

**Town of Carbondale, Colorado**

**Financial Report**

**December 31, 2010**



**Town of Carbondale, Colorado  
Financial Report  
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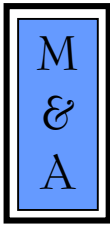
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado, (the "Town"), as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Town's non-major governmental funds as presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the management of the Town. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

*Member: American Institute of Certified Public Accountants*

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

**McMahan and Associates, L.L.C.**

**June 30, 2011**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Town of Carbondale, Colorado

## Management's Discussion and Analysis December 31, 2010

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, 2010.

### Financial Highlights

- A 2% reduction in employee wages through furlough days was implemented in January, 2010. In October, wages were restored to 2009 levels due to conservative spending and unanticipated Mineral Leasing and Mineral Severance Tax revenue of \$292,000.
- In 2010, Town of Carbondale sales tax revenues dropped over 4%; revenues for construction related revenue sources through the Building Department increased by 12% due to collection of outstanding use tax.
- The Town's governmental fund balances decreased \$235,947, which includes the General Fund balance increase of \$546,508, and the Town's business-type activities increased \$665,103.

### Overview of the Financial Statements

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

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

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

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

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

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

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

## **Overview of the Financial Statements (continued)**

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

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

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

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

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

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

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

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



## Overview of the Financial Statements (continued)

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

The following graph shows the Town's net assets for 2010:

Town of Carbondale's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 10,287,074	10,214,755	6,250,875	5,713,237	16,537,949	15,927,992
Capital assets	19,219,419	16,255,134	16,724,592	16,216,101	35,944,011	32,471,235
<b>Total assets</b>	<b>29,506,493</b>	<b>26,469,889</b>	<b>22,975,467</b>	<b>21,929,338</b>	<b>52,481,960</b>	<b>48,399,227</b>
Other liabilities	2,086,240	1,760,052	49,562	1,657,043	2,135,802	3,417,095
Long-term liabilities outstanding	2,152,000	2,262,277	2,789,169	800,662	4,941,169	3,062,939
<b>Total liabilities</b>	<b>4,238,240</b>	<b>4,022,329</b>	<b>2,838,731</b>	<b>2,457,705</b>	<b>7,076,971</b>	<b>6,480,034</b>
Net assets:						
Invested in capital assets, net of related debt	17,166,672	14,096,173	16,047,920	15,415,439	33,214,592	29,511,612
Restricted	326,989	363,148	-	-	326,989	363,148
Unrestricted	7,774,592	7,988,239	4,088,816	4,056,194	11,863,408	12,044,433
<b>Total net assets</b>	<b>\$ 25,268,253</b>	<b>22,447,560</b>	<b>20,136,736</b>	<b>19,471,633</b>	<b>45,404,989</b>	<b>41,919,193</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 68% of the total assets. The Town uses these assets to provide services to its citizens. The Town's remaining assets are generally available to pay liabilities or fund operations. At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The Town's capital assets increased due to the purchase and donation of land, as well as construction in process on the wastewater system. Maturing for the Town's remaining debt are as follows; the Town's 1998B issue will be retired in 2015, the Town's 2004 issue will be retired in 2024, the Town's 2006 issue will retire in 2024 and the Town's 2006 supplemental interest coupon retired in 2010. Additional information regarding the Town's long-term debt is available in Section D of the footnotes.

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

	Balance 1/1/10	Additions	Deletions	Balance 12/31/10
Emergency reserve	\$ 199,910	6,779	-	206,689
Parking	40,700	-	-	40,700
Manager contract	99,538	-	(70,938)	28,600
Solar panels	23,000	28,000	-	51,000
<b>Total</b>	<b>\$ 340,148</b>	<b>34,779</b>	<b>(70,938)</b>	<b>326,989</b>

## Overview of the Financial Statements (continued)

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

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

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 1,109,146	1,092,546	2,330,480	2,367,370	3,439,626	3,459,916
Operating grants and contributions	897,269	1,457,036	-	-	897,269	1,457,036
Capital grants and contributions	791,330	105,706	607,150	699,174	1,398,480	804,880
General revenues:						
Property taxes	626,524	443,100	-	-	626,524	443,100
Sales and use taxes	3,633,355	3,795,444	-	-	3,633,355	3,795,444
Other taxes	328,635	418,216	-	-	328,635	418,216
Interest and other revenue	280,668	347,054	36,607	72,676	317,275	419,730
Special items	2,050,000	566,063	-	-	2,050,000	566,063
<b>Total Revenues</b>	<b>9,716,927</b>	<b>8,225,165</b>	<b>2,974,237</b>	<b>3,139,220</b>	<b>12,691,164</b>	<b>11,364,385</b>
<b>EXPENSES:</b>						
General government	2,230,392	2,496,198	-	-	2,230,392	2,496,198
Public safety	1,617,077	1,664,143	-	-	1,617,077	1,664,143
Public works	1,090,847	1,022,140	-	-	1,090,847	1,022,140
Culture and recreation	1,854,065	1,940,716	-	-	1,854,065	1,940,716
Interest	102,759	106,497	-	-	102,759	106,497
Affordable housing	1,094	33	-	-	1,094	33
Water	-	-	1,176,036	1,293,196	1,176,036	1,293,196
Wastewater	-	-	1,133,098	1,132,673	1,133,098	1,132,673
<b>Total Expenses</b>	<b>6,896,234</b>	<b>7,229,727</b>	<b>2,309,134</b>	<b>2,425,869</b>	<b>9,205,368</b>	<b>9,655,596</b>
<b>Change in Net Assets</b>	<b>2,820,693</b>	<b>995,438</b>	<b>665,103</b>	<b>713,351</b>	<b>3,485,796</b>	<b>1,708,789</b>
<b>Net Assets - Beginning (restated)</b>	<b>22,447,560</b>	<b>21,452,122</b>	<b>19,471,633</b>	<b>18,758,282</b>	<b>41,919,193</b>	<b>40,210,404</b>
<b>Net Assets - Ending</b>	<b>\$ 25,268,253</b>	<b>22,447,560</b>	<b>20,136,736</b>	<b>19,471,633</b>	<b>45,404,989</b>	<b>41,919,193</b>

The following provide additional insight into the above chart:

- Under Revenues, capital grants and contributions increased significantly with a DOLA grant.
- Special Items in 2010 reflect \$2,050,000 of donated land by governmental entities (Gateway River Park acquisition).
- Overall expenses reflect significant reductions in all aspects of government activities.

## Overview of the Financial Statements (continued)

**Governmental activities:** Governmental activities increased the Town's net assets by \$2,820,693. Key elements of this increase are as follows:

- The Town capitalized \$3,785,303 in fixed asset additions during 2010. The majority of this increase related to the acquisition of the Gateway River Park.

**Business-type activities:** Business-type activities increased the Town's net assets by \$665,103. Key elements of this increase are as follows:

- Assets totaling \$1,123,334 were capitalized between the Water Fund and Wastewater Fund in 2010.
- The Water Fund and Wastewater Fund had net income (loss) of (\$1,172) and \$666,274 respectively. On a cash basis, the Funds cumulatively increased their cash and investment holdings by \$221,804.

## 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.

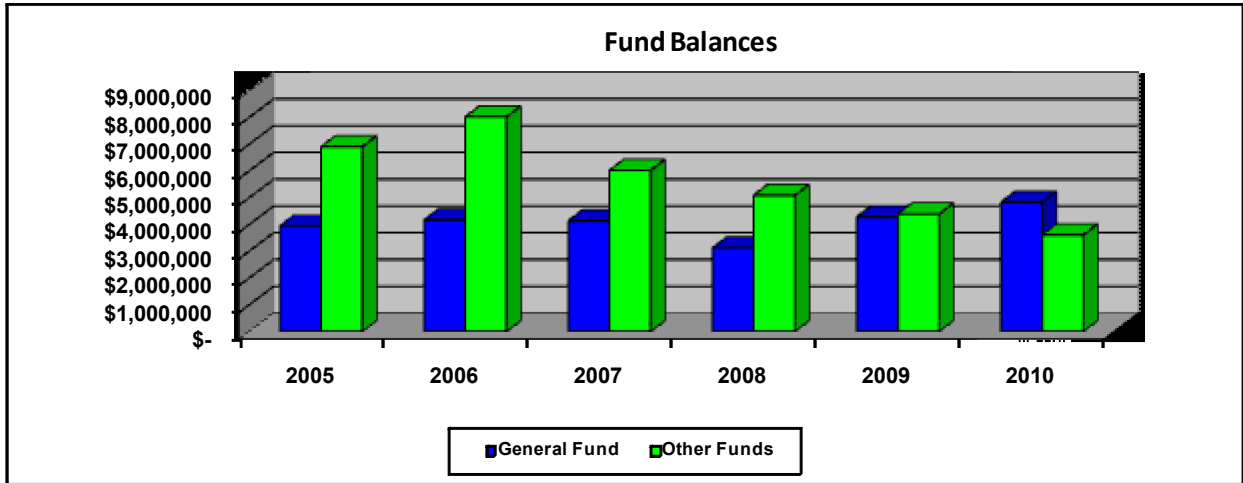
**Governmental funds:** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, fund balance may serve as a useful measure of a government's 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 \$8,444,506; a decrease of \$235,947 from the prior year's ending fund balances. The following details ending fund balances for the past several years:

<u>Fund</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General	\$ 3,943,569	4,172,128	4,138,332	3,128,437	4,285,547	4,832,055
Recreation Sales and Use	3,667,583	4,214,290	2,301,633	1,822,069	1,675,570	1,084,189
Sales and Use	465,802	318,141	372,610	346,700	259,477	290,165
Streetscape	346,251	352,579	467,316	199,513	225	91,022
Development Dedication	1,743,468	1,726,554	1,433,992	1,139,893	1,020,657	940,589
Capital Projects	149,733	738,019	587,542	950,101	471,693	222,415
Other Governmental	536,105	671,765	862,753	636,722	967,284	984,071
<b>Total</b>	<u>\$ 10,852,511</u>	<u>12,193,476</u>	<u>10,164,178</u>	<u>8,223,435</u>	<u>8,680,453</u>	<u>8,444,506</u>

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

**Governmental funds (continued):**

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



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

Cash in the Water Fund at the end of the current fiscal year was \$1,544,931. The Wastewater Fund had cash of \$4,063,622.

**Budget variances in the General Fund:** The Town's General Fund revenues were over budget by \$355,089; General Fund expenditures were under budget by \$240,911. The General Fund's significant budget variances are detailed as follows:

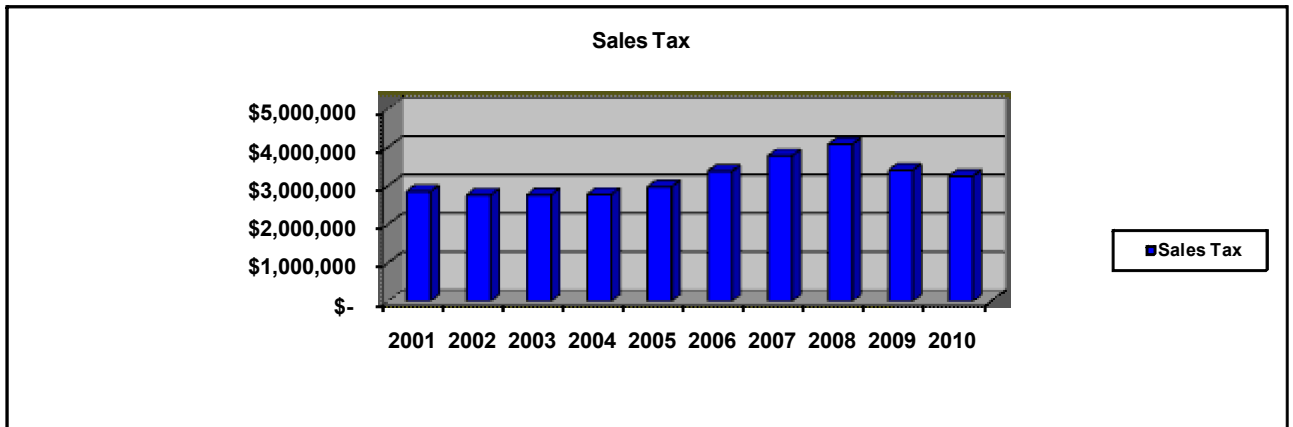
	Variance Positive (Negative)	Reason
<b>Revenues:</b>		
Intergovernmental	\$ 280,197	Mineral leasing and severance distribution
Developer reimbursable	74,233	Reimbursement related to proposed projects
Other	106,164	Refund of expenditures and cash donations for trees
<b>Expenditures:</b>		
Attorney	(75,183)	Due to increase in development projects
Economic development	(62,866)	DOLA grant for old C.E.S. building greater than planned
Police department	(64,373)	Received Federal grant and increase in travel and conferences
Streets, alleys, snow removal	111,875	Street sweeper was not purchased as planned
Contingency	100,000	Retained with budget reductions

## 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 \$5,317,110 in long-term debts. Additional information regarding the Town's debt can be found in Section D of this report.

**Sales tax:** The Town has a 3.5% sales tax that is used to fund its governmental operations. One half percent of the tax is dedicated to recreation expenditures. Sales tax decreased from 2009 by approximately 3.5%. The following chart indicates changes in the sales tax:



**Next year's budget and rates:** The Town's General Fund balance at the end of fiscal year 2010 was \$4,832,055. In the 2011 budget, the Town anticipates reducing accumulated fund balance by approximately \$456,000.

**Other information:** Phase II of the Streetscape will be completed in 2011 with an additional project at Snowmass & Main St. This will be accomplished with an EIAF grant of \$291,175.

Due to economic conditions, other discretionary spending will be at a minimum. A salary and hiring freeze was implemented in the 2009 budget, remained in effect through 2010, and continues into the 2011 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 Assets**  
**December 31, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents - Unrestricted	8,295,329	5,608,553	13,903,882
Cash and cash equivalents - Restricted	402,986	-	402,986
Receivables, net:			
Taxes	975,055	-	975,055
Accounts	-	234,603	234,603
Other	138,436	-	138,436
Intergovernmental	46,625	381,695	428,320
Note receivable	204,109	-	204,109
Internal balances	831	(831)	-
Prepaid expenses	121,437	13,096	134,533
Bond issuance costs, net	99,253	13,759	113,012
Inventories	3,013	-	3,013
Capital assets, net	19,219,419	16,724,592	35,944,011
<b>Total Assets</b>	<b>29,506,493</b>	<b>22,975,467</b>	<b>52,481,960</b>
<b>Liabilities:</b>			
Accounts payable	289,014	-	289,014
Deferred revenue	631,632	-	631,632
Other liabilities	822,667	6,202	828,869
Compensated absences	334,581	43,360	377,941
Accrued interest	8,346	-	8,346
Reimbursable prepaid tap fees	-	2,112,497	2,112,497
Bonded debt payable:			
Due within one year	115,000	119,660	234,660
Due in more than one year	2,037,000	557,012	2,594,012
<b>Total Liabilities</b>	<b>4,238,240</b>	<b>2,838,731</b>	<b>7,076,971</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	17,166,672	16,047,920	33,214,592
Restricted for other purposes	326,989	-	326,989
Unrestricted	7,774,592	4,088,816	11,863,408
<b>Total Net Assets</b>	<b>25,268,253</b>	<b>20,136,736</b>	<b>45,404,989</b>

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

**Town of Carbondale, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
General government	2,230,392	568,809	93,910	617,657	(950,016)	-	(950,016)
Public safety	1,617,077	77,632	-	-	(1,539,445)	-	(1,539,445)
Public works	1,090,847	3,104	714,139	-	(373,604)	-	(373,604)
Culture and recreation	1,854,065	439,621	89,220	173,673	(1,151,551)	-	(1,151,551)
Affordable housing	1,094	19,980	-	-	18,886	-	18,886
Interest on long-term debt	102,759	-	-	-	(102,759)	-	(102,759)
<b>Total governmental activities</b>	<b>6,896,234</b>	<b>1,109,146</b>	<b>897,269</b>	<b>791,330</b>	<b>(4,098,489)</b>	<b>-</b>	<b>(4,098,489)</b>
Business-type activities:							
Water	1,176,036	1,098,462	-	64,101	-	(13,473)	(13,473)
Wastewater	1,133,098	1,232,018	-	543,049	-	641,969	641,969
<b>Total business-type activities</b>	<b>2,309,134</b>	<b>2,330,480</b>	<b>-</b>	<b>607,150</b>	<b>-</b>	<b>628,496</b>	<b>628,496</b>
<b>Total</b>	<b>9,205,368</b>	<b>3,439,626</b>	<b>897,269</b>	<b>1,398,480</b>	<b>(4,098,489)</b>	<b>628,496</b>	<b>(3,469,993)</b>
General revenues:							
Taxes:							
Property tax, levied for general purposes					626,524	-	626,524
Specific ownership tax					21,921	-	21,921
Sales and use tax					3,633,355	-	3,633,355
Franchise tax					258,708	-	258,708
Lodging Tax					48,006	-	48,006
Investment earnings					89,732	24,305	114,037
Miscellaneous					190,936	12,302	203,238
Special items					2,050,000	-	2,050,000
<b>Total general revenues and special items</b>					<b>6,919,182</b>	<b>36,607</b>	<b>6,955,789</b>
<b>Change in Net Assets</b>					<b>2,820,693</b>	<b>665,103</b>	<b>3,485,796</b>
<b>Net Assets - Beginning (restated)</b>					<b>22,447,560</b>	<b>19,471,633</b>	<b>41,919,193</b>
<b>Net Assets - Ending</b>					<b>25,268,253</b>	<b>20,136,736</b>	<b>45,404,989</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, 2010**

	<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	5,084,323	1,026,109	100	90,805	909,668	222,415	961,909	8,295,329
Cash - Restricted	402,986	-	-	-	-	-	-	402,986
Receivables, net of allowance for uncollectibles	138,694	9,519	18,527	-	205,921	-	-	372,661
Due from other governments	13,934	49,632	293,574	217	-	-	2,575	359,932
Due from other funds	176,244	-	-	-	-	-	20,000	196,244
Property tax receivable	368,013	-	-	263,619	-	-	-	631,632
Prepaid expenses	121,437	-	-	-	-	-	-	121,437
Inventory	3,013	-	-	-	-	-	-	3,013
<b>Total Assets</b>	<u>6,308,644</u>	<u>1,085,260</u>	<u>312,201</u>	<u>354,641</u>	<u>1,115,589</u>	<u>222,415</u>	<u>984,484</u>	<u>10,383,234</u>
<b>Liabilities and Fund Equity:</b>								
<b>Liabilities:</b>								
Accounts/vouchers payable	286,807	83	2,036	-	-	-	-	288,926
Other liabilities	709,616	988	-	-	-	-	-	710,604
Accrued payroll and related liabilities	112,153	-	-	-	-	-	-	112,153
Due to other funds	-	-	20,000	-	175,000	-	413	195,413
Deferred property taxes not collectible until subsequent year	368,013	-	-	263,619	-	-	-	631,632
<b>Total Liabilities</b>	<u>1,476,589</u>	<u>1,071</u>	<u>22,036</u>	<u>263,619</u>	<u>175,000</u>	<u>-</u>	<u>413</u>	<u>1,938,728</u>
<b>Fund Balance:</b>								
Reserved	303,989	23,000	-	-	-	-	-	326,989
Unreserved, reported in:								
General	4,528,066	-	-	-	-	-	-	4,528,066
Special revenue	-	1,061,189	290,165	91,022	940,589	-	799,073	3,182,038
Debt service	-	-	-	-	-	-	184,998	184,998
Capital projects	-	-	-	-	-	222,415	-	222,415
<b>Total Fund Balance</b>	<u>4,832,055</u>	<u>1,084,189</u>	<u>290,165</u>	<u>91,022</u>	<u>940,589</u>	<u>222,415</u>	<u>984,071</u>	<u>8,444,506</u>
<b>Total Liabilities and Fund Balance</b>	<u>6,308,644</u>	<u>1,085,260</u>	<u>312,201</u>	<u>354,641</u>	<u>1,115,589</u>	<u>222,415</u>	<u>984,484</u>	<u>10,383,234</u>

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

**Town of Carbondale, Colorado**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets**  
**December 31, 2010**

Governmental Funds Total Fund Balance \$ 8,444,506

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	25,349,860	
Accumulated depreciation	<u>(6,130,441)</u>	
		19,219,419

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

Bond issuance costs, net	99,253	
Discount on bonded debt, net	2,686	
Premium on bonded debt, net	<u>(4,684)</u>	
		97,255

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

This is the amount of Town long-term liabilities. Details of these amounts are as follows:

Accrued interest payable	(8,346)	
Bonded debt	(2,150,000)	
Compensated absences	<u>(334,581)</u>	
		<u>(2,492,927)</u>

Governmental Activities Net Assets \$ 25,268,253

**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	<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	639,226	502,461	2,978,685	267,927	-	-	48,006	4,436,305
Licenses, permits, and fees	86,848	-	-	-	39,390	-	-	126,238
Intergovernmental revenue	1,558,683	173,673	-	-	-	-	58,556	1,790,912
Charges for services	127,766	304,816	-	-	-	-	-	432,582
Fines and forfeitures	62,473	-	-	-	-	-	15,159	77,632
Investment income	18,974	7,891	3	55	55,542	5,922	1,341	89,728
Miscellaneous	618,786	54,633	-	-	-	-	39,037	712,456
<b>Total Revenues</b>	<b>3,112,756</b>	<b>1,043,474</b>	<b>2,978,688</b>	<b>267,982</b>	<b>94,932</b>	<b>5,922</b>	<b>162,099</b>	<b>7,665,853</b>
<b>Expenditures:</b>								
General government	2,866,997	-	-	-	-	-	1,838	2,868,835
Public safety	1,559,260	-	-	-	-	-	22,826	1,582,086
Public works	692,770	-	-	5,185	-	427,200	-	1,125,155
Culture and recreation	572,039	1,421,255	-	-	-	-	120,950	2,114,244
Debt service:								
Principal	-	-	-	-	-	-	110,000	110,000
Interest	-	-	-	-	-	-	103,298	103,298
<b>Total Expenditures</b>	<b>5,691,066</b>	<b>1,421,255</b>	<b>-</b>	<b>5,185</b>	<b>-</b>	<b>427,200</b>	<b>358,912</b>	<b>7,903,618</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,578,310)</b>	<b>(377,781)</b>	<b>2,978,688</b>	<b>262,797</b>	<b>94,932</b>	<b>(421,278)</b>	<b>(196,813)</b>	<b>(237,765)</b>
<b>Other Financing Sources (Uses):</b>								
Operating transfers in	3,123,000	-	-	-	-	172,000	213,600	3,508,600
Operating transfers (out)	-	(213,600)	(2,948,000)	(172,000)	(175,000)	-	-	(3,508,600)
<b>Total Other Financing Sources (Uses)</b>	<b>3,124,818</b>	<b>(213,600)</b>	<b>(2,948,000)</b>	<b>(172,000)</b>	<b>(175,000)</b>	<b>172,000</b>	<b>213,600</b>	<b>1,818</b>
<b>Net Change in Fund Balance</b>	<b>546,508</b>	<b>(591,381)</b>	<b>30,688</b>	<b>90,797</b>	<b>(80,068)</b>	<b>(249,278)</b>	<b>16,787</b>	<b>(235,947)</b>
<b>Fund Balance - Beginning</b>	<b>4,285,547</b>	<b>1,675,570</b>	<b>259,477</b>	<b>225</b>	<b>1,020,657</b>	<b>471,693</b>	<b>967,284</b>	<b>8,680,453</b>
<b>Fund Balance - Ending</b>	<b>4,832,055</b>	<b>1,084,189</b>	<b>290,165</b>	<b>91,022</b>	<b>940,589</b>	<b>222,415</b>	<b>984,071</b>	<b>8,444,506</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, 2010**

Governmental Funds Changes in Fund Balances (Deficit) \$ (235,947)

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	\$ 3,785,303	
Depreciation expense	<u>(821,017)</u>	
		2,964,286

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

Repayment of principal on bonds	\$ 110,000	
Amortization of debt related deferrals, net	(3,786)	
Adjustments to current year interest	<u>262</u>	
		106,476

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 (14,122)

Governmental Activities Change in Net Assets \$ 2,820,693

**Town of Carbondale, Colorado**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2010**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and investments	1,544,931	4,063,622	5,608,553
Accounts receivable	113,769	120,834	234,603
Due from other governments	-	381,695	381,695
Prepaid expenses	13,096	-	13,096
<b>Total current assets</b>	<u>1,671,796</u>	<u>4,566,151</u>	<u>6,237,947</u>
<b>Non-current assets:</b>			
Bond issuance costs, net of accumulated amortization	13,759	-	13,759
Land	51,048	133,391	184,439
Plant and system	13,114,784	10,635,652	23,750,436
Building and improvements	229,526	495,123	724,649
Machinery and equipment	422,548	633,256	1,055,804
Water rights	260,287	-	260,287
Construction in progress	-	1,306,050	1,306,050
Accumulated depreciation	(3,835,049)	(6,722,024)	(10,557,073)
<b>Total non-current assets</b>	<u>10,256,903</u>	<u>6,481,448</u>	<u>16,738,351</u>
<b>Total Assets</b>	<u>11,928,699</u>	<u>11,047,599</u>	<u>22,976,298</u>
<b>Liabilities:</b>			
Current liabilities:			
Other liabilities	6,202	-	6,202
Due to (from) other fund	358	473	831
Bonds payable	119,660	-	119,660
<b>Total current liabilities</b>	<u>126,220</u>	<u>473</u>	<u>126,693</u>
<b>Long-term liabilities:</b>			
Bonds payable - Long-term portion	557,012	-	557,012
Accrued compensated absences	24,402	18,958	43,360
Reimbursable prepaid tap fees	856,825	1,255,672	2,112,497
<b>Total long-term liabilities</b>	<u>1,438,239</u>	<u>1,274,630</u>	<u>2,712,869</u>
<b>Total Liabilities</b>	<u>1,564,459</u>	<u>1,275,103</u>	<u>2,839,562</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	9,566,472	6,481,448	16,047,920
Unrestricted	797,768	3,291,048	4,088,816
<b>Total Net Assets</b>	<u>10,364,240</u>	<u>9,772,496</u>	<u>20,136,736</u>

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

**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services:			
Service fees	1,083,383	1,155,395	2,238,778
Sale of meters	2,406	-	2,406
Other revenues:			
Penalty assessments	4,891	5,299	10,190
Miscellaneous	15,330	71,324	86,654
<b>Total Operating Revenues</b>	<b>1,106,010</b>	<b>1,232,018</b>	<b>2,338,028</b>
<b>Operating Expenses:</b>			
Operations and maintenance	168,247	249,084	417,331
Personnel costs	409,526	447,452	856,978
Administration	272,492	187,378	459,870
Depreciation	278,846	245,721	524,567
Miscellaneous	3,462	3,463	6,925
<b>Total Operating Expenses</b>	<b>1,132,573</b>	<b>1,133,098</b>	<b>2,265,671</b>
<b>Operating (Loss)</b>	<b>(26,563)</b>	<b>98,920</b>	<b>72,357</b>
<b>Non-operating Revenue (Expenses):</b>			
Investment income	4,754	24,305	29,059
Bond interest	(36,891)	-	(36,891)
Grants	-	473,654	473,654
Amortization of bond issuance costs	(6,572)	-	(6,572)
<b>Total Non-operating Revenue (Expenses)</b>	<b>(38,709)</b>	<b>497,959</b>	<b>459,250</b>
<b>(Loss) Before Contributions</b>	<b>(65,272)</b>	<b>596,879</b>	<b>531,607</b>
Capital contributions, and tap fees	64,101	69,395	133,496
<b>Change in Net Assets</b>	<b>(1,171)</b>	<b>666,274</b>	<b>665,103</b>
<b>Total Net Assets - Beginning (restated)</b>	<b>10,365,411</b>	<b>9,106,222</b>	<b>19,471,633</b>
<b>Total Net Assets - Ending</b>	<b>10,364,240</b>	<b>9,772,496</b>	<b>20,136,736</b>

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

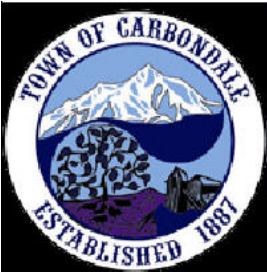
**Town of Carbondale, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers and others	1,090,693	1,158,265	2,248,958
Cash paid for goods, services and employees	(844,854)	(881,583)	(1,726,437)
Transfers	358	68,973	69,331
Other cash receipts	16,405	71,324	87,729
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>262,602</b>	<b>416,979</b>	<b>679,581</b>
<b>Cash Flows From Capital Financing Activities:</b>			
Interest on bonds	(36,891)	-	(36,891)
Bond principal payment	(123,991)	-	(123,991)
Proceeds from tap and meter sales	56,546	558,597	615,143
Acquisition of capital assets	(45,658)	(987,398)	(1,033,056)
Proceeds from capital grants	-	91,959	91,959
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<b>(149,994)</b>	<b>(336,842)</b>	<b>(486,836)</b>
<b>Cash Flows From Investing Activities</b>			
Interest received	4,754	24,305	29,059
<b>Net Cash Provided by Investing Activities</b>	<b>4,754</b>	<b>24,305</b>	<b>29,059</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>117,362</b>	<b>104,442</b>	<b>221,804</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>1,427,569</b>	<b>3,959,180</b>	<b>5,386,749</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>1,544,931</b>	<b>4,063,622</b>	<b>5,608,553</b>
<b>Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating (loss)	(26,563)	98,920	72,357
<b>Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:</b>			
Depreciation expense	278,846	245,721	524,567
Amortization expense	-	-	-
(Increase) decrease in operating accounts receivable	13	(2,429)	(2,416)
(Increase) decrease in prepaid expense	3,293	-	3,293
(Increase) decrease in notes receivable	-	-	-
Increase (decrease) in other liabilities	1,075	-	1,075
Increase (decrease) in compensated absences	5,580	5,794	11,374
Transfers	358	68,973	69,331
<b>Total Adjustments</b>	<b>289,165</b>	<b>318,059</b>	<b>607,224</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>262,602</b>	<b>416,979</b>	<b>679,581</b>

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, 2010**

**I. Summary of Significant Accounting Policies**

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

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

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements after that date to its business-type activities and enterprise funds, the Town has not chosen to do so. The more significant accounting policies established by GAAP used by the Town are discussed below.

**A. Reporting Entity**

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

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

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

**1. Government-wide Financial Statements**

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

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

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

**2. Fund Financial Statements**

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

The Town reports the following major governmental funds:

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(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, 2010**  
**(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 revenue.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(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, Premium and Issuance Costs**

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

**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, 2010**  
**(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. Subsequent Events**

Management has evaluated subsequent events through June 30, 2011: the date these financial statements were available to be issued.

**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 2010.

- (1) For the 2010 budget year, prior to August 25, 2009, 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, 2009, 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, 2009, a public hearing was held for the budget, the Board of Trustees certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board of Trustees adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**A. Budgetary Information (continued)**

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2009 were collected in 2010 and taxes certified in 2010 will be collected in 2011. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$206,689 for TABOR purposes.

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

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

**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.



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**A. Deposits (continued)**

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 \$13,081,233. Petty cash totaled \$825.

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

	<u>Standard &amp; Poors Rating</u>	<u>Carrying amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
<b>Deposits:</b>				
Petty cash	Not Rated	\$ 825	825	-
Checking	Not Rated	3,576,449	3,576,449	-
Certificates of Deposit	Not Rated	2,981,652	2,981,652	-
Savings and money market	Not Rated	6,523,132	6,523,132	-
<b>Investments:</b>				
Investment pools	AAAm	1,224,810	1,224,810	-
		<u>\$ 14,306,868</u>		

The Town's holding in an investment pool is comprised of a balance with COLOTRUST, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools.

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

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**B. Receivables**

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

	General	Recreation Sales and Use Tax	Sales and Use Tax	Streetscape	Development Dedicator	Lodging Tax	Water	Wastewater	Total
Receivables:									
Accounts	\$ -	-	-	-	-	-	113,769	120,834	234,603
Other	138,694	9,519	18,527	-	1,812	2,575	-	-	171,127
Intergovernmental	13,934	49,632	293,574	217	-	-	-	381,695	739,052
Gross receivables	152,628	59,151	312,101	217	1,812	2,575	113,769	502,529	1,144,782
Less: allowance for uncollectible	-	-	-	-	-	-	-	-	-
<b>Net receivables</b>	<b>\$ 152,628</b>	<b>59,151</b>	<b>312,101</b>	<b>217</b>	<b>1,812</b>	<b>2,575</b>	<b>113,769</b>	<b>502,529</b>	<b>1,144,782</b>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$631,632 of deferred revenue for property taxes levied in 2010 but not available until 2011.

**C. Note Receivable – Mountain Sage**

In December 2009, The Town entered into a note with the Colorado-Main Development, LLC, dba Mountain Sage for payment of park development fees on Mountain Sage development. The note's principal was \$299,845 and required Mountain Sage to pay \$11,038 upon the sale of each townhome lot by Mountain Sage and monthly interest only payments of \$1,493, and the entire principal balance and any unpaid interest is due at maturity, December 1, 2010. The note carries an interest rate of 6.0% per annum. The note was secured by an irrevocable standby letter of credit in the amount of \$486,000.

In December 2010, a new note was entered into which extended the maturity until December 1, 2011. At that time the principal balance owed was \$204,109. The note required monthly interest only payments of \$1,021, and the entire principal balance and any unpaid interest is due at maturity. The note carries an interest rate of 6.0% per annum. The note was secured by an irrevocable standby letter of credit in the amount of \$383,716.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2010 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	\$ 2,119,503	2,625,840	-	4,745,343
Construction in progress	179,871	474,251	(308,100)	346,022
Total capital assets, not being depreciated	<u>2,299,374</u>	<u>3,100,091</u>	<u>(308,100)</u>	<u>5,091,365</u>
Capital assets, being depreciated:				
Infrastructure	5,485,494	-	-	5,485,494
Buildings	8,264,197	755,788	-	9,019,985
Improvements other than buildings	2,723,784	231,992	-	2,955,776
Vehicles	1,065,418	-	-	1,065,418
Equipment	1,774,407	5,532	-	1,779,939
Total capital assets being depreciated	<u>19,313,300</u>	<u>993,312</u>	<u>-</u>	<u>20,306,612</u>
Less accumulated depreciation for:				
Infrastructure	(640,791)	(201,143)	-	(841,934)
Buildings	(1,208,195)	(209,471)	-	(1,417,666)
Improvements other than buildings	(1,372,205)	(144,581)	-	(1,516,786)
Vehicles	(798,224)	(58,521)	-	(856,745)
Equipment	(1,338,126)	(207,301)	-	(1,545,427)
Total accumulated depreciation	<u>(5,357,541)</u>	<u>(821,017)</u>	<u>-</u>	<u>(6,178,558)</u>
Total capital assets, being depreciated, net	<u>13,955,759</u>	<u>172,295</u>	<u>-</u>	<u>14,128,054</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 16,255,133</u>	<u>3,272,386</u>	<u>(308,100)</u>	<u>19,219,419</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	247,649	12,639	-	260,288
Construction in progress	408,922	987,399	(90,275)	1,306,046
Total capital assets, not being depreciated	<u>841,010</u>	<u>1,000,038</u>	<u>(90,275)</u>	<u>1,750,773</u>
Capital assets, being depreciated:				
Water/wastewater system and improvements	23,627,141	123,296	-	23,750,437
Buildings and improvements	724,650	-	-	724,650
Equipment	1,055,804	-	-	1,055,804
Total capital assets being depreciated	<u>25,407,595</u>	<u>123,296</u>	<u>-</u>	<u>25,530,891</u>
Less accumulated depreciation for:				
Water/wastewater system and improvements	(9,104,750)	(425,727)	-	(9,530,477)
Buildings and improvements	(273,484)	(21,375)	-	(294,859)
Equipment	(654,271)	(77,465)	-	(731,736)
Total accumulated depreciation	<u>(10,032,505)</u>	<u>(524,567)</u>	<u>-</u>	<u>(10,557,072)</u>
Total capital assets, being depreciated, net	<u>15,375,090</u>	<u>(401,271)</u>	<u>-</u>	<u>14,973,819</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 16,216,100</u>	<u>598,767</u>	<u>(90,275)</u>	<u>16,724,592</u>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**E. Capital Assets (continued)**

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

	<b>Capital Outlay</b>	<b>Depreciation Expense</b>
Governmental activities:		
General government	\$ 755,788	144,681
Public safety	5,531	26,497
Public works, including infrastructure	292,710	257,003
Culture and recreation	681,274	392,836
<b>Total - governmental activities</b>	<b>\$ 1,735,303</b>	<b>821,017</b>
Business-type activities:		
Water	\$ 987,399	278,846
Wastewater	45,658	245,721
<b>Total - business-type activities</b>	<b>\$ 1,033,057</b>	<b>524,567</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.

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

The Town had the following interfund receivables or payables as of December 31, 2010:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 176,244	-
Highway 133 Fund	20,000	-
Development Dedication Fund	-	175,000
Sales and Use Tax Fund	-	20,000
Water Fund	-	358
Wastewater Fund	-	473
<b>Total</b>	<b>\$ 196,244</b>	<b>196,244</b>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

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

Transfers were as follows:

<u>Fund In (Out)</u>	<u>Amount</u>	<u>Reason</u>
General / (Sales and Use Tax)	\$ 2,948,000	Operating transfer
General / (Development Dedication)	175,000	To fund growth related expenditures
Bond Fund / (Recreation Sales and Use Tax)	213,600	Debt service for 2004 and 2006 Sales and Use Tax bonds.
Capital Projects / (Streetscape)	172,000	Repayment on funding for projects

**G. Long-term Debt**

**1. CWRPDA 1994 and 1998 Series B Bonds**

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

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

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

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

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

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

**4. Recreation Sales and Use Tax Series 2006 Supplemental Interest**

In conjunction with the Series 2006 Recreation Sales and Use Tax Bonds, the Town issued "B" Interest Coupons in the amount of \$75,000. The coupon proceeds are to be used to finance the developing, constructing, and equipping of a new park and recreation facility, improvements to existing park facilities and to pay the costs of issuance of the bonds. The coupons are paid annually on December 1 with a yield of 5.25%. The coupons require debt service payments through 2010.

**5. Advance Refunding**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

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

**6. Schedule of Future Payment**

The Town's annual debt service is as follows:

<u>Year</u>	<u>CWRPDA Series 1998B</u>	<u>Recreation Sales and Use Bonds Series 2004</u>	<u>Recreation Sales and Use Bonds Series 2006</u>	<u>Total</u>
2011	\$ 148,843	168,860	46,288	363,991
2012	160,662	170,620	45,160	376,442
2013	162,917	172,010	44,038	378,965
2014	163,416	168,010	42,913	374,339
2015	135,477	169,010	46,788	351,275
2016-2020	-	851,090	223,000	1,074,090
2021-2024	-	676,750	180,663	857,413
Total	771,315	2,376,350	628,850	3,776,515
Less: interest	(94,644)	(676,350)	(178,850)	(949,844)
Bonds outstanding	<u>\$ 676,671</u>	<u>1,700,000</u>	<u>450,000</u>	<u>2,826,671</u>
Add: Unamortized bond premium				4,684
Less: Unamortized bond discount				(2,684)
Total debt				<u><u>2,828,671</u></u>

**7. Compensated Absences**

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

<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 Assets.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

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

**8. 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.

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

The following is a summary of changes in long-term debt for the year ended December 31, 2010:

	<u>Balance</u> <u>1/1/10</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>12/31/10</u>	<u>Due in One Year</u>
<b>Governmental Activities:</b>					
Series 2004 Bonds	\$ 1,790,000	-	(90,000)	1,700,000	90,000
Series 2006 Bonds	450,000	-	-	450,000	25,000
Series 2006 Supplemental Interest	20,000	-	(20,000)	-	20,000
Compensated absences	320,459	14,122	-	334,581	10,037
<b>Business-Type Activities:</b>					
CWRPDA 1998B Bonds	800,662	-	(123,990)	676,672	119,660
Compensated absences	31,985	11,375	-	43,360	1,301
Reimbursable prepaid tap fees	1,618,736	493,761	-	2,112,497	-
<b>Total</b>	<u>\$ 5,031,842</u>	<u>519,258</u>	<u>(233,990)</u>	<u>5,317,110</u>	<u>265,998</u>



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

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

**10. Restricted Fund Balance**

The Town had the following restrictions on the General Fund's fund balance at December 31, 2010:

	<u>Balance 1/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/10</u>
Emergency reserve	\$ 199,910	6,779	-	206,689
Parking	40,700	-	-	40,700
Manager contract	99,538	-	(70,938)	28,600
Solar panels	23,000	28,000	-	51,000
<b>Total</b>	<u>\$ 340,148</u>	<u>34,779</u>	<u>(70,938)</u>	<u>326,989</u>

**IV. Other Information**

**A. Benefits**

The Town has established two contributory benefit plans as follows.

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

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

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All full time Town employees are eligible to participate in this plan. Eligibility is at the date of employment. The Town contributes 3% of the employees' compensation to this plan. The Town's contributions vest 40% after two years.

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(Continued)**

**IV. Other Information (continued)**

**A. Benefits (continued)**

**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 has indefinitely suspended all matching contributions to the plan on January 1, 2010. The Town plans on removing the suspension once economic conditions improve; however, the Town cannot predict when such improvements will occur.

**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 \$881,913 and current year total payroll was \$884,267. During the year, the Town's required and actual contributions amounted to \$70,553.

**B. Commitments and Contingencies - Landfill**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**  
**(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, 2010, the latest date for which information is available, is as follows:

<b>Property and Casualty Pool:</b>	<u>%</u>
Loss fund	1.011%
Pooled excess fund	0.540%

The December 31, 2010, combined financial information is as follows:

Cash and investments	\$ 18,875,384
Other assets	58,867,931
<b>Total</b>	<u>\$ 77,743,315</u>
Liabilities	\$ 41,754,371
Members fund balance	35,998,944
<b>Total</b>	<u>\$ 77,753,315</u>
Total revenue	\$ 21,127,182
Total expense	(24,824,010)
<b>Excess of Revenue Over Expense</b>	<u>\$ (3,696,828)</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, 2010, 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, 2010**  
**(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.

**E. Comparative Information**

Certain amounts in 2009 have been reclassified to conform to the 2010 presentation.

**F. Nonmonetary Transaction**

During the year, the Town entered into a transaction to purchase real estate with other governmental entities. The other governmental entities funded \$2,050,000 of the purchase. After the acquisition the other governmental entities contributed their respective portion of the real estate to the Town. The nonmonetary transaction is reported as a special item, following general revenues, in the government-wide statements of activities.

**G. Restatement**

The net assets for the Wastewater Fund and Water Fund were restated in the amount of \$859,151 and \$608,405, respectively, due to a restatement of prior year's liabilities.

**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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>			<u>Final Budget</u>	<u>2009</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>					
Taxes	642,855	642,855	639,226	(3,629)	531,403
Licenses and permits	114,420	114,420	86,848	(27,572)	92,688
Intergovernmental	578,486	1,278,486	1,558,683	280,197	1,577,843
Charges for services	140,300	140,300	127,766	(12,534)	183,277
Fines and forfeitures	84,000	84,000	62,473	(21,527)	85,171
Interest	59,287	59,287	18,974	(40,313)	31,219
Administrative charges	379,569	379,569	379,639	70	369,415
Developer reimbursable	40,000	40,000	114,233	74,233	141,962
Other	18,750	18,750	124,914	106,164	165,682
<b>Total Revenues</b>	<u>2,057,667</u>	<u>2,757,667</u>	<u>3,112,756</u>	<u>355,089</u>	<u>3,178,660</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Attorney	95,000	95,000	170,183	(75,183)	117,671
Municipal elections	8,500	8,500	8,549	(49)	(23)
Trustees	115,062	115,062	110,080	4,982	99,208
Municipal Court	32,475	32,475	28,100	4,375	30,978
Town Manager	223,431	223,431	237,625	(14,194)	272,548
Administrative services	574,688	574,688	379,471	195,217	396,280
Finance and records	359,689	359,689	349,617	10,072	368,373
Planning	298,429	298,429	338,137	(39,708)	533,511
Data processing	47,000	47,000	48,092	(1,092)	47,653
Building operations	100,312	100,312	72,939	27,373	89,764
Motor pool	204,651	204,651	207,562	(2,911)	208,083
Economic development	25,000	725,000	787,866	(62,866)	87,664
Sales tax administration	27,070	27,070	26,791	279	27,812
Affordable housing	50,000	50,000	50,275	(275)	54,959
<b>Total General Government</b>	<u>2,161,307</u>	<u>2,861,307</u>	<u>2,815,287</u>	<u>46,020</u>	<u>2,334,481</u>
<b>Public Safety:</b>					
Police department	1,248,372	1,248,372	1,312,745	(64,373)	1,385,894
Communications	44,800	44,800	51,542	(6,742)	49,888
Building inspection	128,320	128,320	125,829	2,491	136,118
Ordinance control	63,591	63,591	69,144	(5,553)	67,308
<b>Total Public Safety</b>	<u>1,485,083</u>	<u>1,485,083</u>	<u>1,559,260</u>	<u>(74,177)</u>	<u>1,639,208</u>
<b>Public Works:</b>					
Streets, alleys, snow removal	604,373	604,373	492,498	111,875	561,733
Public works administration	202,673	202,673	200,272	2,401	203,642
<b>Total Public Works</b>	<u>807,046</u>	<u>807,046</u>	<u>692,770</u>	<u>114,276</u>	<u>765,375</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, 2010  
With Comparative Totals For the Year Ended December 31, 2009  
(Continued)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
<b>Expenditures (continued):</b>					
<b>Culture and Recreation:</b>					
Recreation	297,673	297,673	278,472	19,201	346,357
Municipal pool	-	-	-	-	125,850
Parks and cemetery	266,463	266,463	239,705	26,758	331,350
Community affairs	54,905	54,905	53,862	1,043	53,675
<b>Total Culture and Recreation</b>	<u>619,041</u>	<u>619,041</u>	<u>572,039</u>	<u>47,002</u>	<u>857,232</u>
<b>Other:</b>					
Environmental health and recycling	59,500	59,500	51,710	7,790	89,984
Contingency	100,000	100,000	-	100,000	-
<b>Total Other</b>	<u>159,500</u>	<u>159,500</u>	<u>51,710</u>	<u>107,790</u>	<u>89,984</u>
<b>Total Expenditures</b>	<u>5,231,977</u>	<u>5,931,977</u>	<u>5,691,066</u>	<u>240,911</u>	<u>5,686,280</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(3,174,310)	(3,174,310)	(2,578,310)	596,000	(2,507,620)
<b>Other Financing Sources (Uses):</b>					
Sale of fixed assets	-	-	1,818	1,818	-
Transfers in	3,065,000	3,065,000	3,123,000	58,000	3,664,730
<b>Total Other Financing Sources (Uses)</b>	<u>3,065,000</u>	<u>3,065,000</u>	<u>3,124,818</u>	<u>59,818</u>	<u>3,664,730</u>
<b>Net Change in Fund Balance</b>	<u>(109,310)</u>	<u>(109,310)</u>	546,508	<u>655,818</u>	1,157,110
<b>Fund Balance - Beginning</b>			4,285,547		3,128,437
<b>Fund Balance - Ending</b>			<u>4,832,055</u>		<u>4,285,547</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2009</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Sales tax revenue	472,205	472,205	478,379	6,174	497,466
Use tax - building permits	7,145	7,145	24,082	16,937	21,536
Investment earnings	27,572	27,572	7,891	(19,681)	21,242
Intergovernmental	200,888	200,888	173,673	(27,215)	105,706
Charges for services	294,400	294,400	304,816	10,416	246,269
Other income	20,400	20,400	54,633	34,233	51,373
<b>Total Revenues</b>	<u>1,022,610</u>	<u>1,022,610</u>	<u>1,043,474</u>	<u>20,864</u>	<u>943,592</u>
<b>Expenditures:</b>					
Park improvements	493,000	493,000	499,733	(6,733)	12,576
Trail improvements	115,626	115,626	181,541	(65,915)	197,433
Riding area and building	1,000	1,000	-	1,000	14,796
Salaries and benefits	416,390	416,390	422,842	(6,452)	343,346
Park and recreation facilities	420,493	420,493	317,139	103,354	243,677
Contingency	-	50,000	-	50,000	-
<b>Total Expenditures</b>	<u>1,446,509</u>	<u>1,496,509</u>	<u>1,421,255</u>	<u>75,254</u>	<u>811,828</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(423,899)	(473,899)	(377,781)	96,118	131,764
<b>Other Financing Sources (Uses):</b>					
Operating transfers (out)	(213,800)	(213,800)	(213,600)	200	(278,263)
<b>Total Other Financing Sources (Uses)</b>	<u>(213,800)</u>	<u>(213,800)</u>	<u>(213,600)</u>	<u>200</u>	<u>(278,263)</u>
<b>Net Change in Fund Balance</b>	<u>(637,699)</u>	<u>(687,699)</u>	(591,381)	<u>96,318</u>	(146,499)
<b>Fund Balance - Beginning</b>			<u>1,675,570</u>		<u>1,822,069</u>
<b>Fund Balance - Ending</b>			<u>1,084,189</u>		<u>1,675,570</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, 2010  
With Comparative Totals For the Year Ended December 31, 2009

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Sales tax	2,653,588	2,653,588	2,655,749	2,161	2,748,816
Use tax - motor vehicle	202,472	202,472	178,489	(23,983)	200,849
Use tax - building permits	42,855	42,855	144,447	101,592	129,169
Investment earnings	-	-	3	3	172
<b>Total Revenues</b>	<u>2,898,915</u>	<u>2,898,915</u>	<u>2,978,688</u>	<u>79,773</u>	<u>3,079,006</u>
<b>Expenditures:</b>					
Miscellaneous	-	98,000	-	98,000	-
<b>Total Expenditures</b>	<u>-</u>	<u>98,000</u>	<u>-</u>	<u>98,000</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,898,915	2,800,915	2,978,688	177,773	3,079,006
<b>Other Financing (Uses):</b>					
Operating transfers (out)	(2,890,000)	(2,890,000)	(2,948,000)	(58,000)	(3,146,229)
<b>Total Other Financing (Uses)</b>	<u>(2,890,000)</u>	<u>(2,890,000)</u>	<u>(2,948,000)</u>	<u>-</u>	<u>(3,146,229)</u>
<b>Net Change in Fund Balance</b>	<u>8,915</u>	<u>(89,085)</u>	30,688	<u>119,773</u>	(67,223)
<b>Fund Balance - Beginning</b>			<u>259,477</u>		<u>326,700</u>
<b>Fund Balance - Ending</b>			<u>290,165</u>		<u>259,477</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>	<u>2009</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Property tax	262,447	257,816	(4,631)	184,169
Specific ownership tax	12,500	9,149	(3,351)	11,401
Delinquent tax and interest	-	962	962	591
Interest income	900	55	(845)	592
<b>Total Revenues</b>	<u>275,847</u>	<u>267,982</u>	<u>(7,865)</u>	<u>196,753</u>
<b>Expenditures:</b>				
Treasurer fee	3,744	5,185	(1,441)	3,696
Streetscape improvements	30,000	-	30,000	369,412
<b>Total Expenditures</b>	<u>33,744</u>	<u>5,185</u>	<u>28,559</u>	<u>373,108</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	242,103	262,797	20,694	(176,355)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	-	-	-	172,000
Operating transfers (out)	(190,000)	(172,000)	18,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>(190,000)</u>	<u>(172,000)</u>	<u>18,000</u>	<u>172,000</u>
<b>Net Change in Fund Balance</b>	<u>52,103</u>	90,797	<u>38,694</u>	(4,355)
<b>Fund Balance - Beginning</b>		225		4,580
<b>Fund Balance - Ending</b>		<u>91,022</u>		<u>225</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Development Dedication Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>2009</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Park development fee	-	14,000	14,000	-
General development fee	15,000	25,390	10,390	8,205
Investment earnings	2,500	55,542	53,042	47,559
<b>Total Revenues</b>	<u>17,500</u>	<u>94,932</u>	<u>77,432</u>	<u>55,764</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	17,500	94,932	77,432	55,764
<b>Other Financing Sources (Uses):</b>				
Operating transfers (out)	<u>(175,000)</u>	<u>(175,000)</u>	-	<u>(175,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(175,000)</u>	<u>(175,000)</u>	-	<u>(175,000)</u>
<b>Net Change in Fund Balance</b>	<u>(157,500)</u>	(80,068)	<u>77,432</u>	(119,236)
<b>Fund Balance - Beginning</b>		<u>1,020,657</u>		<u>1,139,893</u>
<b>Fund Balance - Ending</b>		<u>940,589</u>		<u>1,020,657</u>

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

**SUPPLEMENTARY INFORMATION**



**Town of Carbondale, Colorado**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>2009</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Grants	291,175	-	(291,175)	-
Investment earnings	10,000	5,922	(4,078)	14,373
<b>Total Revenues</b>	<u>301,175</u>	<u>5,922</u>	<u>(295,253)</u>	<u>14,373</u>
<b>Expenditures:</b>				
Construction	50,000	4,475	45,525	9,432
Miscellaneous	-	578	(578)	-
Construction	321,000	314,750	6,250	41,835
Street resurfacing	150,000	107,397	42,603	4,014
<b>Total Expenditures</b>	<u>521,000</u>	<u>427,200</u>	<u>93,800</u>	<u>55,281</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(219,825)	(421,278)	(389,053)	(40,908)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	190,000	172,000	18,000	-
Operating transfers (out)	-	-	-	(437,500)
<b>Total Other Financing Sources (Uses)</b>	<u>190,000</u>	<u>172,000</u>	<u>18,000</u>	<u>(437,500)</u>
<b>Net Change in Fund Balance</b>	<u>(29,825)</u>	<u>(249,278)</u>	<u>(219,453)</u>	<u>(478,408)</u>
<b>Fund Balance - Beginning</b>		<u>471,693</u>		<u>950,101</u>
<b>Fund Balance - Ending</b>		<u>222,415</u>		<u>471,693</u>

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

Town of Carbondale, Colorado  
Schedule of Revenues and Expenditures  
Budget and Actual  
Proprietary Funds  
For the Year Ended December 31, 2010  
With Comparative Totals For the Year Ended December 31, 2009

	Water Fund			Wastewater Fund				
	2010	2009		2010	2009			
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>								
<b>Charges for services:</b>								
Sale of meters	30,000	2,406	(27,594)	5,067	-	-	-	-
Service fees	1,091,050	1,083,383	(7,667)	1,063,290	1,268,750	1,155,395	(113,355)	1,186,014
Penalty assessments	2,500	4,891	2,391	4,487	3,183	5,299	2,116	5,056
Miscellaneous	4,911	15,330	10,419	19,952	136,200	71,324	(64,876)	80,110
<b>Total Revenues</b>	<u>1,128,461</u>	<u>1,106,010</u>	<u>(22,451)</u>	<u>1,092,796</u>	<u>1,408,133</u>	<u>1,232,018</u>	<u>(176,115)</u>	<u>1,271,180</u>
<b>Operating Expenses:</b>								
Operations and maintenance	163,534	163,807	(273)	207,088	295,492	233,297	62,195	255,317
Personnel costs	410,409	409,526	883	493,246	435,229	447,452	(12,223)	405,549
Administration	276,786	276,779	7	310,574	192,272	187,378	4,894	199,762
Miscellaneous / contingency	100,000	3,462	96,538	-	100,000	3,463	96,537	-
Capital outlay	81,566	45,811	35,755	(4,480)	1,604,050	1,003,186	600,864	-
<b>Total operating expenses</b>	<u>1,032,295</u>	<u>899,385</u>	<u>132,910</u>	<u>1,006,428</u>	<u>2,627,043</u>	<u>1,874,776</u>	<u>752,267</u>	<u>860,628</u>
<b>Operating Income (Loss) Budget Basis</b>	96,166	206,625	110,459	86,368	(1,218,910)	(642,758)	576,152	410,552
<b>Non-operating revenues (expenses):</b>								
Investment earnings	43,005	4,754	(38,251)	15,251	58,630	24,305	(34,325)	60,818
Principal payments	-	-	-	708,052	-	493,761	493,761	761,911
Interest expense	(162,000)	(36,891)	125,109	(12,871)	-	-	-	(1,774)
Grant revenue	-	-	-	-	-	473,654	473,654	-
<b>Total non-operating revenues (expenses):</b>	<u>(118,995)</u>	<u>(32,137)</u>	<u>86,858</u>	<u>710,432</u>	<u>58,630</u>	<u>991,720</u>	<u>933,090</u>	<u>820,955</u>
<b>Capital contributions</b>	40,000	64,101	24,101	353,040	40,000	69,395	29,395	346,134
<b>Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis</b>	<u>17,171</u>	<u>238,589</u>	<u>221,418</u>	<u>1,149,840</u>	<u>(1,120,280)</u>	<u>418,357</u>	<u>1,538,637</u>	<u>1,577,641</u>
<b>Reconciliation to GAAP Basis:</b>								
Capitalized assets		45,658		87,448		987,399		224,766
Contributed capital assets		-		275,736		-		274,100
Principal payments		-		(708,052)		(493,761)		(761,911)
Depreciation		(278,846)		(261,713)		(245,721)		(270,271)
Amortization of bond issue costs		(6,572)		(7,702)		-		-
<b>Net Income - GAAP Basis</b>		<u>(1,171)</u>		<u>535,557</u>		<u>666,274</u>		<u>1,044,325</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, 2010**

	<u>Special Revenue</u>					<b>Sub-total Non-Major Governmental Funds</b>
	<b>Conservation Trust</b>	<b>Victims Assistance</b>	<b>Highway 133</b>	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	
<b>Assets:</b>						
Cash - Unrestricted	103,113	3,054	506,507	109,046	40,668	762,388
Due from other funds	-	-	20,000	-	-	20,000
<b>Total Assets</b>	<u>103,113</u>	<u>3,054</u>	<u>526,507</u>	<u>109,046</u>	<u>40,668</u>	<u>782,388</u>
<b>Liabilities:</b>						
Due to other funds	-	-	-	-	413	413
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413</u>	<u>413</u>
<b>Fund Balance:</b>						
Unreserved	103,113	3,054	526,507	109,046	40,255	781,975
<b>Total Fund Balance</b>	<u>103,113</u>	<u>3,054</u>	<u>526,507</u>	<u>109,046</u>	<u>40,255</u>	<u>781,975</u>
<b>Total Liabilities and Fund Balance</b>	<u>103,113</u>	<u>3,054</u>	<u>526,507</u>	<u>109,046</u>	<u>40,668</u>	<u>782,388</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, 2010  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-Major Governmental Funds	Total Non-Major Governmental Funds
	Lodging Tax	1% of Arts	Efficient Building	Bond	Bond Reserve		
<b>Assets:</b>							
Cash - Unrestricted	740	10,679	3,104	11,381	173,617	762,388	961,909
Other receivables	2,575	-	-	-	-	-	2,575
Due from other funds	-	-	-	-	-	20,000	20,000
<b>Total Assets</b>	<u>3,315</u>	<u>10,679</u>	<u>3,104</u>	<u>11,381</u>	<u>173,617</u>	<u>782,388</u>	<u>984,484</u>
<b>Liabilities:</b>							
Due to other funds	-	-	-	-	-	413	413
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413</u>	<u>413</u>
<b>Fund Balance:</b>							
Unreserved, reported in:							
Special revenue	3,315	10,679	3,104	-	-	781,975	799,073
Debt service	-	-	-	11,381	173,617	-	184,998
<b>Total Fund Balance</b>	<u>3,315</u>	<u>10,679</u>	<u>3,104</u>	<u>11,381</u>	<u>173,617</u>	<u>781,975</u>	<u>984,071</u>
<b>Total Liabilities and Fund Balance</b>	<u>3,315</u>	<u>10,679</u>	<u>3,104</u>	<u>11,381</u>	<u>173,617</u>	<u>782,388</u>	<u>984,484</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, 2010**

	<u>Special Revenue</u>					<b>Sub-total Non-major Governmental Funds</b>
	<b>Conservation Trust</b>	<b>Victims Assistance</b>	<b>Highway 133</b>	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	
<b>Revenues:</b>						
Intergovernmental revenue	58,556	-	-	-	-	58,556
Fines and forfeitures	-	15,159	-	-	-	15,159
Interest	46	1	1,145	39	17	1,248
Miscellaneous	-	-	-	20,724	6,690	27,414
<b>Total Revenues</b>	<u>58,602</u>	<u>15,160</u>	<u>1,145</u>	<u>20,763</u>	<u>6,707</u>	<u>102,377</u>
<b>Expenditures:</b>						
General government	-	-	-	1,838	-	1,838
Public safety	-	22,826	-	-	-	22,826
Culture and recreation	72,070	-	-	-	-	72,070
<b>Total Expenditures</b>	<u>72,070</u>	<u>22,826</u>	<u>-</u>	<u>1,838</u>	<u>-</u>	<u>96,734</u>
<b>Net Change in Fund Balance</b>	(13,468)	(7,666)	1,145	18,925	6,707	5,643
<b>Fund Balance - Beginning</b>	116,581	10,720	525,362	90,121	33,548	776,332
<b>Fund Balance - Ending</b>	<u>103,113</u>	<u>3,054</u>	<u>526,507</u>	<u>109,046</u>	<u>40,255</u>	<u>781,975</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, 2010  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-major Governmental Funds	Total Non-major Governmental Funds
	Lodging Tax	1% of Arts	Efficient Building	Bond	Bond Reserve		
<b>Revenues:</b>							
Taxes	48,006	-	-	-	-	-	48,006
Intergovernmental revenue	-	-	-	-	-	58,556	58,556
Fines and forfeitures	-	-	-	-	-	15,159	15,159
Interest	2	2	-	22	67	1,248	1,341
Miscellaneous	-	8,519	3,104	-	-	27,414	39,037
<b>Total Revenues</b>	48,008	8,521	3,104	22	67	102,377	162,099
<b>Expenditures:</b>							
General government	-	-	-	-	-	1,838	1,838
Public safety	-	-	-	-	-	22,826	22,826
Culture and recreation	48,429	451	-	-	-	72,070	120,950
Debt service:							
Principal	-	-	-	110,000	-	-	110,000
Interest	-	-	-	103,298	-	-	103,298
<b>Total Expenditures</b>	48,429	451	-	213,298	-	96,734	358,912
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(421)	8,070	3,104	(213,276)	67	5,643	(196,813)
<b>Other Financing Sources (Uses):</b>							
Operating transfers in	-	-	-	213,600	-	-	213,600
<b>Total Other Financing Sources (Uses)</b>	-	-	-	213,600	-	-	213,600
<b>Net Change in Fund Balance</b>	(421)	8,070	3,104	324	67	5,643	16,787
<b>Fund Balance - Beginning</b>	3,736	2,609	-	11,057	173,550	776,332	967,284
<b>Fund Balance - Ending</b>	3,315	10,679	3,104	11,381	173,617	781,975	984,071

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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>Variance Positive (Negative)</u>	<u>2009</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Intergovernmental revenue	60,000	58,556	(1,444)	60,082
Interest	120	46	(74)	145
<b>Total Revenues</b>	<u>60,120</u>	<u>58,602</u>	<u>(1,518)</u>	<u>60,227</u>
<b>Expenditures:</b>				
Personnel	74,689	67,882	6,807	-
Park maintenance	-	-	-	7,078
Equipment	8,000	4,188	3,812	2,780
<b>Total Expenditures</b>	<u>82,689</u>	<u>72,070</u>	<u>10,619</u>	<u>9,858</u>
<b>Net Change in Fund Balance</b>	<u>(22,569)</u>	<u>(13,468)</u>	<u>9,101</u>	50,369
<b>Fund Balance - Beginning</b>		<u>116,581</u>		<u>66,212</u>
<b>Fund Balance - Ending</b>		<u>103,113</u>		<u>116,581</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<b>Variance Positive (Negative)</b>	<u>2009</u>
	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
Fines and surcharge	25,200	15,159	(10,041)	22,826
Interest	26	1	(25)	35
<b>Total Revenues</b>	<u>25,226</u>	<u>15,160</u>	<u>(10,066)</u>	<u>22,861</u>
<b>Expenditures:</b>				
Victim's assistance	31,170	25,630	5,540	23,100
Police training	17,500	(2,804)	20,304	10,060
<b>Total Expenditures</b>	<u>48,670</u>	<u>22,826</u>	<u>25,844</u>	<u>33,160</u>
<b>Net Change in Fund Balance</b>	<u>(23,444)</u>	<u>(7,666)</u>	<u>15,778</u>	<u>(10,299)</u>
<b>Fund Balance - Beginning</b>		<u>10,720</u>		<u>21,019</u>
<b>Fund Balance - Ending</b>		<u><u>3,054</u></u>		<u><u>10,720</u></u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Highway 133 Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	2010		Variance Positive (Negative)	2009
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
RTA tax	-	-	-	45,740
Transportation impact fee	-	-	-	28,290
Interest	2,000	1,145	(855)	3,684
<b>Total Revenues</b>	2,000	1,145	(855)	77,714
<b>Expenditures:</b>				
Highway 133 construction	527,135	-	527,135	6,102
<b>Total Expenditures</b>	527,135	-	527,135	6,102
<b>Net Change in Fund Balance</b>	(525,135)	1,145	526,280	71,612
<b>Fund Balance - Beginning</b>		525,362		453,750
<b>Fund Balance - Ending</b>		526,507		525,362

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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>2009</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Fannie Mae mortgage fee	500	744	244	2,324
Lease income	28,380	19,980	(8,400)	28,380
Interest	100	39	(61)	132
<b>Total Revenues</b>	<u>28,980</u>	<u>20,763</u>	<u>(8,217)</u>	<u>30,836</u>
<b>Expenditures:</b>				
Other expense	2,825	1,484	1,341	2,357
Grant expense	38,681	354	38,327	-
<b>Total Expenditures</b>	<u>41,506</u>	<u>1,838</u>	<u>39,668</u>	<u>2,357</u>
<b>Net Change in Fund Balance</b>	<u>(12,526)</u>	18,925	<u>31,451</u>	28,479
<b>Fund Balance - Beginning</b>		<u>90,121</u>		<u>61,642</u>
<b>Fund Balance - Ending</b>		<u>109,046</u>		<u>90,121</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>2009</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Community enhancement	5,900	5,400	(500)	5,917
License, permits, and fees	-	1,290	1,290	-
Interest	-	17	17	18
<b>Total Revenues</b>	<u>5,900</u>	<u>6,707</u>	<u>807</u>	<u>5,935</u>
<b>Expenditures:</b>				
Community projects	28,706	-	28,706	1,254
<b>Total Expenditures</b>	<u>28,706</u>	<u>-</u>	<u>28,706</u>	<u>1,254</u>
<b>Net Change in Fund Balance</b>	<u>(22,806)</u>	6,707	<u>29,513</u>	4,681
<b>Fund Balance - Beginning</b>		<u>33,548</u>		<u>28,867</u>
<b>Fund Balance - Ending</b>		<u>40,255</u>		<u>33,548</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Lodging Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>Variance Positive (Negative)</u>	<u>2009</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Lodging tax	55,000	48,006	(6,994)	59,721
Investment earnings	-	2	2	11
<b>Total Revenues</b>	<u>55,000</u>	<u>48,008</u>	<u>(6,992)</u>	<u>59,732</u>
<b>Expenditures:</b>				
Chamber of Commerce	56,000	48,429	7,571	61,473
<b>Total Expenditures</b>	<u>56,000</u>	<u>48,429</u>	<u>7,571</u>	<u>61,473</u>
<b>Net Change in Fund Balance</b>	<u>(1,000)</u>	(421)	<u>579</u>	(1,741)
<b>Fund Balance - Beginning</b>		<u>3,736</u>		<u>5,477</u>
<b>Fund Balance - Ending</b>		<u>3,315</u>		<u>3,736</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>Variance Positive (Negative)</u>	<u>2009</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	-	2	2	9
Miscellaneous	-	8,519	8,519	-
<b>Total Revenues</b>	<u>-</u>	<u>8,521</u>	<u>8,521</u>	<u>9</u>
<b>Expenditures:</b>				
Reserve	5,118	451	4,667	17,200
<b>Total Expenditures</b>	<u>5,118</u>	<u>451</u>	<u>4,667</u>	<u>17,200</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(5,118)	8,070	13,188	(17,191)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	2,500	-	(2,500)	19,800
<b>Total Other Financing Sources (Uses)</b>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>	<u>19,800</u>
<b>Net Change in Fund Balance</b>	<u>(2,618)</u>	8,070	<u>10,688</u>	2,609
<b>Fund Balance - Beginning</b>		<u>2,609</u>		<u>-</u>
<b>Fund Balance - Ending</b>		<u>10,679</u>		<u>2,609</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>			<u>2009</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	-	-	-	1
Miscellaneous	5,000	3,104	(1,896)	-
<b>Total Revenues</b>	<u>5,000</u>	<u>3,104</u>	<u>(1,896)</u>	<u>1</u>
<b>Expenditures:</b>				
Building inspection	2,500	-	2,500	-
<b>Total Expenditures</b>	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,500	3,104	604	1
<b>Other Financing Sources (Uses):</b>				
Operating transfers (out)	-	-	-	(15,176)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,176)</u>
<b>Net Change in Fund Balance</b>	<u>2,500</u>	3,104	<u>604</u>	(15,175)
<b>Fund Balance - Beginning</b>		<u>-</u>		<u>15,175</u>
<b>Fund Balance - Ending</b>		<u>3,104</u>		<u>-</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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2009</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Investment earnings	165	165	22	(143)	171
<b>Total Revenues</b>	<u>165</u>	<u>165</u>	<u>22</u>	<u>(143)</u>	<u>171</u>
<b>Expenditures:</b>					
Bond principal	213,500	213,500	110,000	103,500	105,000
Bond interest	-	-	103,298	(103,298)	106,060
Agents fee	300	800	-	800	450
<b>Total Expenditures</b>	<u>213,800</u>	<u>214,300</u>	<u>213,298</u>	<u>1,002</u>	<u>211,510</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(213,635)	(214,135)	(213,276)	859	(211,339)
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	213,500	213,500	213,600	100	195,859
<b>Total Other Financing Sources (Uses)</b>	<u>213,500</u>	<u>213,500</u>	<u>213,600</u>	<u>100</u>	<u>195,859</u>
<b>Net Change in Fund Balance</b>	<u>(135)</u>	<u>(635)</u>	324	<u>959</u>	(15,480)
<b>Fund Balance - Beginning</b>			<u>11,057</u>		<u>26,537</u>
<b>Fund Balance - Ending</b>			<u>11,381</u>		<u>11,057</u>

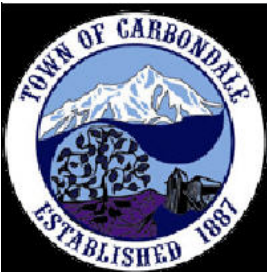
The accompanying notes are an integral part of these financial statements.

**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, 2010**  
**With Comparative Totals For the Year Ended December 31, 2009**

	<u>2010</u>		<u>2009</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	846	67	(779)	795
<b>Total Revenues</b>	<u>846</u>	<u>67</u>	<u>(779)</u>	<u>795</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	846	67	(779)	795
<b>Other Financing Sources (Uses):</b>				
Operating transfers (out)	(846)	-	846	(221)
<b>Total Other Financing Sources (Uses)</b>	<u>(846)</u>	<u>-</u>	<u>846</u>	<u>(221)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	67	<u>67</u>	574
<b>Fund Balance - Beginning</b>		<u>173,550</u>		<u>172,976</u>
<b>Fund Balance - Ending</b>		<u>173,617</u>		<u>173,550</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: Town of Carbondale
	YEAR ENDING : December 2010

This Information From The Records Of : Town of Carbondale	Prepared By: Nancy Barnett Phone: 970-963-2733
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>	<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>
--	--

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)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	534,207
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	177,826	b. Snow and ice removal	68,523
3. Other local imposts (from page 2)	540,671	c. Other	65,607
4. Miscellaneous local receipts (from page 2)	54,426	d. Total (a. through c.)	134,130
5. Transfers from toll facilities		4. General administration & miscellaneous	48,590
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	541,958
a. Bonds - Original Issues		6. Total (1 through 5)	1,258,885
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)	772,923	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	280,971	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	204,991	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,258,885	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>	1,258,885

**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
		1,258,885	1,258,885		0

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
<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	531,522	a. Interest on investments	7,571
b. Other local imposts:		b. Traffic Fines & Penalties	46,855
1. Sales Taxes		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	9,149	g. Other Misc. Receipts	
6. Total (1. through 5.)	9,149	h. Other	
c. Total (a. + b.)	540,671	i. Total (a. through h.)	54,426
	(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	173,110	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	20,546	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Mineral Severance	87,315	f. Other Federal	204,991
f. Total (a. through e.)	107,861	g. Total (a. through f.)	204,991
4. Total (1. + 2. + 3.f)	280,971	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			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		292,710	292,710
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	292,710
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	292,710
			(Carry forward to page 1)
<b>Notes and Comments:</b>			