

**Town of Carbondale, Colorado**

**Financial Report**

**December 31, 2013**



**Town of Carbondale, Colorado  
Financial Report  
December 31, 2013**

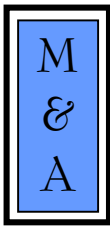
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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale (the "Town"), as of and for the year ended December 31, 2013, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

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

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

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

***Other Matters***

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

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**McMahan and Associates, L.L.C.**  
**June 25, 2014**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Town of Carbondale, Colorado

## Management's Discussion and Analysis December 31, 2013

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, 2013.

### Financial Highlights

- A 3% wage increase was approved in the 2013 Budget for full time employees. Prior to 2012, employee wages had remained frozen since 2009.
- Sales tax revenue increased 2.3% in 2013. Property tax was down 2% over 2012. Revenue for construction related revenue sources through the Building Department was up 68.7% in 2013. In addition, three single family building permits, twelve multifamily, one new and two remodel commercial permits, and numerous residential and commercial remodel permits were issued in 2013.
- The Town's governmental fund balances decreased \$997,828, which includes the General Fund balance decrease of \$300,695, and the Town's business-type activities decreased \$181,661.

### Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all Town assets, liabilities, and deferred inflows of resources, with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected revenues such as grants or earned but unused vacation leave.)

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

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

## Overview of the Financial Statements (continued)

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

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

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

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

**Proprietary funds:** The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and wastewater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, which are considered to be major funds of the Town.

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

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

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



## Overview of the Financial Statements (continued)

### Government-wide financial analysis (continued):

The following graph shows the Town's net position for 2013:

Town of Carbondale's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 9,819,563	10,426,686	5,972,541	6,445,188	15,792,104	16,871,874
Capital assets	19,734,691	18,958,273	16,300,496	16,030,991	36,035,187	34,989,264
<b>Total assets</b>	<b>29,554,254</b>	<b>29,384,959</b>	<b>22,273,037</b>	<b>22,476,179</b>	<b>51,827,291</b>	<b>51,861,138</b>
Other liabilities	1,500,206	1,192,351	47,648	46,418	1,547,854	1,238,769
Long-term liabilities outstanding	1,791,257	1,916,488	1,983,671	2,006,382	3,774,928	3,922,870
<b>Total liabilities</b>	<b>3,291,463</b>	<b>3,108,839</b>	<b>2,031,319</b>	<b>2,052,800</b>	<b>5,322,782</b>	<b>5,161,639</b>
Deferred Inflows of Resources	365,519	445,406	-	-	365,519	445,406
Net Position:						
Net invested in capital assets	17,943,434	17,041,785	16,300,496	16,030,991	34,243,930	33,072,776
Restricted	2,092,183	2,554,228	-	-	2,092,183	2,554,228
Unrestricted	5,861,655	6,234,701	3,941,222	4,392,388	9,802,877	10,627,089
<b>Total net position</b>	<b>\$ 25,897,272</b>	<b>25,830,714</b>	<b>20,241,718</b>	<b>20,423,379</b>	<b>46,138,990</b>	<b>46,254,093</b>

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 70% of the total assets. The Town uses these assets to provide services to its citizens. The Town's remaining assets are generally available to pay liabilities or fund operations. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The Town's capital assets increased due to purchased capital assets being greater than depreciation expense in 2013. Maturing for the Town's remaining debt are as follows; the Town's 2004 issue will be retired in 2024, and the Town's 2006 issue will retire in 2024. Additional information regarding the Town's long-term debt is available in Section D of the footnotes.

## Overview of the Financial Statements (continued)

### Government-wide financial analysis (continued):

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

#### Town of Carbondale's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 1,312,784	1,170,740	2,375,720	2,317,566	3,688,504	3,488,306
Operating grants and contributions	873,986	1,110,620	-	-	873,986	1,110,620
Capital grants and contributions	258,459	104,494	191,492	225,470	449,951	329,964
General revenues:						
Property taxes	444,767	447,393	-	-	444,767	447,393
Sales and use taxes	3,926,521	3,828,670	-	-	3,926,521	3,828,670
Other taxes	448,845	329,257	-	-	448,845	329,257
Interest and other revenue	224,134	178,676	29,669	16,664	253,803	195,340
<b>Total Revenues</b>	<b>7,489,496</b>	<b>7,169,850</b>	<b>2,596,881</b>	<b>2,559,700</b>	<b>10,086,377</b>	<b>9,729,550</b>
<b>EXPENSES:</b>						
General government	2,196,248	2,197,276	-	-	2,196,248	2,197,276
Public safety	1,628,557	1,650,411	-	-	1,628,557	1,650,411
Public works	1,703,472	1,421,233	-	-	1,703,472	1,421,233
Culture and recreation	1,787,714	1,883,797	-	-	1,787,714	1,883,797
Interest	90,390	95,140	-	-	90,390	95,140
Affordable housing	16,557	51,868	-	-	16,557	51,868
Water	-	-	1,294,140	1,165,218	1,294,140	1,165,218
Wastewater	-	-	1,484,402	1,141,297	1,484,402	1,141,297
<b>Total Expenses</b>	<b>7,422,938</b>	<b>7,299,725</b>	<b>2,778,542</b>	<b>2,306,515</b>	<b>10,201,480</b>	<b>9,606,240</b>
<b>Change in Net Position</b>	66,558	(129,875)	(181,661)	253,185	(115,103)	123,310
<b>Net Position - Beginning</b>	<b>25,830,714</b>	<b>25,960,589</b>	<b>20,423,379</b>	<b>20,170,194</b>	<b>46,254,093</b>	<b>46,130,783</b>
<b>Net Position - Ending</b>	<b>\$ 25,897,272</b>	<b>25,830,714</b>	<b>20,241,718</b>	<b>20,423,379</b>	<b>46,138,990</b>	<b>46,254,093</b>

The following provide additional insight into the above chart:

- Under Revenues, operating grants and contributions decreased significantly due mineral leasing and severance tax, and sales tax from Garfield County being reduced.
- Charges for services increased due to plan check fees on new development.
- Other taxes increase due to Source Gas being accrued for franchise tax in 2013
- Public works expenses increased significantly due to street repairs that had been delayed.
- Affordable housing decrease as a new trailer was not purchased in 2013.

## Overview of the Financial Statements (continued)

**Governmental activities:** Governmental activities increased the Town's net position by \$66,558. Key elements of this increase are as follows:

- The Town capitalized \$1,565,490 in fixed asset additions during 2013. This was for equipment purchased at the wastewater plant, new lights at the rodeo and undergrounding utilities

**Business-type activities:** Business-type activities decreased the Town's net position by - \$181,661. Key elements of this increase are as follows:

- Assets totaling \$823,728 were capitalized between the Water Fund and Wastewater Fund in 2013.
- The Water Fund and Wastewater Fund had decreases in net position of \$21,975 and \$159,686 respectively. On a cash basis, the Funds cumulatively decreased their cash and investment holdings by \$510,435.

## 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.

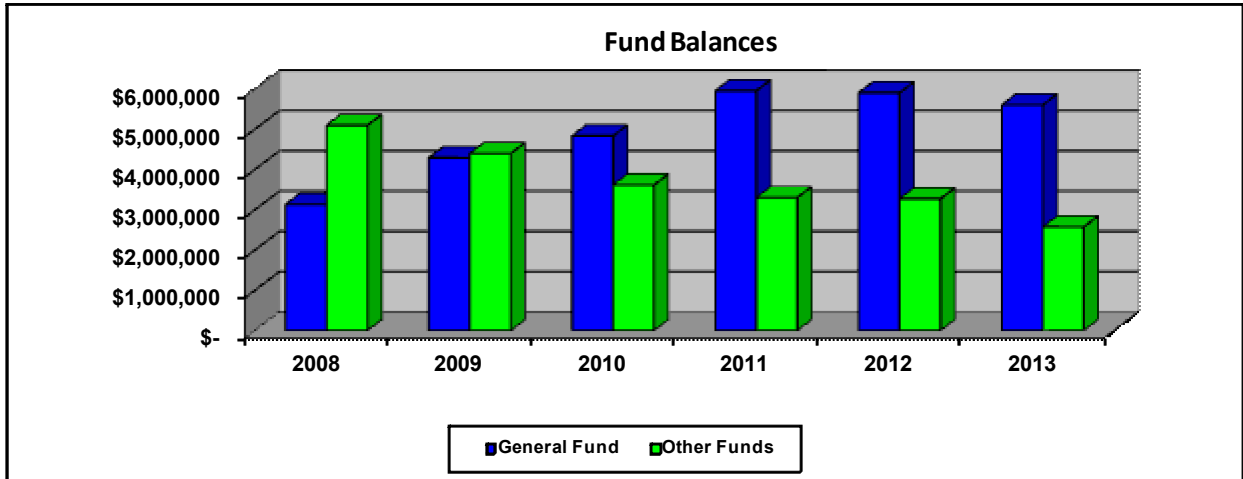
**Governmental funds:** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, fund balance may serve as a useful measure of a government's 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 \$8,171,976; a decrease of \$997,828 from the prior year's ending fund balances. The following details ending fund balances for the past several years:

<u>Fund</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General	\$ 3,128,437	4,285,547	4,832,055	5,952,230	5,899,801	5,599,674
Recreation Sales and Use	1,822,069	1,675,570	1,084,189	897,153	919,743	871,226
Sales and Use	346,700	259,477	290,165	305,798	295,298	323,089
Streetscape	199,513	225	91,022	318,808	281,038	347,207
Development Dedication	1,139,893	1,020,657	940,589	778,061	653,374	663,878
Capital Projects	950,101	471,693	222,415	496,827	602,201	(146,158)
Other Governmental	636,722	967,284	984,071	504,363	518,349	513,060
<b>Total</b>	<u>\$ 8,223,435</u>	<u>8,680,453</u>	<u>8,444,506</u>	<u>9,253,240</u>	<u>9,169,804</u>	<u>8,171,976</u>

## Financial Analysis of the Town's Funds (continued)

### Governmental funds (continued):

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



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

Cash in the Water Fund at the end of the current fiscal year was \$1,225,500. The Wastewater Fund had cash of \$4,469,606.

**Budget variances in the General Fund:** The Town's General Fund revenues were over budget by \$484,068; General Fund expenditures were under budget by \$108,892. The General Fund's significant budget variances are detailed as follows:

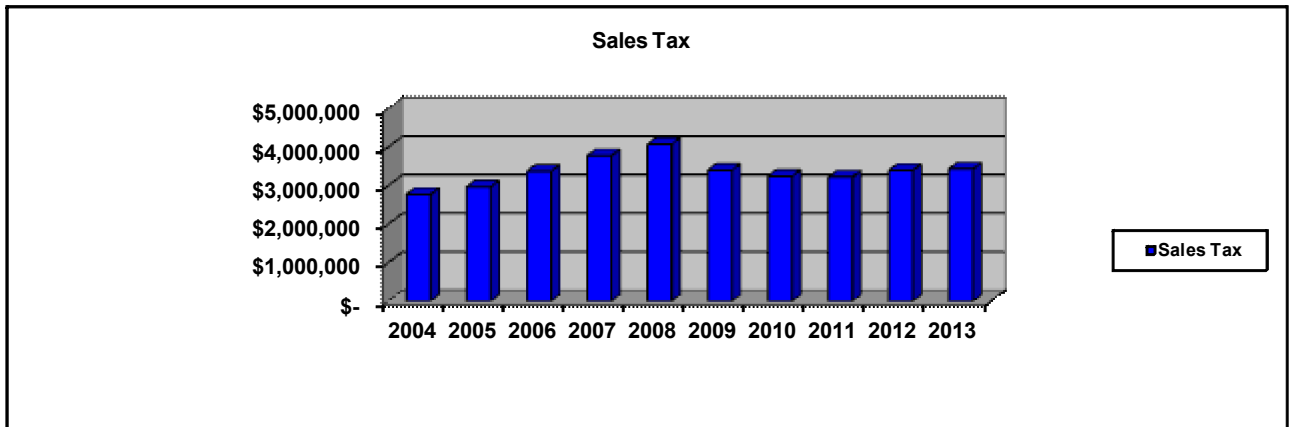
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Reason
<b>Revenues:</b>					
Taxes	\$ 512,500	512,500	612,064	99,564	Source Gas franchise fees accrued
Licenses and permits	81,475	81,475	151,746	70,271	Building permits more than expected
Intergovernmental	831,505	831,505	903,627	72,122	Trident and mineral leasing more than expected
Charges for services	94,800	94,800	151,845	57,045	Plan check fees more than expected
Other	66,000	66,000	182,712	116,712	Donations 3rd Street Center heading and transfer fees more than expected
<b>Expenditures:</b>					
Planning	370,501	370,501	292,598	77,903	Consulting work moved to 2014
Police department	1,443,579	1,443,579	1,514,911	(71,332)	Unbudgeted Trident expense
Contingency	50,000	125,000	-	125,000	Unused

## Financial Analysis of the Town's Funds (continued)

**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 \$4,025,560 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 increased from 2012 by approximately 3.1%. The following chart indicates changes in the sales tax:



**Next year's budget and rates:** The Town's General Fund balance at the end of fiscal year 2013 was \$5,599,674. In the 2014 budget, the Town anticipates reducing accumulated fund balance by approximately \$282,000.

**Other information:** A 3% wage increase for full time employees was approved in the 2013 budget.

### Request for Information

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**Town of Carbondale, Colorado**  
**Statement of Net Position**  
**December 31, 2013**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents - Unrestricted	8,271,959	5,695,106	13,967,065
Cash and cash equivalents - Restricted	298,150	-	298,150
Receivables, net:			
Taxes	365,519	-	365,519
Accounts	-	269,805	269,805
Other	439,996	-	439,996
Intergovernmental	367,660	-	367,660
Prepaid expenses	72,205	7,630	79,835
Inventories	4,074	-	4,074
Capital assets, net	19,734,691	16,300,496	36,035,187
<b>Total Assets</b>	<u>29,554,254</u>	<u>22,273,037</u>	<u>51,827,291</u>
<b>Liabilities:</b>			
Accounts payable	767,990	-	767,990
Other liabilities	514,078	6,737	520,815
Compensated absences	210,978	40,911	251,889
Accrued interest	7,160	-	7,160
Reimbursable prepaid tap fees	-	1,983,671	1,983,671
Bonded debt payable:			
Due within one year	125,000	-	125,000
Due in more than one year	1,666,257	-	1,666,257
<b>Total Liabilities</b>	<u>3,291,463</u>	<u>2,031,319</u>	<u>5,322,782</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable property tax revenue	365,519	-	365,519
<b>Total Deferred Inflows of Resources</b>	<u>365,519</u>	<u>-</u>	<u>365,519</u>
<b>Net Position:</b>			
Net invested in capital assets	17,943,434	16,300,496	34,243,930
Restricted for other purposes	2,092,183	-	2,092,183
Unrestricted	5,861,655	3,941,222	9,802,877
<b>Total Net Position</b>	<u>25,897,272</u>	<u>20,241,718</u>	<u>46,138,990</u>

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

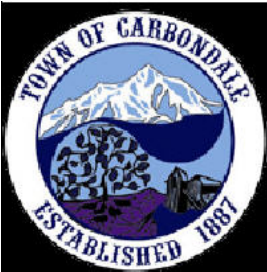
**Town of Carbondale, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
General government	2,196,248	675,444	162,035	-	(1,358,769)	-	(1,358,769)
Public safety	1,628,557	96,385	-	-	(1,532,172)	-	(1,532,172)
Public works	1,703,472	760	631,625	44,841	(1,026,246)	-	(1,026,246)
Culture and recreation	1,787,714	504,609	80,326	213,618	(989,161)	-	(989,161)
Affordable housing	16,557	35,586	-	-	19,029	-	19,029
Interest on long-term debt	90,390	-	-	-	(90,390)	-	(90,390)
<b>Total governmental activities</b>	<b>7,422,938</b>	<b>1,312,784</b>	<b>873,986</b>	<b>258,459</b>	<b>(4,977,709)</b>	<b>-</b>	<b>(4,977,709)</b>
Business-type activities:							
Water	1,294,140	1,153,307	-	96,773	-	(44,060)	(44,060)
Wastewater	1,484,402	1,222,413	-	94,719	-	(167,270)	(167,270)
<b>Total business-type activities</b>	<b>2,778,542</b>	<b>2,375,720</b>	<b>-</b>	<b>191,492</b>	<b>-</b>	<b>(211,330)</b>	<b>(211,330)</b>
<b>Total</b>	<b>10,201,480</b>	<b>3,688,504</b>	<b>873,986</b>	<b>449,951</b>	<b>(4,977,709)</b>	<b>(211,330)</b>	<b>(5,189,039)</b>
General revenues:							
Taxes:							
Property tax, levied for general purposes					444,767	-	444,767
Specific ownership tax					21,358	-	21,358
Sales and use tax					3,926,521	-	3,926,521
Franchise tax					340,491	-	340,491
Lodging Tax					60,411	-	60,411
Other miscellaneous taxes					26,585	-	26,585
Investment earnings					17,801	6,982	24,783
Miscellaneous					206,333	22,687	229,020
<b>Total general revenues</b>					<b>5,044,267</b>	<b>29,669</b>	<b>5,073,936</b>
<b>Change in Net Position</b>					<b>66,558</b>	<b>(181,661)</b>	<b>(115,103)</b>
<b>Net Position - Beginning</b>					<b>25,830,714</b>	<b>20,423,379</b>	<b>46,254,093</b>
<b>Net Position - Ending</b>					<b>25,897,272</b>	<b>20,241,718</b>	<b>46,138,990</b>

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



**FUND FINANCIAL STATEMENTS**



**Town of Carbondale, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2013**

	<u>General</u>	<u>Recreation Sales and Use Tax</u>	<u>Sales and Use Tax</u>	<u>Streetscape</u>	<u>Development Dedication</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>								
Cash - Unrestricted	6,057,371	817,662	27,365	347,207	663,877	(143,258)	501,734	8,271,958
Cash - Restricted	298,150	-	-	-	-	-	-	298,150
Receivables, net of allowance for uncollectibles	426,508	6,430	732	-	-	-	-	433,670
Due from other governments	-	52,667	314,992	-	-	-	6,326	373,985
Due from other funds	20,000	-	-	-	-	-	5,000	25,000
Property tax receivable	213,309	-	-	152,210	-	-	-	365,519
Prepaid expenses	72,205	-	-	-	-	-	-	72,205
Inventory	4,074	-	-	-	-	-	-	4,074
<b>Total Assets</b>	<u>7,091,617</u>	<u>876,759</u>	<u>343,089</u>	<u>499,417</u>	<u>663,877</u>	<u>(143,258)</u>	<u>513,060</u>	<u>9,844,561</u>
<b>Liabilities:</b>								
Accounts/vouchers payable	767,870	59	-	-	-	-	-	767,929
Other liabilities	453,113	3,374	-	-	-	-	-	456,487
Accrued payroll and related liabilities	57,651	-	-	-	-	-	-	57,651
Due to other funds	-	2,100	20,000	-	-	2,900	-	25,000
<b>Total Liabilities</b>	<u>1,278,634</u>	<u>5,533</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>2,900</u>	<u>-</u>	<u>1,307,067</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable property tax revenue	213,309	-	-	152,210	-	-	-	365,519
<b>Total Deferred Inflows of Resources</b>	<u>213,309</u>	<u>-</u>	<u>-</u>	<u>152,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,519</u>
<b>Fund Balance:</b>								
Nonspendable	155,363	-	-	-	-	-	-	155,363
Restricted	241,748	871,226	323,089	347,207	-	-	308,913	2,092,183
Committed	190,984	-	-	-	663,878	-	204,147	1,059,009
Assigned	184,785	-	-	-	-	-	-	184,785
Unassigned	4,826,794	-	-	-	-	(146,158)	-	4,680,636
<b>Total Fund Balance</b>	<u>5,599,674</u>	<u>871,226</u>	<u>323,089</u>	<u>347,207</u>	<u>663,878</u>	<u>(146,158)</u>	<u>513,060</u>	<u>8,171,976</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>7,091,617</u>	<u>876,759</u>	<u>343,089</u>	<u>499,417</u>	<u>663,878</u>	<u>(143,258)</u>	<u>513,060</u>	<u>9,844,562</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 Position**  
**December 31, 2013**

Governmental Funds Total Fund Balance 8,171,976

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	27,970,000	
Accumulated depreciation	<u>(8,235,309)</u>	19,734,691

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

Discount on bonded debt, net	1,696	
Premium on bonded debt, net	<u>(2,953)</u>	(1,257)

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	(7,160)	
Bonded debt	(1,790,000)	
Compensated absences	<u>(210,978)</u>	<u>(2,008,138)</u>

Governmental Activities Net Position 25,897,272

**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

	<b>General</b>	<b>Recreation Sales and Use Tax</b>	<b>Sales and Use Tax</b>	<b>Streetscape</b>	<b>Development Dedication</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>								
Taxes	612,064	544,805	3,272,791	194,537	-	-	86,997	4,711,194
Licenses, permits, and fees	151,746	-	-	-	10,424	-	-	162,170
Intergovernmental revenue	903,627	213,618	-	-	-	44,841	69,279	1,231,365
Charges for services	151,845	339,907	-	-	-	-	-	491,752
Fines and forfeitures	89,711	-	-	-	-	-	19,911	109,622
Investment income	16,984	405	-	-	80	22	310	17,801
Miscellaneous	657,103	49,060	-	-	-	-	43,088	749,251
<b>Total Revenues</b>	<b>2,583,080</b>	<b>1,147,795</b>	<b>3,272,791</b>	<b>194,537</b>	<b>10,504</b>	<b>44,863</b>	<b>219,585</b>	<b>7,473,155</b>
<b>Expenditures:</b>								
General government	2,111,254	-	-	-	-	-	62,592	2,173,846
Public safety	1,765,540	-	-	-	-	-	7,838	1,773,378
Public works	827,298	-	-	128,368	-	1,543,222	3,070	2,501,958
Culture and recreation	691,548	978,812	-	-	-	-	152,826	1,823,186
Debt service:								
Principal	-	-	-	-	-	-	125,000	125,000
Interest	-	-	-	-	-	-	91,048	91,048
<b>Total Expenditures</b>	<b>5,395,640</b>	<b>978,812</b>	<b>-</b>	<b>128,368</b>	<b>-</b>	<b>1,543,222</b>	<b>442,374</b>	<b>8,488,416</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,812,560)</b>	<b>168,983</b>	<b>3,272,791</b>	<b>66,169</b>	<b>10,504</b>	<b>(1,498,359)</b>	<b>(222,789)</b>	<b>(1,015,261)</b>
<b>Other Financing Sources (Uses):</b>								
Sale of fixed assets	17,433	-	-	-	-	-	-	17,433
Operating transfers in	3,245,000	-	-	-	-	750,000	217,500	4,212,500
Operating transfers (out)	(750,000)	(217,500)	(3,245,000)	-	-	-	-	(4,212,500)
<b>Total Other Financing Sources (Uses)</b>	<b>2,512,433</b>	<b>(217,500)</b>	<b>(3,245,000)</b>	<b>-</b>	<b>-</b>	<b>750,000</b>	<b>217,500</b>	<b>17,433</b>
<b>Net Change in Fund Balance</b>	<b>(300,127)</b>	<b>(48,517)</b>	<b>27,791</b>	<b>66,169</b>	<b>10,504</b>	<b>(748,359)</b>	<b>(5,289)</b>	<b>(997,828)</b>
<b>Fund Balance - Beginning</b>	<b>5,899,801</b>	<b>919,743</b>	<b>295,298</b>	<b>281,038</b>	<b>653,374</b>	<b>602,201</b>	<b>518,349</b>	<b>9,169,804</b>
<b>Fund Balance - Ending</b>	<b>5,599,674</b>	<b>871,226</b>	<b>323,089</b>	<b>347,207</b>	<b>663,878</b>	<b>(146,158)</b>	<b>513,060</b>	<b>8,171,976</b>

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, 2013**

Governmental Funds Changes in Fund Balances (Deficit) (997,828)

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	1,565,489	
Depreciation expense	<u>(789,071)</u>	776,418

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

Repayment of principal on bonds	125,000	
Amortization of debt related deferrals, net	231	
Adjustments to current year interest	<u>427</u>	125,658

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 162,310

Governmental Activities Change in Net Position 66,558

**Town of Carbondale, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2013**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and investments	1,225,500	4,469,606	5,695,106
Accounts receivable	153,132	116,673	269,805
Prepaid expenses	7,630	-	7,630
<b>Total current assets</b>	<u>1,386,262</u>	<u>4,586,279</u>	<u>5,972,541</u>
<b>Non-current assets:</b>			
Land	51,048	133,391	184,439
Plant and system	13,389,466	12,394,373	25,783,839
Building and improvements	229,526	495,123	724,649
Machinery and equipment	478,436	995,080	1,473,516
Water rights	356,945	-	356,945
Accumulated depreciation	(4,643,178)	(7,579,713)	(12,222,891)
<b>Total non-current assets</b>	<u>9,862,243</u>	<u>6,438,254</u>	<u>16,300,497</u>
<b>Total Assets</b>	<u>11,248,505</u>	<u>11,024,533</u>	<u>22,273,038</u>
<b>Liabilities:</b>			
Current liabilities:			
Other liabilities	6,739	-	6,739
<b>Total current liabilities</b>	<u>6,739</u>	<u>-</u>	<u>6,739</u>
<b>Long-term liabilities:</b>			
Accrued compensated absences	22,163	18,748	40,911
Reimbursable prepaid tap fees	794,056	1,189,614	1,983,670
<b>Total long-term liabilities</b>	<u>816,219</u>	<u>1,208,362</u>	<u>2,024,581</u>
<b>Total Liabilities</b>	<u>822,958</u>	<u>1,208,362</u>	<u>2,031,320</u>
<b>Net Position:</b>			
Net invested in capital assets	9,862,243	6,438,254	16,300,497
Unrestricted	563,304	3,377,917	3,941,221
<b>Total Net Position</b>	<u>10,425,547</u>	<u>9,816,171</u>	<u>20,241,718</u>

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

**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services:			
Service fees	1,131,098	1,155,634	2,286,732
Sale of meters	13,016	-	13,016
Other revenues:			
Penalty assessments	5,457	5,912	11,369
Miscellaneous	23,798	61,467	85,265
<b>Total Operating Revenues</b>	<u>1,173,369</u>	<u>1,223,013</u>	<u>2,396,382</u>
<b>Operating Expenses:</b>			
Operations and maintenance	339,029	519,884	858,913
Personnel costs	373,494	445,322	818,816
Administration	313,132	233,458	546,590
Depreciation	268,487	285,736	554,223
<b>Total Operating Expenses</b>	<u>1,294,142</u>	<u>1,484,400</u>	<u>2,778,542</u>
<b>Operating (Loss)</b>	<u>(120,773)</u>	<u>(261,387)</u>	<u>(382,160)</u>
<b>Non-operating Revenue (Expenses):</b>			
Investment income	2,025	6,982	9,007
<b>Total Non-operating Revenue (Expenses)</b>	<u>2,025</u>	<u>6,982</u>	<u>9,007</u>
<b>(Loss) Before Contributions</b>	(118,748)	(254,405)	(373,153)
Capital contributions, and tap fees	96,773	94,719	191,492
<b>Change in Net Position</b>	(21,975)	(159,686)	(181,661)
<b>Total Net Position - Beginning</b>	<u>10,447,522</u>	<u>9,975,857</u>	<u>20,423,379</u>
<b>Total Net Position - Ending</b>	<u><u>10,425,547</u></u>	<u><u>9,816,171</u></u>	<u><u>20,241,718</u></u>

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

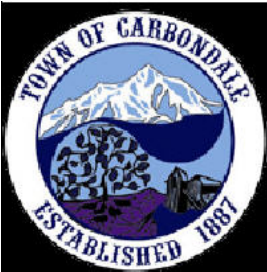
**Town of Carbondale, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers and others	1,106,898	1,158,102	2,265,000
Cash paid for goods, services and employees	(1,019,249)	(1,199,020)	(2,218,269)
Other cash receipts	24,110	61,467	85,577
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>111,759</u>	<u>20,549</u>	<u>132,308</u>
<b>Cash Flows From Capital Financing Activities:</b>			
Proceeds from tap and meter sales	88,905	83,073	171,978
Acquisition of capital assets	(241,675)	(582,053)	(823,728)
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<u>(152,770)</u>	<u>(498,980)</u>	<u>(651,750)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	2,025	6,982	9,007
<b>Net Cash Provided by Investing Activities</b>	<u>2,025</u>	<u>6,982</u>	<u>9,007</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(38,986)	(471,449)	(510,435)
<b>Cash and Cash Equivalents - Beginning</b>	1,264,486	4,941,055	6,205,541
<b>Cash and Cash Equivalents - Ending</b>	<u>1,225,500</u>	<u>4,469,606</u>	<u>5,695,106</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating (loss)	(120,773)	(261,387)	(382,160)
<b>Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:</b>			
Depreciation expense	268,487	285,736	554,223
(Increase) decrease in operating accounts receivable	(42,673)	(3,445)	(46,118)
(Increase) decrease in prepaid expense	5,131	-	5,131
Increase (decrease) in other liabilities	312	-	312
Increase (decrease) in compensated absences	1,275	(355)	920
<b>Total Adjustments</b>	<u>232,532</u>	<u>281,936</u>	<u>514,468</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>111,759</u>	<u>20,549</u>	<u>132,308</u>

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



**NOTES TO THE FINANCIAL STATEMENTS**



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

**I. Summary of Significant Accounting Policies**

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

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

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

**A. Reporting Entity**

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

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

**B. Government-wide and Fund Financial Statements**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**1. Government-wide Financial Statements**

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

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

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

**2. Fund Financial Statements**

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that 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, 2013**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**2. Fund Financial Statements (continued)**

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

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

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

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

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

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

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

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

**1. Long-term Economic Focus and Accrual Basis**

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

**2. Current Financial Focus and Modified Accrual Basis**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**3. Financial Statement Presentation**

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

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

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

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

**2. Restricted Assets**

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

**3. Investments**

Investments are stated at fair value.

**4. Receivables**

Receivables are reported net of an allowance for uncollectible accounts.

**5. Property Taxes**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**6. Capital Assets**

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

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

**7. Compensated Absences**

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

**8. Bond Discount and Premium**

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

**9. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. Accordingly, unavailable property tax revenue is reported in both the government-wide statement of net position and the governmental funds balance sheet, and unearned water tank revenue is reported in both the government-wide statement of net position and the proprietary fund type statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that these amounts become available.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**II. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**10. Categories and Classification of Fund Balance**

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

The Town classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

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

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Trustees or its management designee.

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**10. Categories and Classification of Fund Balance (continued)**

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

*General Fund:*

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

*Special Revenue Funds:*

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

*Capital Projects Funds:*

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

*Debt Service Funds:*

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

**E. Significant Accounting Policies**

**1. Use of Estimates**

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



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Significant Accounting Policies (continued)**

**2. Proprietary Funds**

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

**3. Restricted and Unrestricted Resources**

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

**4. Comparative Data**

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts in 2011 have been reclassified to conform to the 2012 presentation.

**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 2013.

- (1) For the 2013 budget year, prior to August 25, 2012, 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, 2012, 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, 2012, a public hearing was held for the budget, the Board of Trustees certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board of Trustees adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2012 were collected in 2013 and taxes certified in 2013 will be collected in 2014. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year, supplemental appropriations were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. As a result of the supplementary budget appropriations, the 2013 appropriations were increase as follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General Fund	\$ 6,929,532	7,004,532
Recreation Sales and Use Tax Fund	3,080,500	3,500,000
Capital Construction Fund	1,507,500	1,757,500
Conservation Trust Fund	94,336	99,336
CHA Housing Fund	55,928	320,928
Lodging Tax Fund	48,171	56,171
Efficient Building	-	3,500

For the year ended December 31, 2013, the Lodging Tax fund expenditures exceeded appropriations by \$372.

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

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

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**III. Detailed Notes on all Funds**

**A. Deposits**

Pursuant to its charter, the Town has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the Town may invest in federally insured banks, debt obligations of the U.S. Government, its agencies and instrumentalities, governmental mutual fund and pools including 2a7-like pools, and repurchase agreements subject to policy requirements.

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's 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 \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's deposits was \$11,029,673. Petty cash totaled \$867.

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

	Standard & Poors Rating	Carrying amounts	Maturities	
			Less than one year	Less than five years
<b>Deposits:</b>				
Petty cash	Not Rated	\$ 867	867	-
Checking	Not Rated	1,097,303	1,097,303	-
Certificates of Deposit	Not Rated	236,994	236,994	-
Savings and money market	Not Rated	9,695,376	9,695,376	-
<b>Investments:</b>				
Investment pools	AAA	3,234,675	3,234,675	-
		<u>\$ 14,265,215</u>	<u>14,265,215</u>	<u>-</u>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**A. Deposits (continued)**

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

**B. Receivables**

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

	<b>General</b>	<b>Recreation Sales and Use Tax</b>	<b>Sales and Use Tax</b>	<b>Streetscape</b>	<b>Lodging Tax</b>	<b>Disposable Bag Tax</b>	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Receivables:									
Taxes	\$ 213,309	-	-	152,210	-	-	-	-	365,519
Accounts	-	-	-	-	-	-	153,132	116,673	269,805
Other	426,508	6,430	732	-	3,835	2,491	-	-	439,996
Intergovernmental	-	52,667	314,993	-	-	-	-	-	367,660
Gross receivables	639,817	59,097	315,725	152,210	3,835	2,491	153,132	116,673	1,442,980
Less: allowance for uncollectible	-	-	-	-	-	-	-	-	-
<b>Net receivables</b>	<b>\$ 639,817</b>	<b>59,097</b>	<b>315,725</b>	<b>152,210</b>	<b>3,835</b>	<b>2,491</b>	<b>153,132</b>	<b>116,673</b>	<b>1,442,980</b>

Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$365,519 of unearned revenue for property taxes levied in 2013 but not available until 2014.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 4,745,343	-	-	4,745,343
Construction in progress	40,708	924,810	-	965,518
Total capital assets, not being depreciated	<u>4,786,051</u>	<u>924,810</u>	<u>-</u>	<u>5,710,861</u>
Capital assets, being depreciated:				
Infrastructure	6,444,823	-	-	6,444,823
Buildings	9,019,985	-	-	9,019,985
Improvements other than buildings	3,241,262	189,479	(6,443)	3,424,298
Vehicles	1,228,765	275,908	-	1,504,673
Equipment	1,811,483	175,293	(2,300)	1,984,476
Total capital assets being depreciated	<u>21,746,318</u>	<u>640,680</u>	<u>(8,743)</u>	<u>22,378,255</u>
Less accumulated depreciation for:				
Infrastructure	(1,281,319)	(238,209)	-	(1,519,528)
Buildings	(1,875,152)	(229,156)	-	(2,104,308)
Improvements other than buildings	(1,839,549)	(152,705)	6,443	(1,985,811)
Vehicles	(916,565)	(104,834)	-	(1,021,399)
Equipment	(1,661,511)	(64,168)	2,300	(1,723,379)
Total accumulated depreciation	<u>(7,574,096)</u>	<u>(789,072)</u>	<u>8,743</u>	<u>(8,354,425)</u>
Total capital assets, being depreciated, net	<u>14,172,222</u>	<u>(148,392)</u>	<u>-</u>	<u>14,023,830</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 18,958,273</u>	<u>776,418</u>	<u>-</u>	<u>19,734,691</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 184,439	-	-	184,439
Water rights	308,584	48,361	-	356,945
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>493,023</u>	<u>48,361</u>	<u>-</u>	<u>541,384</u>
Capital assets, being depreciated:				
Water/wastewater system and improvements	25,379,265	404,575	-	25,783,840
Buildings and improvements	724,650	-	-	724,650
Equipment	1,102,721	370,792	-	1,473,513
Total capital assets being depreciated	<u>27,206,636</u>	<u>775,367</u>	<u>-</u>	<u>27,982,003</u>
Less accumulated depreciation for:				
Water/wastewater system and improvements	(10,496,871)	(468,580)	-	(10,965,451)
Buildings and improvements	(303,981)	(21,376)	-	(325,357)
Equipment	(867,816)	(64,267)	-	(932,083)
Total accumulated depreciation	<u>(11,668,668)</u>	<u>(554,223)</u>	<u>-</u>	<u>(12,222,891)</u>
Total capital assets, being depreciated, net	<u>15,537,968</u>	<u>221,144</u>	<u>-</u>	<u>15,759,112</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 16,030,991</u>	<u>269,505</u>	<u>-</u>	<u>16,300,496</u>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**C. Capital Assets (continued)**

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

	<b>Capital Outlay</b>	<b>Depreciation Expense</b>
Governmental activities:		
General government	\$ 16,660	150,076
Public safety	117,270	52,917
Public works, including infrastructure	1,108,138	313,878
Culture and recreation	323,422	272,201
<b>Total - governmental activities</b>	<b>\$ 1,565,490</b>	<b>789,072</b>
Business-type activities:		
Water	\$ 241,675	268,487
Wastewater	582,053	285,736
<b>Total - business-type activities</b>	<b>\$ 823,728</b>	<b>554,223</b>

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.

**D. Interfund Receivables, Payables, and Transfers**

The Town had the following interfund receivables or payables as of December 31, 2013:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 20,000	-
1% of Arts Funds	5,000	-
Capital Construction Fund	-	2,900
Recreation Sales and Use Tax Fund	-	2,100
Sales and Use Tax Fund	-	20,000
<b>Total</b>	<b>\$ 25,000</b>	<b>25,000</b>

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**E. 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)	\$ 3,245,000	Operating transfer
Capital Projects / (General)	750,000	Highway 133 improvements
Bond Fund / (Recreation Sales and Use Tax)	217,500	Debt service for 2004 and 2006 Sales and Use Tax bonds.

**F. Long-term Debt**

**1. Recreation Sales and Use Tax Series 2004 Bonds**

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

**2. Recreation Sales and Use Tax Series 2006 Bonds**

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

**3. Advance Refunding**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**F. Long-term Debt (continued)**

**4. Schedule of Future Payment**

The Town's annual debt service is as follows:

<u>Year</u>	<u>Recreation Sales and Use Bonds Series 2004</u>	<u>Recreation Sales and Use Bonds Series 2006</u>	<u>Total</u>
2014	\$ 168,010	42,913	210,923
2015	169,010	46,788	215,798
2016	169,075	45,438	214,513
2017	168,905	44,088	212,993
2018	168,500	42,663	211,163
2019 - 2023	853,360	224,225	1,077,585
2024	168,000	47,250	215,250
Total	<u>1,864,860</u>	<u>493,365</u>	<u>2,358,225</u>
Less: interest	<u>(449,860)</u>	<u>(118,365)</u>	<u>(568,225)</u>
Bonds outstanding	<u>\$ 1,415,000</u>	<u>375,000</u>	<u>1,790,000</u>
Add: Unamortized bond premium			2,953
Less: Unamortized bond discount			<u>(1,696)</u>
Total debt			<u><u>1,791,257</u></u>

**5. Compensated Absences**

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

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

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



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**F. Long-term Debt (continued)**

**6. Tap Fees Agreement**

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

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

**7. Changes in the Long-term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2013:

	<u>Balance 1/1/13</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance 12/31/13</u>	<u>Due in One Year</u>
<b>Governmental Activities:</b>					
Series 2004 Bonds	\$ 1,515,000	-	(100,000)	1,415,000	100,000
Series 2006 Bonds	400,000	-	(25,000)	375,000	25,000
Compensated absences	373,288	-	(162,310)	210,978	6,329
<b>Business-Type Activities:</b>					
Compensated absences	39,992	919	-	40,911	1,227
Reimbursable prepaid tap fees	2,006,382	-	(22,711)	1,983,671	-
<b>Total</b>	<u>\$ 4,334,662</u>	<u>919</u>	<u>(310,021)</u>	<u>4,025,560</u>	<u>132,556</u>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**G. Fund Balance**

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

	<b>General</b>	<b>Recreation Sales and Use Tax</b>	<b>Sales and Use Tax</b>	<b>Streetscape</b>	<b>Development Dedication</b>	<b>Capital Projects</b>	<b>Conservation Trust</b>	<b>Victims Assistance</b>
Nonspendable:								
Prepaid expenses	\$ 72,205	-	-	-	-	-	-	-
Inventory	4,074	-	-	-	-	-	-	-
Economic development	79,084	-	-	-	-	-	-	-
<b>Total Nonspendable:</b>	<b>155,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Restricted:								
Constitutionally required emergency reserve	223,000	-	-	-	-	-	-	-
Capital projects	-	-	323,089	-	-	-	-	-
Community enhancement	-	-	-	347,207	-	-	-	-
Culture and recreation	-	871,226	-	-	-	-	92,973	-
Tree funding	18,748	-	-	-	-	-	-	-
<b>Total Restricted:</b>	<b>241,748</b>	<b>871,226</b>	<b>323,089</b>	<b>347,207</b>	<b>-</b>	<b>-</b>	<b>92,973</b>	<b>-</b>
Committed:								
Developer improvements	150,284	-	-	-	-	-	-	-
General operating	-	-	-	-	663,878	-	-	-
Parking	40,700	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	20,883
<b>Total Committed:</b>	<b>190,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>663,878</b>	<b>-</b>	<b>-</b>	<b>20,883</b>
Assigned:								
Town Manger contract	60,000	-	-	-	-	-	-	-
Economic development	124,785	-	-	-	-	-	-	-
<b>Total Assigned:</b>	<b>184,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	<b>Lodging Tax</b>	<b>1% of Arts</b>	<b>Efficient Building</b>	<b>Disposable Bag Tax</b>	<b>Bond</b>	<b>Bond Reserve</b>
Restricted:								
Culture and recreation	-	11,132	7,551	-	-	-	-	-
Debt service	-	-	-	-	-	-	23,639	173,618
<b>Total Restricted:</b>	<b>-</b>	<b>11,132</b>	<b>7,551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,639</b>	<b>173,618</b>
Committed:								
Community enhancement	-	-	-	19,614	-	-	-	-
Affordable housing	136,430	-	-	-	-	-	-	-
Efficient buidling	-	-	-	-	7,438	-	-	-
Education and awareness	-	-	-	-	-	19,782	-	-
<b>Total Committed:</b>	<b>136,430</b>	<b>-</b>	<b>-</b>	<b>19,614</b>	<b>7,438</b>	<b>19,782</b>	<b>-</b>	<b>-</b>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**III. Detailed Notes on all Funds (continued)**

**G. Fund Balance (continued)**

As of December 31, 2013, the Capital Projects Fund had a deficit fund balance of \$146,158.

**IV. Other Information**

**A. Benefits**

The Town has established two contributory benefit plans as follows.

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

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

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All full time Town employees are eligible to participate in this plan. Eligibility is at the date of employment. The Town contributes 5% of the employees' compensation to this plan. The Town's contributions vest 40% after two years.

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

The Town's current year covered payroll was \$5,211,333 and current year total payroll was \$3,595,388. During the year, the Town's required and actual contributions amounted to \$156,340, which was 3% of its current year covered payroll.

**2. Deferred Compensation Plan - IRC 457**

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

The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town previously matched employee contributions up to 2% of the employees' wages. The Town does not administer the plan; therefore, it is not presented in the Town's financial statements.

Due to economic conditions, the Town indefinitely suspended all matching contributions to the plan on January 1, 2010. Reinstatement of the matching contributions will be considered in future budgets.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**IV. Other Information (continued)**

**A. Benefits (continued)**

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

The Town's police department is covered by a defined contribution plan allowed under I.R.C. 401(a). The plan is administered and invested by ICMA, Inc. and therefore, is not presented in the Town's financial statements.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Eligibility is at the date of employment. Employee contributions are 100% vested when paid. Employees contribute 8% and the Town contributes 8% of the employee's annual salary.

The Town's current year covered payroll was \$902,375 and current year total payroll was \$978,430. During the year, the Town's required and actual contributions amounted to \$72,190.

**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.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**IV. Other Information (continued)**

**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, 2013, the latest date for which information is available, is as follows:

<b>Property and Casualty Pool:</b>	<u>%</u>
Loss fund	0.912%
Pooled excess fund	0.335%

The December 31, 2013, combined financial information is as follows:

Cash and investments	\$ 72,534,417
Other assets	6,644,595
<b>Total</b>	<u><u>\$ 79,179,012</u></u>
Liabilities	\$ 37,237,831
Members fund balance	41,941,181
<b>Total</b>	<u><u>\$ 79,179,012</u></u>
Total revenue	\$ 22,240,069
Total expense	(16,971,510)
<b>Excess of Revenue Over Expense</b>	<u><u>\$ 5,268,559</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, 2013, 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.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**  
**(Continued)**

**IV. Other Information (continued)**

**D. Lease Agreements**

**1. Operating Leases**

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

**2. Building Lease**

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

**REQUIRED SUPPLEMENTARY INFORMATION**



**Town of Carbondale, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<u>Final Budget</u>	<u>2012</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
<b>Revenues:</b>					
Taxes	512,500	512,500	612,064	99,564	513,962
Licenses and permits	81,475	81,475	151,746	70,271	112,352
Intergovernmental	831,505	831,505	903,627	72,122	1,080,490
Charges for services	94,800	94,800	151,845	57,045	128,382
Fines and forfeitures	60,000	60,000	89,711	29,711	77,086
Interest	14,000	14,000	16,984	2,984	24,631
Administrative charges	403,732	403,732	403,732	-	398,726
Developer reimbursable	35,000	35,000	70,659	35,659	71,377
Other	66,000	66,000	182,712	116,712	112,185
<b>Total Revenues</b>	<u>2,099,012</u>	<u>2,099,012</u>	<u>2,583,080</u>	<u>484,068</u>	<u>2,519,191</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Attorney	125,000	125,000	141,663	(16,663)	140,544
Municipal elections	8,755	8,755	1,976	6,779	11,033
Trustees	89,555	89,555	82,933	6,622	86,045
Municipal Court	31,600	31,600	26,133	5,467	28,388
Town Manager	247,941	247,941	260,965	(13,024)	236,888
Administrative services	384,600	384,600	397,627	(13,027)	356,079
Finance and records	391,323	391,323	405,414	(14,091)	358,439
Planning	370,501	370,501	292,598	77,903	250,088
Data processing	56,945	56,945	50,310	6,635	56,542
Building operations	86,663	86,663	79,337	7,326	73,836
Motor pool	239,315	239,315	227,315	12,000	210,905
Economic development	28,500	28,500	30,900	(2,400)	81,114
Sales tax administration	43,589	43,589	33,838	9,751	33,496
Affordable housing	28,000	28,000	28,000	-	59,447
<b>Total General Government</b>	<u>2,132,287</u>	<u>2,132,287</u>	<u>2,059,009</u>	<u>73,278</u>	<u>1,982,844</u>
<b>Public Safety:</b>					
Police department	1,443,579	1,443,579	1,514,911	(71,332)	1,403,123
Communications	39,000	39,000	38,541	459	36,290
Building inspection	148,064	148,064	141,435	6,629	130,831
Ordinance control	64,473	64,473	70,654	(6,181)	53,520
<b>Total Public Safety</b>	<u>1,695,116</u>	<u>1,695,116</u>	<u>1,765,541</u>	<u>(70,425)</u>	<u>1,623,764</u>
<b>Public Works:</b>					
Streets, alleys, snow removal	582,174	582,174	600,000	(17,826)	742,236
Public works administration	207,446	207,446	227,298	(19,852)	207,415
Highway 133 construction	-	-	-	-	-
<b>Total Public Works</b>	<u>789,620</u>	<u>789,620</u>	<u>827,298</u>	<u>(37,678)</u>	<u>949,651</u>

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



**Town of Carbondale, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**  
**(Continued)**

	<u>2013</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2012</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures (continued):</b>					
<b>Culture and Recreation:</b>					
Recreation	289,045	289,045	286,796	2,249	274,203
Parks and cemetery	318,607	318,607	316,277	2,330	329,683
RV park	45,700	45,700	23,377	22,323	24,796
Boat ramp	7,000	7,000	751	6,249	386
Community affairs	56,257	56,257	64,348	(8,091)	55,150
<b>Total Culture and Recreation</b>	<u>716,609</u>	<u>716,609</u>	<u>691,549</u>	<u>25,060</u>	<u>684,218</u>
<b>Other:</b>					
Environmental health and recycling	45,900	45,900	52,243	(6,343)	121,448
Contingency	50,000	125,000	-	125,000	-
<b>Total Other</b>	<u>95,900</u>	<u>170,900</u>	<u>52,243</u>	<u>118,657</u>	<u>121,448</u>
<b>Total Expenditures</b>	<u>5,429,532</u>	<u>5,504,532</u>	<u>5,395,640</u>	<u>108,892</u>	<u>5,361,925</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(3,330,520)	(3,405,520)	(2,812,560)	592,960	(2,842,734)
<b>Other Financing Sources (Uses):</b>					
Sale of fixed assets	-	-	17,433	17,433	-
Transfers (out)	(1,500,000)	(1,500,000)	(750,000)	750,000	(526,595)
Transfers in	3,280,500	3,280,500	3,245,000	(35,500)	3,316,900
<b>Total Other Financing Sources (Uses)</b>	<u>1,780,500</u>	<u>1,780,500</u>	<u>2,512,433</u>	<u>731,933</u>	<u>2,790,305</u>
<b>Net Change in Fund Balance</b>	<u>(1,550,020)</u>	<u>(1,625,020)</u>	(300,127)	<u>1,324,893</u>	(52,429)
<b>Fund Balance - Beginning</b>			5,899,801		5,952,230
<b>Fund Balance - Ending</b>			<u>5,599,674</u>		<u>5,899,801</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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>		<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
			<u>Actual</u>
<b>Revenues:</b>			
Sales tax revenue	477,080	477,278	198
Use tax - motor vehicle	39,300	47,633	8,333
Use tax - building permits	15,000	19,893	4,893
Investment earnings	750	405	(345)
Intergovernmental	167,500	213,618	46,118
Charges for services	302,500	339,907	37,407
Other income	38,500	49,060	10,560
<b>Total Revenues</b>	<u>1,040,630</u>	<u>1,147,794</u>	<u>107,164</u>
<b>Expenditures:</b>			
Pool	12,450	10,098	2,352
Park improvements	17,500	23,333	(5,833)
Trail improvements	148,000	130,890	17,110
Riding area and building	73,000	78,832	(5,832)
Salaries and benefits	467,301	438,974	28,327
Park and recreation facilities	296,433	296,684	(251)
Contingency	50,000	-	50,000
<b>Total Expenditures</b>	<u>1,064,684</u>	<u>978,811</u>	<u>85,873</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(24,054)	168,983	193,037
<b>Other Financing Sources (Uses):</b>			
Operating transfers (out)	(217,500)	(217,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(217,500)</u>	<u>(217,500)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(241,554)</u>	<u>(48,517)</u>	<u>193,037</u>
<b>Fund Balance - Beginning</b>		<u>919,743</u>	<u>897,153</u>
<b>Fund Balance - Ending</b>		<u>871,226</u>	<u>919,743</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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2012</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Sales tax	2,843,600	2,843,600	2,854,281	10,681	2,767,438
Use tax - motor vehicle	235,000	235,000	299,192	64,192	251,412
Use tax - building permits	45,000	45,000	119,318	74,318	115,447
<b>Total Revenues</b>	<u>3,123,600</u>	<u>3,123,600</u>	<u>3,272,791</u>	<u>149,191</u>	<u>3,134,297</u>
<b>Expenditures:</b>					
Miscellaneous	-	-	-	-	2,897
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,897</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	3,123,600	3,123,600	3,272,791	149,191	3,131,400
<b>Other Financing (Uses):</b>					
Operating transfers (out)	<u>(3,080,500)</u>	<u>(3,500,000)</u>	<u>(3,245,000)</u>	255,000	<u>(3,141,900)</u>
<b>Total Other Financing (Uses)</b>	<u>(3,080,500)</u>	<u>(3,500,000)</u>	<u>(3,245,000)</u>	<u>-</u>	<u>(3,141,900)</u>
<b>Net Change in Fund Balance</b>	<u>43,100</u>	<u>(376,400)</u>	27,791	<u>404,191</u>	(10,500)
<b>Fund Balance - Beginning</b>			<u>295,298</u>		<u>305,798</u>
<b>Fund Balance - Ending</b>			<u>323,089</u>		<u>295,298</u>

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

**Town of Carbondale, Colorado**  
**Streetscape Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	2013		Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Property tax	185,900	185,075	(825)	185,810
Specific ownership tax	8,500	8,914	414	9,032
Delinquent tax and interest	72	548	476	855
<b>Total Revenues</b>	194,472	194,537	65	195,697
<b>Expenditures:</b>				
Treasurer fee	5,000	3,713	1,287	3,734
Streetscape improvements	-	4	(4)	2,560
Capital projects	430,000	124,651	305,349	227,173
<b>Total Expenditures</b>	435,000	128,368	306,632	233,467
<b>Net Change in Fund Balance</b>	(240,528)	66,169	306,697	(37,770)
<b>Fund Balance - Beginning</b>		281,038		318,808
<b>Fund Balance - Ending</b>		347,207		281,038

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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
General development fee	24,000	10,424	(13,576)	49,998
Investment earnings	1,500	80	(1,420)	315
<b>Total Revenues</b>	<u>25,500</u>	<u>10,504</u>	<u>(14,996)</u>	<u>50,313</u>
<b>Expenditures:</b>				
Reserve	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	25,500	10,504	(14,996)	50,313
<b>Other Financing Sources (Uses):</b>				
Operating transfers (out)	(200,000)	-	200,000	(175,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>(175,000)</u>
<b>Net Change in Fund Balance</b>	<u>(174,500)</u>	10,504	<u>185,004</u>	(124,687)
<b>Fund Balance - Beginning</b>		<u>653,374</u>		<u>778,061</u>
<b>Fund Balance - Ending</b>		<u>663,878</u>		<u>653,374</u>

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

**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, 2013**  
**(With Comparative Totals For 2012)**

	2013			Final Budget Variance Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Grants	500,000	500,000	44,841	(455,159)	100,494
Investment earnings	125	125	22	(103)	127
<b>Total Revenues</b>	<u>500,125</u>	<u>500,125</u>	<u>44,863</u>	<u>(455,262)</u>	<u>100,621</u>
<b>Expenditures:</b>					
Highway 133	815,000	1,065,000	1,002,604	62,396	84,740
Construction	110,500	110,500	47,626	62,874	140,401
Street resurfacing	295,000	295,000	242,278	52,722	296,701
Vehicles	284,000	284,000	250,714	33,286	-
<b>Total Expenditures</b>	<u>1,504,500</u>	<u>1,754,500</u>	<u>1,543,222</u>	<u>211,278</u>	<u>521,842</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,004,375)	(1,254,375)	(1,498,359)	(666,540)	(421,221)
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	1,500,000	1,500,000	750,000	750,000	526,595
<b>Total Other Financing Sources (Uses)</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>750,000</u>	<u>750,000</u>	<u>526,595</u>
<b>Net Change in Fund Balance</b>	<u>495,625</u>	<u>245,625</u>	(748,359)	<u>(993,984)</u>	105,374
<b>Fund Balance - Beginning</b>			<u>602,201</u>		<u>496,827</u>
<b>Fund Balance - Ending</b>			<u>(146,158)</u>		<u>602,201</u>

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

**SUPPLEMENTARY INFORMATION**



Town of Carbondale, Colorado  
Schedule of Revenues and Expenditures  
Budget and Actual  
Proprietary Funds  
For the Year Ended December 31, 2013  
(With Comparative Totals For 2012)

	Water Fund				Wastewater Fund				
	2013		2012		2013		2012		
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>									
<b>Charges for services:</b>									
Sale of meters	1,000	1,000	13,016	12,016	6,878	-	-	-	-
Service fees	1,091,050	1,091,050	1,131,098	40,048	1,091,298	1,125,000	1,155,634	30,634	1,136,003
Penalty assessments	7,265	7,265	5,457	(1,808)	5,302	3,200	5,912	2,712	5,585
Miscellaneous	11,100	11,100	23,798	12,698	10,237	50,800	61,467	10,667	67,639
<b>Total Revenues</b>	<u>1,110,415</u>	<u>1,110,415</u>	<u>1,173,369</u>	<u>62,954</u>	<u>1,113,715</u>	<u>1,179,000</u>	<u>1,223,013</u>	<u>44,013</u>	<u>1,209,227</u>
<b>Operating Expenses:</b>									
Operations and maintenance	172,465	172,465	201,518	(29,053)	162,776	312,760	445,536	(132,776)	203,451
Personnel costs	383,844	383,844	373,494	10,350	367,919	417,402	445,322	(27,920)	423,995
Administration	321,138	321,138	313,132	8,006	308,505	226,600	233,458	(6,858)	208,701
Miscellaneous / contingency	50,000	50,000	-	50,000	-	50,000	-	50,000	-
Capital outlay	433,600	783,600	379,187	404,413	77,365	931,360	656,402	274,958	18,181
<b>Total operating expenses</b>	<u>1,361,047</u>	<u>1,711,047</u>	<u>1,267,331</u>	<u>443,716</u>	<u>916,565</u>	<u>1,938,122</u>	<u>1,780,718</u>	<u>157,404</u>	<u>854,328</u>
<b>Operating Income (Loss) Budget Basis</b>	(250,632)	(600,632)	(93,962)	506,670	197,150	(759,122)	(557,705)	201,417	354,899
<b>Non-operating revenues (expenses):</b>									
Investment earnings	2,000	2,000	2,025	25	2,683	8,200	6,982	(1,218)	8,605
Principal payments	-	-	(11,066)	(11,066)	(587,625)	-	(11,645)	(11,645)	(43,893)
Interest expense	-	-	-	-	(20,915)	-	-	-	-
Grant revenue	-	-	-	-	-	-	-	-	52,530
<b>Total non-operating revenues (expenses):</b>	<u>2,000</u>	<u>2,000</u>	<u>(9,041)</u>	<u>(11,041)</u>	<u>(605,857)</u>	<u>8,200</u>	<u>(4,663)</u>	<u>(12,863)</u>	<u>17,242</u>
<b>Capital contributions</b>	56,000	56,000	96,773	40,773	95,831	59,000	94,719	35,719	77,109
<b>Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis</b>	<u>(192,632)</u>	<u>(542,632)</u>	<u>(6,230)</u>	<u>536,402</u>	<u>(312,876)</u>	<u>(691,922)</u>	<u>(467,649)</u>	<u>224,273</u>	<u>449,250</u>
<b>Reconciliation to GAAP Basis:</b>									
Capitalized assets			241,676		42,374		582,054		-
Principal payments			11,066		587,625		11,645		43,893
Depreciation			<u>(268,487)</u>		<u>(270,112)</u>		<u>(285,736)</u>		<u>(286,969)</u>
<b>Net Income - GAAP Basis</b>			<u>(21,975)</u>		<u>47,011</u>		<u>(159,686)</u>		<u>206,174</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, 2013**

	<u>Special Revenue</u>					
	<u>Conservation Trust</u>	<u>Victims Assistance</u>	<u>CHA Mortgage</u>	<u>Community Enhancement</u>	<u>Lodging Tax</u>	<u>Sub-total Non-Major Governmental Funds</u>
<b>Assets:</b>						
Cash - Unrestricted	92,973	20,883	136,430	11,132	3,716	265,134
Other receivables	-	-	-	-	3,835	3,835
<b>Total Assets</b>	<u>92,973</u>	<u>20,883</u>	<u>136,430</u>	<u>11,132</u>	<u>7,551</u>	<u>268,969</u>
<b>Fund Balance:</b>						
Restricted	92,973	-	-	11,132	7,551	111,656
Committed	-	20,883	136,430	-	-	157,313
<b>Total Fund Balance</b>	<u>92,973</u>	<u>20,883</u>	<u>136,430</u>	<u>11,132</u>	<u>7,551</u>	<u>268,969</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, 2013  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-Major Governmental Funds	Total Non-Major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
<b>Assets:</b>							
Cash - Unrestricted	14,614	7,438	17,291	23,639	173,618	265,134	501,734
Other receivables	-	-	2,491	-	-	3,835	6,326
Due from other funds	5,000	-	-	-	-	-	5,000
<b>Total Assets</b>	<u>19,614</u>	<u>7,438</u>	<u>19,782</u>	<u>23,639</u>	<u>173,618</u>	<u>268,969</u>	<u>513,060</u>
<b>Fund Balance:</b>							
Restricted	-	-	-	23,639	173,618	111,656	308,913
Committed	19,614	7,438	19,782	-	-	157,313	204,147
<b>Total Fund Balance</b>	<u>19,614</u>	<u>7,438</u>	<u>19,782</u>	<u>23,639</u>	<u>173,618</u>	<u>268,969</u>	<u>513,060</u>

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, 2013**

	<u>Special Revenue</u>					<b>Sub-total Non-major Governmental Funds</b>
	<b>Conservation Trust</b>	<b>Victims Assistance</b>	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	<b>Lodging Tax</b>	
<b>Revenues:</b>						
Taxes	-	-	12,070	-	60,411	72,481
Intergovernmental revenue	69,279	-	-	-	-	69,279
Fines and forfeitures	-	19,911	-	-	-	19,911
Interest	310	-	-	-	-	310
Miscellaneous	-	-	36,982	3,971	-	40,953
<b>Total Revenues</b>	<u>69,589</u>	<u>19,911</u>	<u>49,052</u>	<u>3,971</u>	<u>60,411</u>	<u>202,934</u>
<b>Expenditures:</b>						
General government	-	-	17,649	44,643	-	62,292
Public safety	-	7,838	-	-	-	7,838
Culture and recreation	96,283	-	-	-	56,543	152,826
<b>Total Expenditures</b>	<u>96,283</u>	<u>7,838</u>	<u>17,649</u>	<u>44,643</u>	<u>56,543</u>	<u>222,956</u>
<b>Net Change in Fund Balance</b>	(26,694)	12,073	31,403	(40,672)	3,868	(20,022)
<b>Fund Balance - Beginning</b>	<u>119,667</u>	<u>8,810</u>	<u>105,027</u>	<u>51,804</u>	<u>3,683</u>	<u>288,991</u>
<b>Fund Balance - Ending</b>	<u>92,973</u>	<u>20,883</u>	<u>136,430</u>	<u>11,132</u>	<u>7,551</u>	<u>268,969</u>

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

Town of Carbondale, Colorado  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year Ended December 31, 2013  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-major Governmental Funds	Total Non-major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
<b>Revenues:</b>							
Taxes	-	-	14,516	-	-	72,481	86,997
Intergovernmental revenue	-	-	-	-	-	69,279	69,279
Fines and forfeitures	-	-	-	-	-	19,911	19,911
Interest	-	-	-	-	-	310	310
Miscellaneous	1,375	760	-	-	-	40,953	43,088
<b>Total Revenues</b>	1,375	760	14,516	-	-	202,934	219,585
<b>Expenditures:</b>							
General government	-	-	-	300	-	62,292	62,592
Public safety	-	-	-	-	-	7,838	7,838
Public works	-	3,070	-	-	-	-	3,070
Culture and recreation	-	-	-	-	-	152,826	152,826
Debt service:							
Principal	-	-	-	125,000	-	-	125,000
Interest	-	-	-	91,048	-	-	91,048
<b>Total Expenditures</b>	-	3,070	-	216,348	-	222,956	442,374
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,375	(2,310)	14,516	(216,348)	-	(20,022)	(222,789)
<b>Other Financing Sources (Uses):</b>							
Operating transfers in	-	-	-	217,500	-	-	217,500
<b>Total Other Financing Sources (Uses)</b>	-	-	-	217,500	-	-	217,500
<b>Net Change in Fund Balance</b>	1,375	(2,310)	14,516	1,152	-	(20,022)	(5,289)
<b>Fund Balance - Beginning</b>	18,239	9,748	5,266	22,487	173,618	288,991	518,349
<b>Fund Balance - Ending</b>	19,614	7,438	19,782	23,639	173,618	268,969	513,060

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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2012</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Intergovernmental revenue	62,000	62,000	69,279	7,279	64,001
Interest	26	26	310	284	25
<b>Total Revenues</b>	<u>62,026</u>	<u>62,026</u>	<u>69,589</u>	<u>7,563</u>	<u>64,026</u>
<b>Expenditures:</b>					
Personnel	44,976	44,976	42,326	2,650	40,861
Park maintenance	44,360	49,360	52,277	(2,917)	6,160
Equipment	5,000	5,000	1,680	3,320	5,297
<b>Total Expenditures</b>	<u>94,336</u>	<u>99,336</u>	<u>96,283</u>	<u>3,053</u>	<u>52,318</u>
<b>Net Change in Fund Balance</b>	<u>(32,310)</u>	<u>(37,310)</u>	(26,694)	<u>10,616</u>	11,708
<b>Fund Balance - Beginning</b>			<u>119,667</u>		<u>107,959</u>
<b>Fund Balance - Ending</b>			<u>92,973</u>		<u>119,667</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Victims Assistance Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Fines and surcharge	18,000	19,911	1,911	12,740
<b>Total Revenues</b>	<u>18,000</u>	<u>19,911</u>	<u>1,911</u>	<u>12,740</u>
<b>Expenditures:</b>				
Victim's assistance	18,000	5,454	12,546	14,100
Police training	5,000	2,384	2,616	-
<b>Total Expenditures</b>	<u>23,000</u>	<u>7,838</u>	<u>15,162</u>	<u>14,100</u>
<b>Net Change in Fund Balance</b>	<u>(5,000)</u>	12,073	<u>17,073</u>	(1,360)
<b>Fund Balance - Beginning</b>		<u>8,810</u>		<u>10,170</u>
<b>Fund Balance - Ending</b>		<u>20,883</u>		<u>8,810</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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2012</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Real estate transfer assessment		-	12,070	12,070	-
Fannie Mae mortgage fee	1,000	1,000	1,092	92	1,642
Lease income	21,000	21,000	35,586	14,586	29,735
Other revenue	-	-	304	304	-
<b>Total Revenues</b>	<u>22,000</u>	<u>22,000</u>	<u>49,052</u>	<u>27,052</u>	<u>31,377</u>
<b>Expenditures:</b>					
Other expense	1,700	1,700	15,457	(13,757)	3,801
Grant expense	54,228	319,228	2,192	317,036	49,708
<b>Total Expenditures</b>	<u>55,928</u>	<u>320,928</u>	<u>17,649</u>	<u>303,279</u>	<u>53,509</u>
<b>Net Change in Fund Balance</b>	<u>(33,928)</u>	<u>(298,928)</u>	31,403	<u>330,331</u>	(22,132)
<b>Fund Balance - Beginning</b>			<u>105,027</u>		<u>127,159</u>
<b>Fund Balance - Ending</b>			<u>136,430</u>		<u>105,027</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Community Enhancement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	2013		Variance Positive (Negative)	2012
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Community enhancement	6,000	3,971	(2,029)	5,934
<b>Total Revenues</b>	6,000	3,971	(2,029)	5,934
<b>Expenditures:</b>				
Community projects	55,705	44,643	11,062	-
<b>Total Expenditures</b>	55,705	44,643	11,062	-
<b>Net Change in Fund Balance</b>	(49,705)	(40,672)	9,033	5,934
<b>Fund Balance - Beginning</b>		51,804		45,870
<b>Fund Balance - Ending</b>		11,132		51,804

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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<u>Final Budget</u>	<u>2012</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Lodging tax	48,171	48,171	60,411	12,240	59,210
<b>Total Revenues</b>	<u>48,171</u>	<u>48,171</u>	<u>60,411</u>	<u>12,240</u>	<u>59,210</u>
<b>Expenditures:</b>					
Chamber of Commerce	48,171	56,171	56,543	(372)	59,325
<b>Total Expenditures</b>	<u>48,171</u>	<u>56,171</u>	<u>56,543</u>	<u>(372)</u>	<u>59,325</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(8,000)</u>	3,868	<u>11,868</u>	(115)
<b>Fund Balance - Beginning</b>			<u>3,683</u>		<u>3,798</u>
<b>Fund Balance - Ending</b>			<u>7,551</u>		<u>3,683</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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>		<u>Variance Positive (Negative)</u>	<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Miscellaneous	-	1,375	1,375	30
<b>Total Revenues</b>	<u>-</u>	<u>1,375</u>	<u>1,375</u>	<u>30</u>
<b>Expenditures:</b>				
Reserve	24,595	-	24,595	-
<b>Total Expenditures</b>	<u>24,595</u>	<u>-</u>	<u>24,595</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(24,595)	1,375	25,970	30
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	3,000	-	(3,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(21,595)</u>	1,375	<u>22,970</u>	30
<b>Fund Balance - Beginning</b>		<u>18,239</u>		<u>18,209</u>
<b>Fund Balance - Ending</b>		<u>19,614</u>		<u>18,239</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, 2013**  
**(With Comparative Totals For 2012)**

	<b>2013</b>			<b>Variance Positive (Negative)</b>	<b>2012</b>
	<b>Original Budget</b>	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Miscellaneous	-	-	760	760	5,174
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>760</u>	<u>760</u>	<u>5,174</u>
<b>Expenditures:</b>					
Building inspection	-	3,500	3,070	430	-
<b>Total Expenditures</b>	<u>-</u>	<u>3,500</u>	<u>3,070</u>	<u>430</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(3,500)</u>	<u>(2,310)</u>	<u>1,190</u>	<u>5,174</u>
<b>Fund Balance - Beginning</b>			<u>9,748</u>		<u>4,574</u>
<b>Fund Balance - Ending</b>			<u>7,438</u>		<u>9,748</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Disposable Bag Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Taxes	6,000	14,516	8,516	7,766
<b>Total Revenues</b>	<u>6,000</u>	<u>14,516</u>	<u>8,516</u>	<u>7,766</u>
<b>Expenditures:</b>				
Miscellaneous	6,000	-	6,000	2,500
<b>Total Expenditures</b>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>2,500</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	14,516	<u>14,516</u>	5,266
<b>Fund Balance - Beginning</b>		<u>5,266</u>		<u>-</u>
<b>Fund Balance - Ending</b>		<u>19,782</u>		<u>5,266</u>

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

**Town of Carbondale, Colorado**  
**Debt Service Funds**  
**Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2013**  
**(With Comparative Totals For 2012)**

	<b>2013</b>			<b>Variance Positive (Negative)</b>	<b>2012</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Investment earnings	-	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Bond principal	216,900	216,900	125,000	91,900	120,000
Bond interest	-	-	91,048	(91,048)	95,783
Agents fee	600	600	300	300	600
<b>Total Expenditures</b>	<u>217,500</u>	<u>217,500</u>	<u>216,348</u>	<u>1,152</u>	<u>216,383</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(217,500)	(217,500)	(216,348)	1,152	(216,383)
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	217,500	217,500	217,500	-	225,864
<b>Total Other Financing Sources (Uses)</b>	<u>217,500</u>	<u>217,500</u>	<u>217,500</u>	<u>-</u>	<u>225,864</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	1,152	<u>1,152</u>	9,481
<b>Fund Balance - Beginning</b>			<u>22,487</u>		<u>13,006</u>
<b>Fund Balance - Ending</b>			<u>23,639</u>		<u>22,487</u>

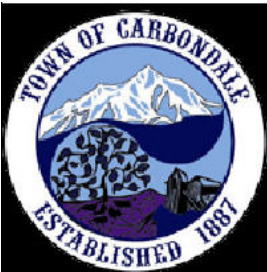
The accompanying notes are an integral part of these financial statements.

**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, 2013**  
**(With Comparative Totals For 2012)**

	<u>2013</u>		<u>2012</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
			<u>Actual</u>
<b>Revenues:</b>			
Investment earnings	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning</b>		<u>173,618</u>	<u>173,618</u>
<b>Fund Balance - Ending</b>		<u><u>173,618</u></u>	<u><u>173,618</u></u>

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

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



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Carbondale
	YEAR ENDING : December 2013

This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:
--	------------------------

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,343,139
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	8,538
2. General fund appropriations	1,845,494	b. Snow and ice removal	62,994
3. Other local imposts (from page 2)	418,816	c. Other	
4. Miscellaneous local receipts (from page 2)	58,311	d. Total (a. through c.)	71,532
5. Transfers from toll facilities		4. General administration & miscellaneous	640,974
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	621,644
a. Bonds - Original Issues		6. Total (1 through 5)	2,677,289
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,322,621	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	200,553	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	154,115	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	2,677,289	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	2,677,289

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

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,677,289	2,677,289		0

**Notes and Comments:**



<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	378,499	a. Interest on investments	956
b. Other local imposts:		b. Traffic Fines & Penalties	57,355
1. Sales Taxes	22,070	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	18,247	g. Other Misc. Receipts	
6. Total (1. through 5.)	40,317	h. Other	
c. Total (a. + b.)	418,816	i. Total (a. through h.)	58,311
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	179,459	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	21,094	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	154,115
f. Total (a. through e.)	21,094	g. Total (a. through f.)	154,115
4. Total (1. + 2. + 3.f)	200,553	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		3,949	3,949
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		924,810	924,810
(3). System Preservation		242,278	242,278
(4). System Enhancement & Operation		172,102	172,102
(5). Total Construction (1) + (2) + (3) + (4)		924,810	1,339,190
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		924,810	1,343,139
			(Carry forward to page 1)
<b>Notes and Comments:</b>			