	(4,117,389)
Total Other Financing Sources (Uses)	3,729,730	(343,263)	(3,146,229)	172,000	(437,500)	25,262	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	1,157,110	(146,499)	(67,223)	(4,355)	(478,408)	(3,607)	457,018
Fund Balance - Beginning	3,128,437	1,822,069	326,700	4,580	950,101	1,991,548	8,223,435
Fund Balance (Deficit) - Ending	4,285,547	1,675,570	259,477	225	471,693	1,987,941	8,680,453

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, 2009

Governmental Funds Changes in Fund Balances (Deficit) \$ 457,018

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	\$ 1,234,175	
Depreciation expense	<u>(820,036)</u>	414,139

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 assets. 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	\$ 105,000	
Amortization of debt related deferrals, net	(4,504)	
Adjustments to current year interest	<u>230</u>	100,726

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 23,555

Governmental Activities Change in Net Assets \$ 995,438

Town of Carbondale, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2009

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and investments	1,427,569	3,959,180	5,386,749
Accounts receivable	106,227	115,040	221,267
Prepaid expenses	16,389	-	16,389
Total current assets	<u>1,550,185</u>	<u>4,074,220</u>	<u>5,624,405</u>
Non-current assets:			
Bond issuance costs, net of accumulated amortization	20,331	-	20,331
Land	51,048	133,391	184,439
Plant and system	12,991,488	10,635,652	23,627,140
Building and improvements	229,526	495,123	724,649
Machinery and equipment	422,548	633,256	1,055,804
Water rights	247,648	-	247,648
Construction in progress	90,276	318,651	408,927
Accumulated depreciation	<u>(3,556,202)</u>	<u>(6,476,303)</u>	<u>(10,032,505)</u>
Total non-current assets	<u>10,496,663</u>	<u>5,739,770</u>	<u>16,236,433</u>
Total Assets	<u>12,046,848</u>	<u>9,813,990</u>	<u>21,860,838</u>
Liabilities:			
Current liabilities:			
Other liabilities	5,128	1,194	6,322
Deferred revenue	151,180	-	151,180
Due to (from) other fund	97,240	(165,740)	(68,500)
Bonds payable	113,160	-	113,160
Total current liabilities	<u>366,708</u>	<u>(164,546)</u>	<u>202,162</u>
Long-term liabilities:			
Bonds payable - Long-term portion	687,502	-	687,502
Accrued compensated absences	18,822	13,163	31,985
Total long-term liabilities	<u>706,324</u>	<u>13,163</u>	<u>719,487</u>
Total Liabilities	<u>1,073,032</u>	<u>(151,383)</u>	<u>921,649</u>
Net Assets:			
Invested in capital assets, net of related debt	9,675,670	5,739,770	15,415,440
Unrestricted	<u>1,298,146</u>	<u>4,225,603</u>	<u>5,523,749</u>
Total Net Assets	<u>10,973,816</u>	<u>9,965,373</u>	<u>20,939,189</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 Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for services:			
Service fees	1,063,290	1,186,014	2,249,304
Sale of meters	5,067	-	5,067
Other revenues:			
Penalty assessments	4,487	5,056	9,543
Miscellaneous	19,952	80,110	100,062
Total Operating Revenues	1,092,796	1,271,180	2,363,976
Operating Expenses:			
Operations and maintenance	207,088	255,317	462,405
Personnel costs	493,246	405,549	898,795
Administration	310,574	199,762	510,336
Depreciation	261,713	270,271	531,984
Total Operating Expenses	1,272,621	1,130,899	2,403,520
Operating (Loss)	(179,825)	140,281	(39,544)
Non-operating Revenue (Expenses):			
Investment income	15,251	60,818	76,069
Bond interest	(12,871)	(1,774)	(14,645)
Amortization of bond issuance costs	(7,702)	-	(7,702)
Total Non-operating Revenue (Expenses)	(5,322)	59,044	53,722
(Loss) Before Contributions	(185,147)	199,325	14,178
Capital contributions, and tap fees	353,040	346,134	699,174
Change in Net Assets	167,893	545,459	713,352
Total Net Assets - Beginning (restated)	10,805,923	9,419,914	20,225,837
Total Net Assets - Ending	10,973,816	9,965,373	20,939,189

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

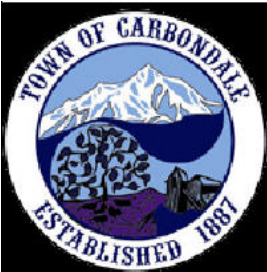
Town of Carbondale, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers and others	1,062,458	1,196,284	2,258,742
Cash paid for goods, services and employees	(1,008,575)	(859,739)	(1,868,314)
Transfers	(1,086)	68,500	67,414
Other cash receipts	19,952	80,110	100,062
Net Cash Provided (Used) by Operating Activities	<u>72,749</u>	<u>485,155</u>	<u>557,904</u>
Cash Flows From Capital Financing Activities:			
Interest on bonds	(12,871)	(1,774)	(14,645)
Bond principal payment	(148,773)	-	(148,773)
Proceeds from tap and meter sales	77,304	72,034	149,338
Acquisition of capital assets	(87,448)	(224,767)	(312,215)
Net Cash Provided (Used) by Capital Financing Activities	<u>(171,788)</u>	<u>(154,507)</u>	<u>(326,295)</u>
Cash Flows From Investing Activities			
Interest received	15,251	60,818	76,069
Net Cash Provided by Investing Activities	<u>15,251</u>	<u>60,818</u>	<u>76,069</u>
Net Increase in Cash and Cash Equivalents	(83,788)	391,466	307,678
Cash and Cash Equivalents - Beginning	1,511,357	3,567,714	5,079,071
Cash and Cash Equivalents - Ending	<u>1,427,569</u>	<u>3,959,180</u>	<u>5,386,749</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating (loss)	(179,825)	140,281	(39,544)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation expense	261,713	270,271	531,984
(Increase) decrease in operating accounts receivable	(10,386)	5,214	(5,172)
(Increase) decrease in prepaid expense	(3,620)	1,774	(1,846)
Increase (decrease) in deposits	1,127	-	1,127
Increase (decrease) in compensated absences	4,826	(885)	3,941
Transfers	(1,086)	68,500	67,414
Total Adjustments	<u>252,574</u>	<u>344,874</u>	<u>597,448</u>
Net Cash Provided (Used) by Operating Activities	<u>72,749</u>	<u>485,155</u>	<u>557,904</u>

Schedule of Noncash Investing, Capital and Financing Activities:

The Water Fund and the Wastewater Fund received \$275,736 and \$244,516, respectively, in contributed capital assets.

NOTES TO THE FINANCIAL STATEMENTS



Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements after that date to its business-type activities and enterprise funds, the Town has not chosen to do so. 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, 2009
(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 Assets, 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 assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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 assets 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 comprises 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 is considered a special revenue fund.

The *Sales and Use Tax Fund* - accounts for the 3% sales and use tax revenues. The Sales and Use Tax Fund is presented as a special revenue fund because the revenues are derived from specific sales and use taxes and the expenditures 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, 2009
(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 *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, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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 revenue.

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:

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

6. Compensated Absences

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

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2009.

- (1) For the 2009 budget year, prior to August 25, 2008, 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, 2008, 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, 2008, a public hearing was held for the budget, the Board of Trustees certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board of Trustees adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2008 were collected in 2009 and taxes certified in 2009 will be collected in 2010. 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.

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

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$199,910 for TABOR purposes.

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.

C. Excess of expenditures over appropriations

For the year ended December 31, 2009, expenditures exceed appropriations in the 1% of Arts fund by \$1,600.

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 interest-bearing deposits at each financial institution. Non-interest bearing deposits are fully insured by the FDIC. Interest-bearing deposit balances over \$250,000 are collateralized as required by PDPA. Deposit balances over \$100,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposit was \$7,464,620. Petty cash totaled \$775.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

A. Deposits (continued)

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

	<u>Standard & Poors Rating</u>	<u>Carrying amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
Deposits:				
Petty cash	Not Rated	775	775	-
Demand deposits	Not Rated	2,786,065	2,786,065	-
Certificates of Deposit	Not Rated	5,246,024	5,246,024	-
Savings and money market	Not Rated	4,716,331	4,716,331	-
Investments:				
Investment pool	AAAm	1,222,181	1,222,181	-
		<u>\$ 13,971,376</u>		

The Town's holding in an investment pool is comprised of a balance with COLOTRUST, 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 investments 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. Such concentration is permitted by the Town's investment policy

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

B. Receivables

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

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedicator	Lodging Tax	Water	Wastewater	Total
Receivables:									
Accounts	-	-	-	-	-	-	105,472	115,040	220,512
Other	101,529	88,100	-	-	276,200	2,986	-	-	468,815
Intergovernmental	38,503	46,762	280,406	697	-	-	755	-	367,123
Gross receivables	140,032	134,862	280,406	697	276,200	2,986	106,227	115,040	1,056,450
Less: allowance for uncollectible	-	-	-	-	-	-	-	-	-
Net receivables	\$ 140,032	134,862	280,406	697	276,200	2,986	106,227	115,040	1,056,450

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$631,746 of deferred revenue for property taxes levied in 2009 but not available until 2010.

C. Note Receivable – Mountain Sage

The Town entered into a note with the Colorado-Main Development, LLC, dba Mountain Sage for payment of park development fees on Mountain Sage development. The note's principal was \$287,011 and requires principal and interest payments of \$11,038 on each unit sold in the development. If the total payment was not received by October 9, 2009 the entire principal and interest became due. The note carried an interest rate of 5.3% per annum.

In December 2009, a new note was entered into which extended the maturity until December 1, 2010, and increased the principal balance to \$299,845. The note requires monthly interest only payments of \$1,493, and the entire principal balance and any unpaid interest is due at maturity. The note carries an interest rate of 5.3% per annum. The note is secured by an irrevocable standby letter of credit in the amount of \$486,000.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

E. Capital Assets

Capital asset activity for the year ended December 31, 2009 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	\$ 2,119,503	-	-	2,119,503
Construction in progress	142,463	37,408	-	179,871
Total capital assets, not being depreciated	<u>2,261,966</u>	<u>37,408</u>	<u>-</u>	<u>2,299,374</u>
Capital assets, being depreciated:				
Infrastructure	4,550,019	935,475	-	5,485,494
Buildings	8,255,959	8,238	-	8,264,197
Improvements other than buildings	2,499,903	223,881	-	2,723,784
Vehicles	1,048,518	16,900	-	1,065,418
Equipment	1,762,135	12,272	-	1,774,407
Total capital assets being depreciated	<u>18,116,534</u>	<u>1,196,766</u>	<u>-</u>	<u>19,313,300</u>
Less accumulated depreciation for:				
Infrastructure	(462,290)	(178,501)	-	(640,791)
Buildings	(991,482)	(216,713)	-	(1,208,195)
Improvements other than buildings	(1,220,496)	(151,709)	-	(1,372,205)
Vehicles	(735,660)	(62,564)	-	(798,224)
Equipment	(1,127,576)	(210,550)	-	(1,338,126)
Total accumulated depreciation	<u>(4,537,504)</u>	<u>(820,037)</u>	<u>-</u>	<u>(5,357,541)</u>
Total capital assets, being depreciated, net	<u>13,579,030</u>	<u>376,729</u>	<u>-</u>	<u>13,955,759</u>
Governmental activities capital assets, net	<u>\$ 15,840,996</u>	<u>414,137</u>	<u>-</u>	<u>16,255,133</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 184,439	-	-	184,439
Water rights	234,880	12,769	-	247,649
Construction in progress	134,481	274,445	-	408,926
Total capital assets, not being depreciated	<u>553,800</u>	<u>287,214</u>	<u>-</u>	<u>841,014</u>
Capital assets, being depreciated:				
Water/wastewater system and improvements	23,052,304	299,100	-	23,351,404
Buildings and improvements	724,650	275,736	-	1,000,386
Equipment	1,055,804	-	-	1,055,804
Total capital assets being depreciated	<u>24,832,758</u>	<u>574,836</u>	<u>-</u>	<u>25,407,594</u>
Less accumulated depreciation for:				
Water/wastewater system and improvements	(8,710,953)	(393,798)	-	(9,104,751)
Buildings and improvements	(218,480)	(55,003)	-	(273,483)
Equipment	(571,088)	(83,182)	-	(654,270)
Total accumulated depreciation	<u>(9,500,521)</u>	<u>(531,983)</u>	<u>-</u>	<u>(10,032,504)</u>
Total capital assets, being depreciated, net	<u>15,332,237</u>	<u>42,853</u>	<u>-</u>	<u>15,375,090</u>
Business-type activities capital assets, net	<u>\$ 15,886,037</u>	<u>330,067</u>	<u>-</u>	<u>16,216,104</u>

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

E. Capital Assets (continued)

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

	Capital Outlay	Depreciation Expense
Governmental activities:		
General government	\$ 8,238	152,980
Public safety	29,172	25,387
Public works, including infrastructure	974,980	238,035
Culture and recreation	221,784	403,635
Total - governmental activities	\$ 1,234,174	820,037
Business-type activities:		
Water	\$ 87,448	261,713
Wastewater	224,767	270,270
Total - business-type activities	\$ 312,215	531,983

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.

F. Interfund Receivables, Payables, and Transfers

The Town had the following interfund receivables or payables as of December 31, 2009:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 422,038	-
Highway 133 Fund	20,000	-
Development Dedication Fund	114,600	87,500
Streetscape Capital Fund	172,000	183,100
Capital Construction Fund	-	427,000
Recreation Sales and Use Tax Fund	-	79,125
Community Enhancement Fund	-	413
Sales and Use Tax Fund	-	20,000
Water Fund	-	97,240
Wastewater Fund	165,740	-
Total	\$ 894,378	894,378

The interfund loans between the Wastewater Fund and the Streetscape Fund and the Development Dedication Fund and the Streetscape Fund will be paid off in greater than one year.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

F. Interfund Receivables, Payables, and Transfers (continued)

Transfers were as follows:

<u>Fund In (Out)</u>	<u>Amount</u>	<u>Reason</u>
General / (Sales and Use Tax)	3,410,605	Operating transfer
General / (Recreation Sales and Use Tax)	79,125	To fund pool operations
General / (Development Dedication)	175,000	To fund growth related expenditures
1% of Arts / (Recreation Sales and Use Tax)	19,800	To fund art project at Promenade Park and 8th Street
Bond Fund / (Bond Reserve)	221	Interest earnings to fund debt service
Bond Fund / (Recreation Sales and Use Tax)	195,859	Debt service for 2004 and 2006 Sales and Use Tax bonds.
Streetscape / (Capital Projects)	172,000	Advance funding for projects

G. Long-term Debt

1. CWRPDA 1994 and 1998 Series B Bonds

In 1998, the Colorado Water Resources and Power Development Authority (“CWRPDA”) issued \$1,436,968 of 1998 Series B bonds. The CWRPDA placed the proceeds of the issuance in escrow to provide funds to pay principal and interest on the refunded bonds (Series 1994B). All refunded bonds, maturing after October 1, 2004, are considered to be defeased. The difference between the cash flow required to service the old debt and that required to service the new debt is \$102,365. The Town realized a present value gain on the refunding of \$70,590.

The 1994 Series B bonds were originally issued by CWRPDA on behalf of several Colorado local governments, including the Town of Carbondale. \$1,900,000 of the 1994 Series B proceeds was then loaned to the Town for construction of a new water treatment plant. Series 1994 Bonds maturing through October 1, 2004, have not been refunded and are still outstanding. The bonds are payable solely from the net revenue derived by the Town from the operation of the water system.

The interest rate on the 1998 Series B bonds is between 3.35% and 4.75%. The bonds require interest payments on May 1 and November 1. Annual principle payments are made on November 1. The bonds mature on November 1, 2015. The net revenue derived by the Town from the operation of the water system is restricted solely for the payment of the principal and interest of the bonds.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

G. Long-term Debt (continued)

2. 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.

3. 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.

4. Recreation Sales and Use Tax Series 2006 Supplemental Interest

In conjunction with the Series 2006 Recreation Sales and Use Tax Bonds, the Town issued "B" Interest Coupons in the amount of \$75,000. The coupon 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 coupons are paid annually on December 1 with a yield of 5.25%. The coupons require debt service payments through 2010.

5. 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

G. Long-term Debt (continued)

6. Schedule of Future Payment

The Town's annual debt service is as follows:

Year	CWRPDA Series 1998B	Recreation Sales and Use Bonds Series 2004	Recreation Sales and Use Bonds Series 2006	Recreation Sales and Use Bonds Supplemental Interest 2006	Total
2010	\$ 147,310	172,010	21,288	20,000	360,608
2011	162,414	168,860	46,288	-	377,562
2012	160,662	170,620	45,160	-	376,442
2013	162,917	172,010	44,038	-	378,965
2014	163,416	168,010	42,913	-	374,339
2015-2019	135,477	848,350	225,213	-	1,209,040
2020-2024	-	848,500	225,238	-	1,073,738
Total	932,196	2,548,360	650,138	20,000	4,150,694
Less: interest	(131,534)	(758,360)	(200,138)	-	(1,090,032)
Bonds outstanding	<u>\$ 800,662</u>	<u>1,790,000</u>	<u>450,000</u>	<u>20,000</u>	<u>3,060,662</u>
Add: Unamortized bond premium					5,332
Less: Unamortized bond discount					(3,055)
Total debt					<u>3,062,939</u>

7. 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%

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 Assets.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Detailed Notes on all Funds (continued)

H. Long-term Debt (continued)

8. Changes in the Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2009:

	<u>Balance 1/1/09</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance 12/31/09</u>	<u>Due in One Year</u>
Governmental Activities:					
Series 2004 Bonds	\$ 1,875,000	-	(85,000)	1,790,000	90,000
Series 2006 Bonds	450,000	-	-	450,000	-
Series 2006 Supplemental Interest	40,000	-	(20,000)	20,000	20,000
Compensated absences	344,014	-	(23,555)	320,459	9,614
Business-Type Activities:					
CWRPDA 1998B Bonds	949,436	-	(148,774)	800,662	113,160
Compensated absences	28,045	3,940	-	31,985	960
Total	<u>\$ 3,686,495</u>	<u>3,940</u>	<u>(277,329)</u>	<u>3,413,106</u>	<u>233,733</u>

10. Restricted Fund Balance

The Town had the following restrictions on the General Fund's fund balance at December 31, 2009:

	<u>Balance 1/1/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/09</u>
Emergency reserve	\$ 187,262	12,648	-	199,910
Parking	31,400	9,300	-	40,700
Manager contract	228,800	-	(129,262)	99,538
Solar panels	11,000	12,000	-	23,000
Total	<u>\$ 447,462</u>	<u>33,948</u>	<u>(129,262)</u>	<u>363,148</u>

11. Bond Discount, Premium and Issuance Costs

Bond discounts, premiums and issuance costs 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. Unamortized bond issuance costs at December 31, 2009, were \$103,316.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

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 3% 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 \$3,394,433 and current year total payroll was \$3,940,401. During the year, the Town's required and actual contributions amounted to \$101,833, 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 matches 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.

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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Other Information (continued)

A. Benefits (continued)

3. Police Pension 401(a) Plan (continued)

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 \$881,913 and current year total payroll was \$972,796. During the year, the Town's required and actual contributions amounted to \$70,553.

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.

The Town's share of assets, liabilities and fund equity as of December 31, 2009, the latest date for which information is available, is as follows:

Property and Casualty Pool:	%
Loss fund	1.153%
Pooled excess fund	0.668%

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Other Information (continued)

C. Risk Management (continued)

The December 31, 2009, combined financial information is as follows:

Cash and investments	\$ 16,063,384
Other assets	60,975,586
Total	<u><u>\$ 77,038,970</u></u>
Liabilities	\$ 37,353,198
Members fund balance	39,685,772
Total	<u><u>\$ 77,038,970</u></u>
Total revenue	\$ 21,683,444
Total expense	(20,556,264)
Excess of Revenue Over Expense	<u><u>\$ 1,127,180</u></u>

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, 2009, 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.

Town of Carbondale, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Other Information (continued)

E. Subsequent Events

Due to economic conditions, the Town has indefinitely suspended all matching contributions to the Deferred Compensation Plan - IRC 457 January 1, 2010. The Town plans on removing the suspension once economic conditions improve; however, the Town cannot predict when such improvements will occur.

Management has evaluated subsequent events through June 22, 2010, that date these financial statements were available to be issued.

F. Comparative Information

Certain amounts in 2008 have been reclassified to conform with the 2009 presentation.

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	2009		Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes	524,445	531,403	6,958	501,937
Licenses and permits	155,100	92,688	(62,412)	200,046
Intergovernmental	630,488	1,577,843	947,355	769,529
Charges for services	251,500	183,277	(68,223)	294,458
Fines and forfeitures	48,000	85,171	37,171	60,015
Interest	78,013	31,219	(46,794)	97,039
Administrative charges	305,407	304,415	(992)	297,505
Developer reimbursable	40,000	141,962	101,962	111,995
Other	20,800	165,682	144,882	119,462
Total Revenues	2,053,753	3,113,660	1,059,907	2,451,986
Expenditures:				
General Government:				
Attorney	90,000	117,671	(27,671)	138,151
Municipal elections	6,900	(23)	6,923	2,919
Trustees	131,935	99,208	32,727	88,949
Municipal Court	32,659	30,978	1,681	25,609
Town Manager	278,310	272,548	5,762	309,145
Administrative services	407,655	396,280	11,375	360,657
Finance and records	385,940	368,373	17,567	344,082
Planning	452,843	533,511	(80,668)	489,295
Data processing	63,800	47,653	16,147	57,489
Building operations	110,738	89,764	20,974	91,082
Motor pool	230,120	208,083	22,037	251,804
Economic development	50,300	87,664	(37,364)	49,197
Sales tax administration	29,520	27,812	1,708	26,526
Affordable housing	100,000	54,959	45,041	59,693
Total General Government	2,370,720	2,334,481	36,239	2,294,598
Public Safety:				
Police department	1,420,736	1,385,894	34,842	1,453,706
Communications	84,300	49,888	34,412	79,368
Building inspection	139,703	136,118	3,585	132,367
Ordinance control	57,285	67,308	(10,023)	73,637
Total Public Safety	1,702,024	1,639,208	62,816	1,739,078
Public Works:				
Streets, alleys, snow removal	608,124	561,733	46,391	736,043
Public works administration	214,401	203,642	10,759	207,590
Total Public Works	822,525	765,375	57,150	943,633

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, 2009
With Comparative Totals For the Year Ended December 31, 2008
(Continued)

	<u>2009</u>		<u>2008</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures (continued):				
Culture and Recreation:				
Recreation	356,515	346,357	10,158	328,957
Municipal pool	134,073	125,850	8,223	104,601
Parks and cemetery	462,138	331,350	130,788	572,405
Community affairs	67,300	53,675	13,625	55,000
Total Culture and Recreation	<u>1,020,026</u>	<u>857,232</u>	<u>162,794</u>	<u>1,060,963</u>
Other:				
Environmental health and recycling	112,600	89,984	22,616	156,152
Contingency	160,000	-	160,000	47,625
Total Other	<u>272,600</u>	<u>89,984</u>	<u>182,616</u>	<u>203,777</u>
Total Expenditures	<u>6,187,895</u>	<u>5,686,280</u>	<u>501,615</u>	<u>6,242,049</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,134,142)	(2,572,620)	1,561,522	(3,790,063)
Other Financing Sources (Uses):				
Sale of fixed assets	-	-	-	1,475
Transfers (out)	-	-	-	(1,604,379)
Transfers in	4,034,000	3,729,730	(304,270)	4,383,073
Total Other Financing Sources (Uses)	<u>4,034,000</u>	<u>3,729,730</u>	<u>(304,270)</u>	<u>2,780,169</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(100,142)</u>	1,157,110	<u>1,257,252</u>	(1,009,894)
Fund Balance - Beginning		<u>3,128,437</u>		<u>4,138,332</u>
Fund Balance - Ending		<u>4,285,547</u>		<u>3,128,438</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Sales tax revenue	584,575	497,466	(87,109)	610,202
Use tax - building permits	28,000	21,536	(6,464)	72,822
Investment earnings	44,444	21,242	(23,202)	34,643
Intergovernmental	222,547	105,706	(116,841)	247,763
Charges for services	179,000	246,269	67,269	212,703
Other income	8,000	51,373	43,373	43,572
Total Revenues	<u>1,066,566</u>	<u>943,592</u>	<u>(122,974)</u>	<u>1,221,705</u>
Expenditures:				
Park improvements	520,000	12,576	507,424	494,215
Trail improvements	299,547	197,433	102,114	33,778
Riding area and building	18,279	14,796	3,483	18,352
Salaries and benefits	335,681	343,346	(7,665)	283,069
Park and recreation facilities	400,458	178,677	221,781	809,268
Total Expenditures	<u>1,573,965</u>	<u>746,828</u>	<u>827,137</u>	<u>1,638,682</u>
Excess (Deficiency) of Revenues Over Expenditures	(507,399)	196,764	704,163	(416,977)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	300,000
Operating transfers (out)	(281,424)	(343,263)	(61,839)	(362,587)
Total Other Financing Sources (Uses)	<u>(281,424)</u>	<u>(343,263)</u>	<u>(61,839)</u>	<u>(62,587)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(788,823)</u>	(146,499)	<u>642,324</u>	(479,564)
Fund Balance - Beginning		<u>1,822,069</u>		<u>2,301,633</u>
Fund Balance - Ending		<u>1,675,570</u>		<u>1,822,069</u>

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	Original and Final Budget	2009 Actual	Variance Positive (Negative)	2008 Actual
Revenues:				
Sales tax	3,140,855	2,748,816	(392,039)	3,277,261
Use tax - motor vehicle	387,457	200,849	(186,608)	361,019
Use tax - building permits	175,000	129,169	(45,831)	436,778
Investment earnings	1,500	172	(1,328)	2,504
Total Revenues	3,704,812	3,079,006	(625,806)	4,077,562
Excess (Deficiency) of Revenues Over Expenditures	3,704,812	3,079,006	(625,806)	4,077,562
Other Financing (Uses):				
Operating transfers (out)	(3,717,576)	(3,146,229)	571,347	(4,123,472)
Total Other Financing (Uses)	(3,717,576)	(3,146,229)	-	(4,123,472)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(12,764)	(67,223)	(54,459)	(45,910)
Fund Balance - Beginning		326,700		372,610
Fund Balance - Ending		259,477		326,700

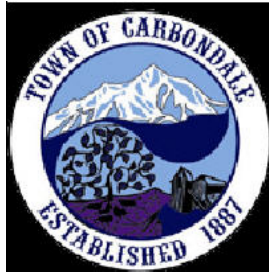
The accompanying notes are an integral part of these financial statements.

Town of Carbondale, Colorado
Streetscape Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property tax	176,800	176,800	184,169	7,369	176,710
Specific ownership tax	14,154	14,154	11,401	(2,753)	15,992
Delinquent tax and interest	-	-	591	591	631
Interest income	4,503	4,503	592	(3,911)	13,178
Total Revenues	<u>195,457</u>	<u>195,457</u>	<u>196,753</u>	<u>1,296</u>	<u>206,511</u>
Expenditures:					
Treasurer fee	3,600	3,600	3,696	(96)	3,546
Streetscape improvements	62,100	192,100	369,412	(177,312)	770,080
Street furniture	179,600	179,600	-	179,600	-
Total Expenditures	<u>245,300</u>	<u>375,300</u>	<u>373,108</u>	<u>2,192</u>	<u>773,626</u>
Excess (Deficiency) of Revenues Over Expenditures	(49,843)	(179,843)	(176,355)	3,488	(567,115)
Other Financing Sources (Uses):					
Operating transfers in	-	-	172,000	172,000	104,379
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>172,000</u>	<u>172,000</u>	<u>104,379</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(49,843)</u>	<u>(179,843)</u>	(4,355)	<u>175,488</u>	(462,736)
Fund Balance - Beginning			<u>4,580</u>		<u>467,316</u>
Fund Balance - Ending			<u>225</u>		<u>4,580</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>		<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
			<u>Actual</u>
Revenues:			
Grants	287,000	-	(287,000)
Investment earnings	-	14,373	14,373
Total Revenues	<u>287,000</u>	<u>14,373</u>	<u>(272,627)</u>
Expenditures:			
Construction	105,000	9,432	95,568
Construction	644,424	41,835	602,589
Street resurfacing	55,000	4,014	50,986
Total Expenditures	<u>804,424</u>	<u>55,281</u>	<u>749,143</u>
Excess (Deficiency) of Revenues Over Expenditures	(517,424)	(40,908)	(1,021,770)
Other Financing Sources (Uses):			
Operating transfers in	-	-	-
Operating transfers (out)	-	(437,500)	437,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>(437,500)</u>	<u>437,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(517,424)</u>	<u>(478,408)</u>	<u>39,016</u>
Fund Balance - Beginning		<u>950,101</u>	<u>587,542</u>
Fund Balance - Ending		<u>471,693</u>	<u>950,101</u>

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

Town of Carbondale, Colorado
Schedule of Revenues and Expenditures
Budget and Actual
Proprietary Funds
For the Year Ended December 31, 2009
With Comparative Totals For the Year Ended December 31, 2008

	Water Fund				Wastewater Fund			
	2009		Variance Positive (Negative)	2008	2009		Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual	Original and Final Budget	Actual		Actual
Revenues:								
Charges for services:								
Sale of meters	30,000	5,067	(24,933)	33,282	-	-	-	-
Service fees	1,075,036	1,063,290	(11,746)	1,102,674	1,202,412	1,186,014	(16,398)	1,195,127
Penalty assessments	2,500	4,487	1,987	3,659	3,121	5,056	1,935	3,964
Miscellaneous	4,815	19,952	15,137	71,771	133,224	80,110	(53,114)	89,408
Total Revenues	<u>1,112,351</u>	<u>1,092,796</u>	<u>(19,555)</u>	<u>1,211,386</u>	<u>1,338,757</u>	<u>1,271,180</u>	<u>(67,577)</u>	<u>1,288,499</u>
Operating Expenses:								
Operations and maintenance	225,185	202,608	22,577	185,014	299,954	255,317	44,637	302,679
Personnel costs	491,738	493,246	(1,508)	462,270	461,202	405,549	55,653	359,959
Administration	368,802	314,911	53,891	281,355	201,641	199,762	1,879	187,681
Miscellaneous / contingency	100,000	-	100,000	-	100,000	-	100,000	-
Capital outlay	205,300	87,591	117,709	141,302	1,447,500	224,766	1,222,734	(7,527)
Total operating expenses	<u>1,391,025</u>	<u>1,098,356</u>	<u>292,669</u>	<u>1,069,941</u>	<u>2,510,297</u>	<u>1,085,394</u>	<u>1,424,903</u>	<u>842,792</u>
Operating Income (Loss) Budget Basis	(278,674)	(5,560)	273,114	141,445	(1,171,540)	185,786	1,357,326	445,707
Non-operating revenues (expenses):								
Investment earnings	36,837	15,251	(21,586)	36,204	101,846	60,818	(41,028)	65,069
Loan payments	-	(148,773)	(148,773)	(110,841)	-	-	-	-
Interest expense	(161,000)	(12,871)	148,129	(49,442)	-	(1,774)	(1,774)	-
Grant revenue	-	-	-	-	450,000	-	(450,000)	-
Total non-operating revenues (expenses):	<u>(124,163)</u>	<u>(146,393)</u>	<u>(22,230)</u>	<u>(124,079)</u>	<u>551,846</u>	<u>59,044</u>	<u>(492,802)</u>	<u>65,069</u>
Capital contributions	222,222	77,304	(144,918)	344,561	222,222	72,034	(150,188)	338,765
Transfers (out)	-	-	-	-	(1,000)	-	1,000	-
Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis	<u>(180,615)</u>	<u>(74,649)</u>	<u>105,966</u>	<u>361,927</u>	<u>(398,472)</u>	<u>316,864</u>	<u>715,336</u>	<u>849,541</u>
Reconciliation to GAAP Basis:								
Capitalized assets		87,448		141,302		224,766		(7,527)
Contributed capital assets		275,736		-		274,100		-
Principal payments		148,773		110,841		-		-
Depreciation		(261,713)		(256,994)		(270,271)		(444,653)
Amortization of bond issue costs		(7,702)		(8,798)		-		-
Net Income - GAAP Basis		<u>167,893</u>		<u>348,278</u>		<u>545,459</u>		<u>397,361</u>

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

**Town of Carbondale, Colorado
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2009**

	<u>Special Revenue</u>					Sub-total Non-Major Governmental Funds
	Conservation Trust	Victims Assistance	Highway 133	CHA Mortgage	Community Enhancement	
Assets:						
Cash - Unrestricted	116,581	10,720	505,362	90,121	33,961	756,745
Due from other funds	-	-	20,000	-	-	20,000
Total Assets	<u>116,581</u>	<u>10,720</u>	<u>525,362</u>	<u>90,121</u>	<u>33,961</u>	<u>776,745</u>
Liabilities:						
Due to other funds	-	-	-	-	413	413
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413</u>	<u>413</u>
Fund Balance:						
Unreserved	116,581	10,720	525,362	90,121	33,548	776,332
Total Fund Balance	<u>116,581</u>	<u>10,720</u>	<u>525,362</u>	<u>90,121</u>	<u>33,548</u>	<u>776,332</u>
Total Liabilities and Fund Balance	<u>116,581</u>	<u>10,720</u>	<u>525,362</u>	<u>90,121</u>	<u>33,961</u>	<u>776,745</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, 2009
(Continued)

	Special Revenue				Debt Service		Sub-total Non-Major Governmental Funds	Total Non-Major Governmental Funds
	Development Dedication	Lodging Tax	1% of Arts	Efficient Building	Bond	Bond Reserve		
Assets:								
Cash - Unrestricted	717,357	750	2,609	-	11,057	173,550	756,745	1,662,068
Other receivables	276,200	2,986	-	-	-	-	-	279,186
Due from other funds	114,600	-	-	-	-	-	20,000	134,600
Total Assets	1,108,157	3,736	2,609	-	11,057	173,550	776,745	2,075,854
Liabilities:								
Due to other funds	87,500	-	-	-	-	-	413	87,913
Total Liabilities	87,500	-	-	-	-	-	413	87,913
Fund Balance:								
Unreserved, reported in:								
Special revenue	1,020,657	3,736	2,609	-	-	-	776,332	1,803,334
Debt service	-	-	-	-	11,057	173,550	-	184,607
Total Fund Balance	1,020,657	3,736	2,609	-	11,057	173,550	776,332	1,987,941
Total Liabilities and Fund Balance	1,108,157	3,736	2,609	-	11,057	173,550	776,745	2,075,854

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, 2009

	Special Revenue					Sub-total Non-major Governmental Funds
	Conservation Trust	Victims Assistance	Highway 133	CHA Mortgage	Community Enhancement	
Revenues:						
Taxes	-	-	45,740	-	-	45,740
Intergovernmental revenue	60,082	-	-	-	-	60,082
Fines and forfeitures	-	22,826	-	-	-	22,826
Interest	145	35	3,684	132	18	4,014
Miscellaneous	-	-	28,290	30,704	5,917	64,911
Total Revenues	60,227	22,861	77,714	30,836	5,935	197,573
Expenditures:						
General government	-	-	-	2,357	1,254	3,611
Public safety	-	33,160	-	-	-	33,160
Public works	-	-	6,102	-	-	6,102
Culture and recreation	9,858	-	-	-	-	9,858
Total Expenditures	9,858	33,160	6,102	2,357	1,254	52,731
Excess (Deficiency) of Revenues Over Expenditures	50,369	(10,299)	71,612	28,479	4,681	144,842
Fund Balance - Beginning	66,212	21,019	453,750	61,642	28,867	631,490
Fund Balance - Ending	116,581	10,720	525,362	90,121	33,548	776,332

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, 2009
(Continued)

	Special Revenue				Debt Service		Sub-total Non-major Governmental Funds	Total Non-major Governmental Funds
	Development Dedication	Lodging Tax	1% of Arts	Efficient Building	Bond	Bond Reserve		
Revenues:								
Taxes	-	59,721	-	-	-	-	45,740	105,461
Intergovernmental revenue	-	-	-	-	-	-	60,082	60,082
Fines and forfeitures	-	-	-	-	-	-	22,826	22,826
Interest	47,559	11	9	1	171	795	4,014	52,560
Miscellaneous	8,205	-	-	-	-	-	64,911	73,116
Total Revenues	55,764	59,732	9	1	171	795	197,573	314,045
Expenditures:								
General government	-	-	-	-	450	-	3,611	4,061
Public safety	-	-	-	-	-	-	33,160	33,160
Public works	-	-	-	-	-	-	6,102	6,102
Culture and recreation	-	61,473	17,200	-	-	-	9,858	88,531
Debt service:								
Principal	-	-	-	-	105,000	-	-	105,000
Interest	-	-	-	-	106,060	-	-	106,060
Total Expenditures	-	61,473	17,200	-	211,510	-	52,731	342,914
Excess (Deficiency) of Revenues Over Expenditures	55,764	(1,741)	(17,191)	1	(211,339)	795	144,842	(28,869)
Other Financing Sources (Uses):								
Operating transfers in	-	-	19,800	-	195,859	-	-	215,659
Operating transfers (out)	(175,000)	-	-	(15,176)	-	(221)	-	(190,397)
Total Other Financing Sources (Uses)	(175,000)	-	19,800	(15,176)	195,859	(221)	-	25,262
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(119,236)	(1,741)	2,609	(15,175)	(15,480)	574	144,842	(3,607)
Fund Balance - Beginning	1,139,893	5,477	-	15,175	26,537	172,976	631,490	1,991,548
Fund Balance - Ending	1,020,657	3,736	2,609	-	11,057	173,550	776,332	1,987,941

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	Original and Final Budget	2009 Actual	Variance Positive (Negative)	2008 Actual
Revenues:				
Intergovernmental revenue	60,000	60,082	82	62,292
Interest	1,200	145	(1,055)	772
Total Revenues	61,200	60,227	(973)	63,064
Expenditures:				
Capital purchases	4,000	-	4,000	7,467
Park maintenance	21,000	7,078	13,922	25,787
Park improvements	19,000	-	19,000	-
Equipment	8,000	2,780	5,220	-
Total Expenditures	52,000	9,858	42,142	33,254
Excess (Deficiency) of Revenues Over Expenditures	9,200	50,369	41,169	29,810
Fund Balance - Beginning		66,212		36,402
Fund Balance - Ending		116,581		66,212

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	2009			Final Budget Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Fines and surcharge	14,400	14,400	22,826	8,426	14,179
Interest	300	300	35	(265)	253
Total Revenues	14,700	14,700	22,861	8,161	14,432
Expenditures:					
Victim's assistance	31,880	34,880	23,100	11,780	10,694
Police training	-	-	10,060	(10,060)	-
Board expenses	100	100	-	100	-
Total Expenditures	31,980	34,980	33,160	1,820	10,694
Excess (Deficiency) of Revenues Over Expenditures	(17,280)	(20,280)	(10,299)	9,981	3,738
Fund Balance - Beginning			21,019		17,281
Fund Balance - Ending			10,720		21,019

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

Town of Carbondale, Colorado
Special Revenue Funds
Highway 133 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
RTA tax	-	45,740	45,740	115,123
Transportation impact fee	35,500	28,290	(7,210)	35,350
Interest	9,000	3,684	(5,316)	8,411
Total Revenues	<u>44,500</u>	<u>77,714</u>	<u>33,214</u>	<u>158,884</u>
Expenditures:				
Highway 133 construction	40,000	6,102	33,898	242,318
Total Expenditures	<u>40,000</u>	<u>6,102</u>	<u>33,898</u>	<u>242,318</u>
Excess (Deficiency) of Revenues Over Expenditures	4,500	71,612	67,112	(83,434)
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	20,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>4,500</u>	71,612	<u>67,112</u>	(63,434)
Fund Balance - Beginning		<u>453,750</u>		<u>517,184</u>
Fund Balance - Ending		<u>525,362</u>		<u>453,750</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	Original and Final Budget	2009 Actual	Variance Positive (Negative)	2008 Actual
Revenues:				
Fannie Mae mortgage fee	500	2,324	1,824	5,320
Lease income	28,380	28,380	-	28,380
Interest	500	132	(368)	886
Total Revenues	29,380	30,836	1,456	34,586
Expenditures:				
Other expense	2,100	2,357	(257)	3,728
Grant expense	36,257	-	36,257	15,379
Total Expenditures	38,357	2,357	36,000	19,107
Excess (Deficiency) of Revenues Over Expenditures	(8,977)	28,479	37,456	15,479
Fund Balance - Beginning		61,642		46,163
Fund Balance - Ending		90,121		61,642

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	2009			2008
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Community enhancement	5,200	5,917	717	5,137
Interest	75	18	(57)	84
Total Revenues	5,275	5,935	660	5,221
Expenditures:				
Community projects	10,000	1,254	8,746	-
Total Expenditures	10,000	1,254	8,746	-
Excess (Deficiency) of Revenues Over Expenditures	(4,725)	4,681	9,406	5,221
Fund Balance - Beginning		28,867		23,646
Fund Balance - Ending		33,548		28,867

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Park development fee	20,000	-	(20,000)	49,150
General development fee	51,780	8,205	(43,575)	105,744
Investment earnings	25,000	47,559	22,559	26,007
Total Revenues	<u>96,780</u>	<u>55,764</u>	<u>(41,016)</u>	<u>180,901</u>
Excess (Deficiency) of Revenues Over Expenditures	96,780	55,764	(41,016)	180,901
Other Financing Sources (Uses):				
Operating transfers (out)	(175,000)	(175,000)	-	(475,000)
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>(475,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(78,220)</u>	(119,236)	<u>(41,016)</u>	(294,099)
Fund Balance - Beginning		<u>1,139,893</u>		<u>1,433,992</u>
Fund Balance - Ending		<u>1,020,657</u>		<u>1,139,893</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>		<u>2008</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Lodging tax	85,000	59,721	(25,279)	83,633
Investment earnings	200	11	(189)	257
Total Revenues	<u>85,200</u>	<u>59,732</u>	<u>(25,468)</u>	<u>83,890</u>
Expenditures:				
Chamber of Commerce	85,000	61,473	23,527	85,832
Total Expenditures	<u>85,000</u>	<u>61,473</u>	<u>23,527</u>	<u>85,832</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	(1,741)	<u>(1,941)</u>	(1,942)
Fund Balance - Beginning		<u>5,477</u>		<u>7,419</u>
Fund Balance - Ending		<u>3,736</u>		<u>5,477</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>		<u>2008</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Investment earnings	-	9	9	87
Total Revenues	<u>-</u>	<u>9</u>	<u>9</u>	<u>87</u>
Expenditures:				
Reserve	15,600	17,200	(1,600)	13,684
Total Expenditures	<u>15,600</u>	<u>17,200</u>	<u>(1,600)</u>	<u>13,684</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,600)	(17,191)	(1,591)	(13,597)
Other Financing Sources (Uses):				
Operating transfers in	15,600	19,800	4,200	3,009
Total Other Financing Sources (Uses)	<u>15,600</u>	<u>19,800</u>	<u>4,200</u>	<u>3,009</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>-</u>	2,609	<u>2,609</u>	(10,588)
Fund Balance - Beginning		-		10,588
Fund Balance - Ending		<u>2,609</u>		<u>-</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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	2009			Final Budget Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment earnings	-	-	1	1	2,335
Miscellaneous	-	-	-	-	15,000
Total Revenues	-	-	1	1	17,335
Expenditures:					
Building inspection	-	-	-	-	12,309
Total Expenditures	-	-	-	-	12,309
Excess (Deficiency) of Revenues Over Expenditures	-	-	1	1	5,026
Other Financing Sources (Uses):					
Operating transfers (out)	-	(15,176)	(15,176)	-	-
Total Other Financing Sources (Uses)	-	(15,176)	(15,176)	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	(15,176)	(15,175)	1	5,026
Fund Balance - Beginning			15,175		10,149
Fund Balance - Ending			-		15,175

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Investment earnings	2,000	171	(1,829)	2,008
Total Revenues	<u>2,000</u>	<u>171</u>	<u>(1,829)</u>	<u>2,008</u>
Expenditures:				
Bond principal	215,000	105,000	110,000	105,000
Bond interest	-	106,060	(106,060)	108,610
Agents fee	300	450	(150)	450
Total Expenditures	<u>215,300</u>	<u>211,510</u>	<u>3,790</u>	<u>214,060</u>
Excess (Deficiency) of Revenues Over Expenditures	(213,300)	(211,339)	1,961	(212,052)
Other Financing Sources (Uses):				
Operating transfers in	212,000	195,859	(16,141)	217,436
Total Other Financing Sources (Uses)	<u>212,000</u>	<u>195,859</u>	<u>(16,141)</u>	<u>217,436</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(1,300)</u>	(15,480)	<u>(14,180)</u>	5,384
Fund Balance - Beginning		<u>26,537</u>		<u>21,153</u>
Fund Balance - Ending		<u>11,057</u>		<u>26,537</u>

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, 2009
With Comparative Totals For the Year Ended December 31, 2008

	<u>2009</u>	<u>2008</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Investment earnings	4,700	795	(3,905)	4,460
Total Revenues	<u>4,700</u>	<u>795</u>	<u>(3,905)</u>	<u>4,460</u>
Excess (Deficiency) of Revenues Over Expenditures	4,700	795	(3,905)	4,460
Other Financing Sources (Uses):				
Operating transfers (out)	(4,700)	(221)	4,479	(4,252)
Total Other Financing Sources (Uses)	<u>(4,700)</u>	<u>(221)</u>	<u>4,479</u>	<u>(4,252)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>-</u>	574	<u>574</u>	208
Fund Balance - Beginning		<u>172,976</u>		<u>172,768</u>
Fund Balance - Ending		<u>173,550</u>		<u>172,976</u>

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

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Garfield
	YEAR ENDING : December 2009

This Information From The Records Of (example - City of _ or County of _) Town of Carbondale	Prepared By: Nancy Barnett Phone: 970-963-2733
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	430,796
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	629,919
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,573
2. General fund appropriations	86,527	b. Snow and ice removal	102,039
3. Other local imposts (from page 2)	654,145	c. Other	54,313
4. Miscellaneous local receipts (from page 2)	84,658	d. Total (a. through c.)	161,925
5. Transfers from toll facilities		4. General administration & miscellaneous	61,033
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	572,550
a. Bonds - Original Issues		6. Total (1 through 5)	1,856,223
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	825,330	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	184,209	2. Notes:	
D. Receipts from Federal Government (from page 2)	846,685	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,856,223	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,856,223

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,856,223	1,856,223		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2009	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	516,471	a. Interest on investments	20,780
b. Other local imposts:		b. Traffic Fines & Penalties	63,878
1. Sales Taxes	86,412	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	28,290	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	22,972	g. Other Misc. Receipts	
6. Total (1. through 5.)	137,674	h. Other	
c. Total (a. + b.)	654,145	i. Total (a. through h.)	84,658
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	160,920	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	23,289	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	846,685
f. Total (a. through e.)	23,289	g. Total (a. through f.)	846,685
4. Total (1. + 2. + 3.f)	184,209	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		29,024	29,024
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		401,772	401,772
(5). Total Construction (1) + (2) + (3) + (4)		0	401,772
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	430,796
			(Carry forward to page 1)
Notes and Comments:			