

**Town of Carbondale, Colorado**

**Financial Report**

**December 31, 2017**



**Town of Carbondale, Colorado  
Financial Report  
December 31, 2017**

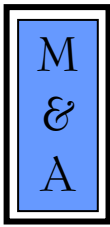
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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado (the "Town"), as of and for the year ended December 31, 2017, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

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

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

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

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

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

*Member: American Institute of Certified Public Accountants*

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Carbondale, Colorado as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

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

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

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

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

**McMahan and Associates, L.L.C.**  
**June 26, 2018**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Town of Carbondale, Colorado

## Management's Discussion and Analysis December 31, 2017

As management of the Town of Carbondale, Colorado (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2017.

### Financial Highlights

- The 2017 Budget includes a 3% cost of living increase for Town employees.
- Sales and Use tax revenue increased 6.7% from 2016. Property taxes increased by 2.6% from 2016.
- The Town's governmental fund balances increased \$530,047, which includes the General Fund balance increase of \$290,574, and the Town's business-type activities increased \$221,927.

### Overview of the Financial Statements

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

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

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

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

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

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

## Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

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

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



## Overview of the Financial Statements (continued)

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

The following graph shows the Town's net position for 2017:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$10,703,645	10,289,558	6,664,421	6,521,045	17,368,066	16,810,603
Capital assets	20,888,253	21,020,633	15,996,504	15,956,460	36,884,757	36,977,093
<b>Total assets</b>	<b>31,591,898</b>	<b>31,310,191</b>	<b>22,660,925</b>	<b>22,477,505</b>	<b>54,252,823</b>	<b>53,787,696</b>
Other liabilities	820,354	975,145	127,158	111,480	947,512	1,086,625
Long-term liabilities outstanding	1,245,504	1,390,665	1,648,762	1,702,947	2,894,266	3,093,612
<b>Total liabilities</b>	<b>2,065,858</b>	<b>2,365,810</b>	<b>1,775,920</b>	<b>1,814,427</b>	<b>3,841,778</b>	<b>4,180,237</b>
Deferred Inflows of Resources	502,961	468,612	-	-	502,961	468,612
Net Position:						
Net invested in capital assets	19,642,749	19,629,968	15,996,504	15,956,460	35,639,253	35,586,428
Restricted	2,779,141	2,757,043	-	-	2,779,141	2,757,043
Unrestricted	6,601,189	6,088,758	4,888,501	4,706,618	11,489,690	10,795,376
<b>Total net position</b>	<b>\$29,023,079</b>	<b>28,475,769</b>	<b>20,885,005</b>	<b>20,663,078</b>	<b>49,908,084</b>	<b>49,138,847</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 position, both for the government as a whole, as well as for its separate governmental and business-type activities. The Town's capital assets decreased due to depreciation expense being more than purchased capital assets in 2017. Maturing for the Town's 2004 and 2006 long-term debt issues will be retired in 2024. Additional information regarding the Town's long-term debt is available in Section D of the footnotes.

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## Overview of the Financial Statements (continued)

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

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 1,380,523	1,369,019	2,671,791	2,502,334	4,052,314	3,871,353
Operating grants and contributions	655,905	640,884	-	-	655,905	640,884
Capital grants and contributions	146,213	40,250	560,239	425,802	706,452	466,052
General revenues:						
Property taxes	471,485	459,619	-	-	471,485	459,619
Sales and use taxes	5,117,810	4,796,389	-	-	5,117,810	4,796,389
Other taxes	545,500	535,306	-	-	545,500	535,306
Interest and other revenue	318,859	303,417	30,940	30,072	349,799	333,489
<b>Total Revenues</b>	<b>8,636,295</b>	<b>8,144,884</b>	<b>3,262,970</b>	<b>2,958,208</b>	<b>11,899,265</b>	<b>11,103,092</b>
<b>EXPENSES:</b>						
General government	2,482,541	2,344,148	-	-	2,482,541	2,344,148
Public safety	1,998,549	1,918,181	-	-	1,998,549	1,918,181
Public works	1,480,951	1,547,969	-	-	1,480,951	1,547,969
Culture and recreation	2,029,307	1,945,309	-	-	2,029,307	1,945,309
Interest	67,263	72,741	-	-	67,263	72,741
Affordable housing	30,374	6,140	-	-	30,374	6,140
Water	-	-	1,628,617	1,380,914	1,628,617	1,380,914
Wastewater	-	-	1,412,426	1,363,591	1,412,426	1,363,591
<b>Total Expenses</b>	<b>8,088,985</b>	<b>7,834,488</b>	<b>3,041,043</b>	<b>2,744,505</b>	<b>11,130,028</b>	<b>10,578,993</b>
<b>Change in Net Position</b>	<b>547,310</b>	<b>310,396</b>	<b>221,927</b>	<b>213,703</b>	<b>769,237</b>	<b>524,099</b>
<b>Net Position - Beginning</b>	<b>28,475,769</b>	<b>28,165,373</b>	<b>20,663,078</b>	<b>20,449,375</b>	<b>49,138,847</b>	<b>48,614,748</b>
<b>Net Position - Ending</b>	<b>\$ 29,023,079</b>	<b>28,475,769</b>	<b>20,885,005</b>	<b>20,663,078</b>	<b>49,908,084</b>	<b>49,138,847</b>

The following provide additional insight into the above chart:

- Overall Revenues are up compared to 2016. Sales and Use Taxes increased in 2017 with accommodation, liquor and retail marijuana. Motor vehicle registration and tax had an outstanding year in 2017.
- Charges for services increased in 2017 due to increases in water and wastewater rates and customers.
- Grants and contributions increased in 2017 due to grant received in lieu of road and bridge mill levy.

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

**Governmental activities:** Governmental activities increased the Town’s net position by \$530,047. Key elements of this increase are as follows:

- The Town capitalized \$748,482 in fixed asset additions during 2017. This was for 3<sup>rd</sup> Street improvements, Highway 133, and various equipment, vehicles, and improvements.

**Business-type activities:** Business-type activities increased the Town’s net position by \$221,927. Key elements of this increase are as follows:

- Assets totaling \$680,279 were capitalized between the Water Fund and Wastewater Fund in 2017.
- The Water Fund had an increase in net position of \$155,598, and the Wastewater Fund had an increase in net position of \$66,329. On a cash basis, the Funds cumulatively increased their cash and investment holdings by \$176,674.

**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 \$9,698,148; an increase of \$530,047 from the prior year’s ending fund balances. The following details ending fund balances for the past several years:

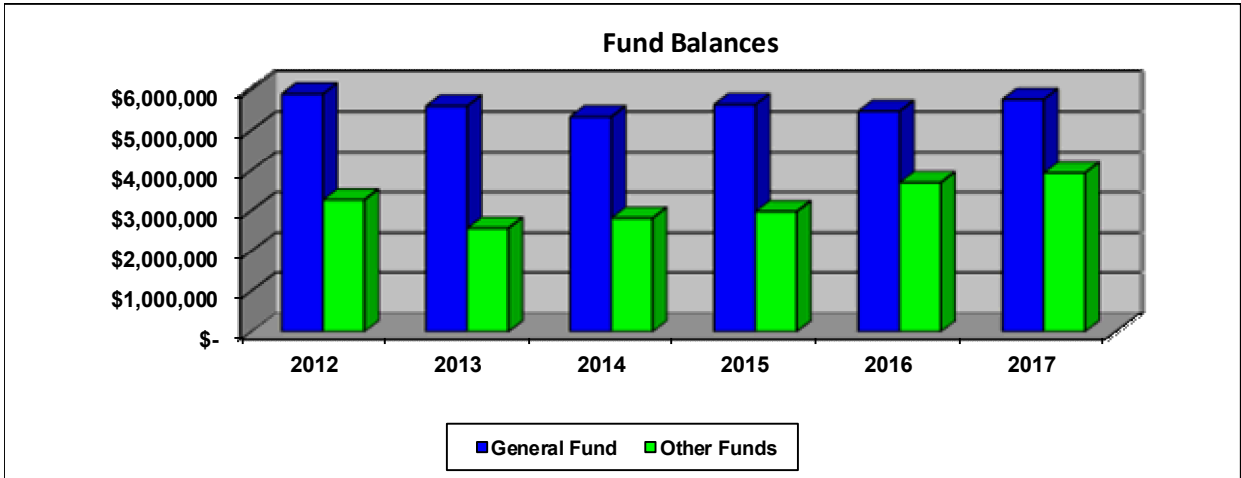
<b>Fund</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General	\$ 5,899,801	5,599,674	5,336,548	5,638,035	5,473,568	5,764,142
Recreation Sales and Use	919,743	871,226	804,593	996,019	937,617	1,152,124
Sales and Use	295,298	323,089	382,725	447,828	418,665	443,264
Streetscape	281,038	347,207	504,949	662,059	812,704	558,020
Development Dedication	653,374	663,878	546,911	407,908	312,517	347,421
Capital Projects	602,201	(146,158)	(236,604)	(125,427)	533,745	649,014
Other Governmental	518,349	513,060	817,659	592,335	679,285	784,163
<b>Total</b>	<b>\$ 9,169,804</b>	<b>8,171,976</b>	<b>8,156,781</b>	<b>8,618,757</b>	<b>9,168,101</b>	<b>9,698,148</b>

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

**Governmental funds (continued):**

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



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

Cash in the Water Fund at the end of the current fiscal year was \$1,453,434. The Wastewater Fund had cash of \$4,913,439.

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**Budget variances in the General Fund:** The Town's General Fund revenues were over budget by \$417,767; General Fund expenditures were under budget by \$367,778. The General Fund's significant budget variances are detailed as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Reason</u>
<b>Revenues:</b>					
Taxes	\$ 616,991	616,991	651,519	34,528	Budgeted conservatively
Licenses and permits	154,800	154,800	212,072	57,272	Budgeted conservatively
Intergovernmental	602,031	602,031	765,191	163,160	Received more grants than expected; received grant in lieu of mill levy from Garfield County
Charges for services	142,750	142,750	193,583	50,833	Budgeted conservatively
Developer reimbursable	85,000	85,000	26,393	(58,607)	Developer expenses under budget for
Other	106,500	106,500	234,215	127,715	Due to insurance claims
<b>Expenditures:</b>					
Attorney	125,000	125,000	91,495	33,505	Budgeted conservatively
Planning	354,678	354,678	287,698	66,980	Conservative budget for developer
Streets, alleys, snow removal	755,787	755,787	651,803	103,984	Budgeted conservatively
Recreation	452,535	452,535	411,170	41,365	Budgeted conservatively

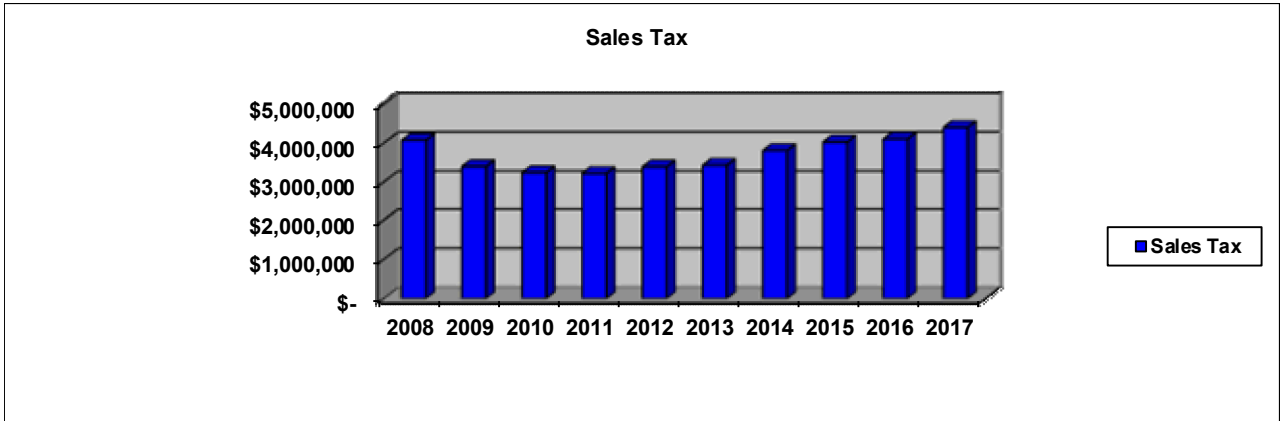
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## Financial Analysis of the Town's Funds (continued)

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

**Long-term debt:** As of the end of the current fiscal year, the Town had \$3,242,955 in long-term debt. Additional information regarding the Town's debt can be found in Section D of this report.

**Sales tax:** The Town has a 3.5% sales tax that is used to fund its governmental operations. One half percent of the tax is dedicated to recreation expenditures. Sales tax increased from 2016 by approximately 7.3%. 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 2017 was \$5,764,142. In the 2018 budget, the Town anticipates reducing accumulated fund balance by approximately \$526,727.

**Other information:** Budgeted for 2018 include:

- Approx. 7.3% increase in Property Taxes;
- 2% increase in Sales Tax;
- A slight increase in Mineral Leasing and Severance Tax;
- A 3% wage increase for full time employees;
- Transfer to Capital Construction Fund of \$500,000

### Request for Information

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**Town of Carbondale, Colorado**  
**Statement of Net Position**  
**December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments - Unrestricted	9,048,880	6,366,878	15,415,758
Cash and investments - Restricted	123,692	-	123,692
Receivables, net:			
Taxes	502,961	-	502,961
Accounts	-	216,696	216,696
Other	347,309	-	347,309
Intergovernmental	582,308	19,094	601,402
Prepaid expenses	95,380	61,753	157,133
Inventories	3,115	-	3,115
Capital assets, net	20,888,253	15,996,504	36,884,757
<b>Total Assets</b>	<u>31,591,898</u>	<u>22,660,925</u>	<u>54,252,823</u>
<b>Liabilities:</b>			
Accounts payable	155,119	88,474	243,593
Other liabilities	347,417	2,212	349,629
Compensated absences	312,721	36,472	349,193
Accrued interest	5,097	-	5,097
Reimbursable prepaid tap fees	-	1,648,762	1,648,762
Bonded debt payable:			
Due within one year	150,000	-	150,000
Due in more than one year	1,095,504	-	1,095,504
<b>Total Liabilities</b>	<u>2,065,858</u>	<u>1,775,920</u>	<u>3,841,778</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable property tax revenue	502,961	-	502,961
<b>Total Deferred Inflows of Resources</b>	<u>502,961</u>	<u>-</u>	<u>502,961</u>
<b>Net Position:</b>			
Net invested in capital assets	19,642,749	15,996,504	35,639,253
Restricted for other purposes	2,779,141	-	2,779,141
Unrestricted	6,601,189	4,888,501	11,489,690
<b>Total Net Position</b>	<u>29,023,079</u>	<u>20,885,005</u>	<u>49,908,084</u>

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

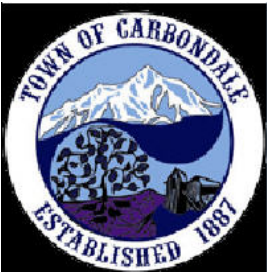


**Town of Carbondale, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>							
Governmental activities:							
General government	2,482,541	628,109	196,734	50,000	(1,607,698)	-	(1,607,698)
Public safety	1,998,549	82,334	-	-	(1,916,215)	-	(1,916,215)
Public works	1,480,951	-	378,520	-	(1,102,431)	-	(1,102,431)
Culture and recreation	2,029,307	615,960	80,651	96,213	(1,236,483)	-	(1,236,483)
Affordable housing	30,374	54,120	-	-	23,746	-	23,746
Interest on long-term debt	67,263	-	-	-	(67,263)	-	(67,263)
<b>Total governmental activities</b>	<b>8,088,985</b>	<b>1,380,523</b>	<b>655,905</b>	<b>146,213</b>	<b>(5,906,344)</b>	<b>-</b>	<b>(5,906,344)</b>
Business-type activities:							
Water	1,628,617	1,381,273	-	379,485	-	132,141	132,141
Wastewater	1,412,426	1,290,518	-	180,754	-	58,846	58,846
<b>Total business-type activities</b>	<b>3,041,043</b>	<b>2,671,791</b>	<b>-</b>	<b>560,239</b>	<b>-</b>	<b>190,987</b>	<b>190,987</b>
<b>Total</b>	<b>11,130,028</b>	<b>4,052,314</b>	<b>655,905</b>	<b>706,452</b>	<b>(5,906,344)</b>	<b>190,987</b>	<b>(5,715,357)</b>
General revenues:							
Taxes:							
Property tax, levied for general purposes					471,485	-	471,485
Specific ownership tax					36,166	-	36,166
Sales and use tax					5,117,810	-	5,117,810
Franchise tax					268,063	-	268,063
Lodging Tax					122,056	-	122,056
Other miscellaneous taxes					119,215	-	119,215
Investment earnings					36,081	7,483	43,564
Miscellaneous					282,778	23,457	306,235
<b>Total general revenues</b>					<b>6,453,654</b>	<b>30,940</b>	<b>6,484,594</b>
<b>Change in Net Position</b>					<b>547,310</b>	<b>221,927</b>	<b>769,237</b>
<b>Net Position - Beginning</b>					<b>28,475,769</b>	<b>20,663,078</b>	<b>49,138,847</b>
<b>Net Position - Ending</b>					<b>29,023,079</b>	<b>20,885,005</b>	<b>49,908,084</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, 2017**

	<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 and investments - Unrestricted	5,272,455	1,084,191	26,386	556,831	347,421	973,590	788,003	9,048,877
Cash and investments - Restricted	123,692	-	-	-	-	-	-	123,692
Receivables, net of allowance for uncollectibles	334,581	50	-	-	-	-	12,677	347,308
Due from other governments	58,879	85,165	437,075	1,189	-	-	-	582,308
Due from other funds	322,760	-	-	-	-	-	-	322,760
Property tax receivable	293,044	-	-	209,917	-	-	-	502,961
Prepaid expenses	95,380	-	-	-	-	-	-	95,380
Inventory	3,115	-	-	-	-	-	-	3,115
<b>Total Assets</b>	<u>6,503,906</u>	<u>1,169,406</u>	<u>463,461</u>	<u>767,937</u>	<u>347,421</u>	<u>973,590</u>	<u>800,680</u>	<u>11,026,401</u>
<b>Liabilities:</b>								
Accounts/vouchers payable	106,989	14,536	197	-	-	24,267	9,066	155,055
Other liabilities	312,867	2,746	-	-	-	-	5,000	320,613
Accrued payroll and related liabilities	26,864	-	-	-	-	-	-	26,864
Due to other funds	-	-	20,000	-	-	300,309	2,451	322,760
<b>Total Liabilities</b>	<u>446,720</u>	<u>17,282</u>	<u>20,197</u>	<u>-</u>	<u>-</u>	<u>324,576</u>	<u>16,517</u>	<u>825,292</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable property tax revenue	293,044	-	-	209,917	-	-	-	502,961
<b>Total Deferred Inflows of Resources</b>	<u>293,044</u>	<u>-</u>	<u>-</u>	<u>209,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,961</u>
<b>Fund Balance:</b>								
Nonspendable	114,215	-	-	-	-	-	-	114,215
Restricted	268,931	1,152,124	443,264	558,020	-	-	356,802	2,779,141
Committed	40,700	-	-	-	347,421	-	429,812	817,933
Assigned	204,948	-	-	-	-	649,014	-	853,962
Unassigned	5,135,348	-	-	-	-	-	(2,451)	5,132,897
<b>Total Fund Balance</b>	<u>5,764,142</u>	<u>1,152,124</u>	<u>443,264</u>	<u>558,020</u>	<u>347,421</u>	<u>649,014</u>	<u>784,163</u>	<u>9,698,148</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>6,503,906</u>	<u>1,169,406</u>	<u>463,461</u>	<u>767,937</u>	<u>347,421</u>	<u>973,590</u>	<u>800,680</u>	<u>11,026,401</u>

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

**Town of Carbondale, Colorado**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2017**

Governmental Funds Total Fund Balance	9,698,148
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Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Details of these amounts are as follows:

Capital asset	32,206,969	
Accumulated depreciation	<u>(11,318,716)</u>	
		20,888,253

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

Discount on bonded debt, net	692	
Premium on bonded debt, net	<u>(1,196)</u>	
		(504)

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	(5,097)	
Bonded debt	(1,245,000)	
Compensated absences	<u>(312,721)</u>	
		<u>(1,562,818)</u>

Governmental Activities Net Position	<u><u>29,023,079</u></u>
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**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

	<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	651,519	716,700	4,246,881	211,888	-	-	153,578	5,980,566
Licenses, permits, and fees	212,072	-	-	-	34,824	-	-	246,896
Intergovernmental revenue	765,191	96,213	-	-	-	-	65,861	927,265
Charges for services	193,583	374,592	-	-	-	-	-	568,175
Fines and forfeitures	67,703	-	-	-	-	-	14,631	82,334
Investment income	33,163	2,732	-	-	80	91	15	36,081
Miscellaneous	669,008	43,996	-	-	-	-	63,744	776,748
<b>Total Revenues</b>	<b>2,592,239</b>	<b>1,234,233</b>	<b>4,246,881</b>	<b>211,888</b>	<b>34,904</b>	<b>91</b>	<b>297,829</b>	<b>8,618,065</b>
<b>Expenditures:</b>								
General government	2,094,276	-	8,782	-	-	-	55,915	2,158,973
Public safety	1,923,214	-	-	-	-	-	16,715	1,939,929
Public works	868,980	-	-	466,572	-	559,822	-	1,895,374
Culture and recreation	921,925	802,126	-	-	-	-	174,928	1,898,979
Debt service:								
Principal	-	-	-	-	-	-	145,000	145,000
Interest	-	-	-	-	-	-	67,993	67,993
<b>Total Expenditures</b>	<b>5,808,395</b>	<b>802,126</b>	<b>8,782</b>	<b>466,572</b>	<b>-</b>	<b>559,822</b>	<b>460,551</b>	<b>8,106,248</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,216,156)</b>	<b>432,107</b>	<b>4,238,099</b>	<b>(254,684)</b>	<b>34,904</b>	<b>(559,731)</b>	<b>(162,722)</b>	<b>511,817</b>
<b>Other Financing Sources (Uses):</b>								
Sale of fixed assets	18,230	-	-	-	-	-	-	18,230
Operating transfers in	4,213,500	-	-	-	-	675,000	267,600	5,156,100
Operating transfers (out)	(725,000)	(217,600)	(4,213,500)	-	-	-	-	(5,156,100)
<b>Total Other Financing Sources (Uses)</b>	<b>3,506,730</b>	<b>(217,600)</b>	<b>(4,213,500)</b>	<b>-</b>	<b>-</b>	<b>675,000</b>	<b>267,600</b>	<b>18,230</b>
<b>Net Change in Fund Balance</b>	<b>290,574</b>	<b>214,507</b>	<b>24,599</b>	<b>(254,684)</b>	<b>34,904</b>	<b>115,269</b>	<b>104,878</b>	<b>530,047</b>
<b>Fund Balance - Beginning</b>	<b>5,473,568</b>	<b>937,617</b>	<b>418,665</b>	<b>812,704</b>	<b>312,517</b>	<b>533,745</b>	<b>679,285</b>	<b>9,168,101</b>
<b>Fund Balance - Ending</b>	<b>5,764,142</b>	<b>1,152,124</b>	<b>443,264</b>	<b>558,020</b>	<b>347,421</b>	<b>649,014</b>	<b>784,163</b>	<b>9,698,148</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, 2017**

Governmental Funds Changes in Fund Balances (Deficit)	530,047
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount of capital outlay and depreciation are as follows:

Capital additions	748,482	
Depreciation expense	<u>(880,861)</u>	(132,379)

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

Repayment of principal on bonds	145,000	
Amortization of debt related deferrals, net	161	
Adjustments to current year interest	<u>569</u>	145,730

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	3,912
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Governmental Activities Change in Net Position	<u><u>547,310</u></u>
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**Town of Carbondale, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and investments	1,453,434	4,913,439	6,366,873
Accounts receivable, net of allowance for uncollectibles	93,455	123,241	216,696
Due from other governments	19,094	-	19,094
Prepaid expenses	61,753	-	61,753
<b>Total current assets</b>	<u>1,627,736</u>	<u>5,036,680</u>	<u>6,664,416</u>
<b>Non-current assets:</b>			
Land	51,048	133,391	184,439
Plant and system	14,406,809	12,539,083	26,945,892
Building and improvements	254,476	520,073	774,549
Machinery and equipment	511,360	1,568,427	2,079,787
Water rights	356,945	-	356,945
Construction in progress	-	-	-
Accumulated depreciation	(5,655,310)	(8,689,798)	(14,345,108)
<b>Total non-current assets</b>	<u>9,925,328</u>	<u>6,071,176</u>	<u>15,996,504</u>
<b>Total Assets</b>	<u>11,553,064</u>	<u>11,107,856</u>	<u>22,660,920</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts/vouchers payable	50,615	37,854	88,469
Other liabilities	2,212	-	2,212
<b>Total current liabilities</b>	<u>52,827</u>	<u>37,854</u>	<u>90,681</u>
<b>Long-term liabilities:</b>			
Accrued compensated absences	12,385	24,087	36,472
Reimbursable prepaid tap fees	628,973	1,019,789	1,648,762
<b>Total long-term liabilities</b>	<u>641,358</u>	<u>1,043,876</u>	<u>1,685,234</u>
<b>Total Liabilities</b>	<u>694,185</u>	<u>1,081,730</u>	<u>1,775,915</u>
<b>Net Position:</b>			
Net invested in capital assets	9,925,328	6,071,176	15,996,504
Unrestricted	933,551	3,954,950	4,888,501
<b>Total Net Position</b>	<u>10,858,879</u>	<u>10,026,126</u>	<u>20,885,005</u>

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

**Town of Carbondale, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services:			
Service fees	1,285,690	1,215,589	2,501,279
Sale of meters	11,449	-	11,449
Other revenues:			
Penalty assessments	6,023	5,922	11,945
Miscellaneous	97,730	69,007	166,737
<b>Total Operating Revenues</b>	<u>1,400,892</u>	<u>1,290,518</u>	<u>2,691,410</u>
<b>Operating Expenses:</b>			
Operations and maintenance	422,914	278,330	701,244
Personnel costs	425,885	544,067	969,952
Administration	397,840	257,193	655,033
Depreciation	307,400	332,836	640,236
<b>Total Operating Expenses</b>	<u>1,554,039</u>	<u>1,412,426</u>	<u>2,966,465</u>
<b>Operating (Loss)</b>	<u>(153,147)</u>	<u>(121,908)</u>	<u>(275,055)</u>
<b>Non-operating Revenue (Expenses):</b>			
Investment income	3,838	7,483	11,321
Bad debt expense	(74,578)	-	(74,578)
Grants	112,880	-	112,880
<b>Total Non-operating     Revenue (Expenses)</b>	<u>42,140</u>	<u>7,483</u>	<u>49,623</u>
<b>(Loss) Before Contributions and Transfers</b>	(111,007)	(114,425)	(225,432)
Capital contributions, and tap fees	266,605	180,754	447,359
<b>Change in Net Position</b>	155,598	66,329	221,927
<b>Total Net Position - Beginning</b>	<u>10,703,281</u>	<u>9,959,797</u>	<u>20,663,078</u>
<b>Total Net Position - Ending</b>	<u>10,858,879</u>	<u>10,026,126</u>	<u>20,885,005</u>

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

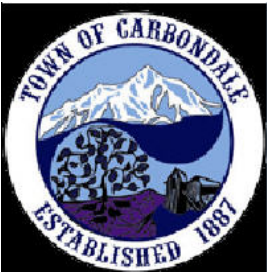


**Town of Carbondale, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers and others	1,290,780	1,212,121	2,502,901
Cash paid for goods, services and employees	(1,232,610)	(1,078,553)	(2,311,163)
Other cash receipts	97,927	69,007	166,934
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>156,097</u>	<u>202,575</u>	<u>358,672</u>
<b>Cash Flows From Capital Financing Activities:</b>			
Proceeds from tap and meter sales	168,464	154,719	323,183
Acquisition of capital assets	(566,371)	(43,917)	(610,288)
Proceeds from capital grants	93,786	-	93,786
<b>Net Cash Provided (Used) by Capital Financing Activities</b>	<u>(304,121)</u>	<u>110,802</u>	<u>(193,319)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	3,838	7,483	11,321
<b>Net Cash Provided by Investing Activities</b>	<u>3,838</u>	<u>7,483</u>	<u>11,321</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(144,186)	320,860	176,674
<b>Cash and Cash Equivalents - Beginning</b>	1,597,620	4,592,579	6,190,199
<b>Cash and Cash Equivalents - Ending</b>	<u>1,453,434</u>	<u>4,913,439</u>	<u>6,366,873</u>
<b>Reconciliation of Operating (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating (loss)	(153,147)	(121,908)	(275,055)
<b>Adjustments to reconcile operating (loss) to</b>			
<b>net cash provided (used) by operating activities:</b>			
Depreciation expense	307,400	332,836	640,236
(Increase) decrease in operating accounts receivable	(12,382)	(9,390)	(21,772)
(Increase) decrease in prepaid expense	(410)	-	(410)
Increase (decrease) in other liabilities	20,441	6,177	26,618
Increase (decrease) in compensated absences	(5,805)	(5,140)	(10,945)
<b>Total Adjustments</b>	<u>309,244</u>	<u>324,483</u>	<u>633,727</u>
<b>Net Cash Provided (Used) by</b>			
<b>Operating Activities</b>	<u>156,097</u>	<u>202,575</u>	<u>358,672</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**

**I. Summary of Significant Accounting Policies**

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

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

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

**A. Reporting Entity**

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

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

**1. Government-wide Financial Statements**

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

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

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

**2. Fund Financial Statements**

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

The Town reports the following major governmental funds:

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

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

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

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

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

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

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

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

**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, 2017**  
**(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, Cash Equivalents, and Investments**

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

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

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

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

**2. Restricted Assets**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

**3. Receivables**

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

**4. Property Taxes**

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

**5. Capital Assets**

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

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

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

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

**6. Compensated Absences**

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

**7. Bond Discount and Premium**

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

**8. Deferred Inflows of Resources**

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

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

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

The Town classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

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



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

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

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

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

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

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

*General Fund:*

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

*Special Revenue Funds:*

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

*Capital Projects Funds:*

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

*Debt Service Funds:*

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

**E. Significant Accounting Policies**

**1. Use of Estimates**

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

**2. Comparative Data**

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

**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 2017.

- (1) For the 2017 budget year, prior to August 25, 2016, 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, 2016, 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, 2016, 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, 2017**  
**(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 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year, supplemental appropriations were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. As a result of the supplementary budget appropriations, the 2017 appropriations were increase as follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General Fund	\$ 6,801,173	6,901,173
Sales and Use Tax Fund	3,999,102	4,399,102
CHA Housing Fund	23,000	38,000
Lodging Tax Fund	95,000	105,000
Victim Assistance Fund	16,000	17,000
Streetscape Capital Fund	504,000	554,000
1% of Arts Fund	2,000	3,000
Disposable Bag Fee Fund	20,000	27,000
Community Enhancement Fund	13,208	33,000

The Town's Sales and Use Tax Fund and Lodging Tax Fund had expenditures in excess of appropriations.

**B. TABOR Amendment**

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

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

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

**III. Detailed Notes on all Funds**

**A. Cash and Investments**

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

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's deposits was \$12,266,226.

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

<u>Type</u>	<u>Standard &amp; Poor's Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Petty cash	Not Rated	\$ 1,002	-	-
Checking	Not Rated	3,244,268	-	-
Certificates of deposit	Not Rated	99,782	99,782	-
Savings and money market	Not Rated	8,922,176	-	-
<i>Investments</i>				
COLOTRUST	AAAm	2,250,514	-	-
CSAFE	AAAm	1,021,708	-	-
		<u>\$ 15,539,450</u>	<u>99,782</u>	<u>-</u>

The Town had the following recurring measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
COLOTRUST	\$ 2,250,514
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
CSAFE	\$ 1,021,708

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

**A. Cash and Investments (continued)**

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

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

*Concentration of Credit Risk:* The Town places a 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.

**B. Receivables**

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

	<b>Recreation</b>							<b>Total</b>	
	<b>General</b>	<b>Sales and Use Tax</b>	<b>Sales and Use Tax</b>	<b>Streetscape</b>	<b>Lodging Tax</b>	<b>Disposable Bag Tax</b>	<b>Water</b>		<b>Wastewater</b>
Receivables:									
Taxes	\$293,044	-	-	209,917	-	-	-	-	502,961
Accounts	-	-	-	-	-	-	168,033	123,241	291,274
Other	334,581	50	-	-	9,830	2,848	-	-	347,309
Intergovernmental	58,879	85,165	437,075	1,189	-	-	19,094	-	601,402
Gross receivables	686,504	85,215	437,075	211,106	9,830	2,848	187,127	123,241	1,742,946
Less: allowance for uncollectible	-	-	-	-	-	-	74,578	-	74,578
<b>Net receivables</b>	<b>\$686,504</b>	<b>85,215</b>	<b>437,075</b>	<b>211,106</b>	<b>9,830</b>	<b>2,848</b>	<b>112,549</b>	<b>123,241</b>	<b>1,668,368</b>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$502,961 of unearned revenue for property taxes levied in 2017 but not available until 2018.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 4,745,343	-	-	4,745,343
Construction in progress	40,708	7,500	-	48,208
Total capital assets, not being depreciated	<u>4,786,051</u>	<u>7,500</u>	<u>-</u>	<u>4,793,551</u>
Capital assets, being depreciated:				
Infrastructure	9,786,669	594,591	-	10,381,260
Buildings	9,466,834	29,415	-	9,496,249
Improvements other than buildings	3,818,457	26,808	-	3,845,265
Vehicles	1,354,621	65,916	(45,370)	1,375,167
Equipment	2,291,225	24,252	-	2,315,477
Total capital assets being depreciated	<u>26,717,806</u>	<u>740,982</u>	<u>(45,370)</u>	<u>27,413,418</u>
Less accumulated depreciation for:				
Infrastructure	(2,302,114)	(349,725)	-	(2,651,839)
Buildings	(2,810,206)	(242,063)	-	(3,052,269)
Improvements other than buildings	(2,538,978)	(123,260)	-	(2,662,238)
Vehicles	(990,834)	(98,667)	45,370	(1,044,131)
Equipment	(1,841,093)	(67,146)	-	(1,908,239)
Total accumulated depreciation	<u>(10,483,225)</u>	<u>(880,861)</u>	<u>45,370</u>	<u>(11,318,716)</u>
Total capital assets, being depreciated, net	<u>16,234,581</u>	<u>(139,879)</u>	<u>-</u>	<u>16,094,702</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 21,020,632</u>	<u>(132,379)</u>	<u>-</u>	<u>20,888,253</u>

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**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

**C. Capital Assets (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 184,439	-	-	184,439
Water rights	356,945	-	-	356,945
Total capital assets, not being depreciated	<u>541,384</u>	<u>-</u>	<u>-</u>	<u>541,384</u>
Capital assets, being depreciated:				
Water/wastewater system and improvements	26,330,665	615,227	-	26,945,892
Buildings and improvements	774,550	-	-	774,550
Equipment	2,034,372	65,052	-	2,099,424
Total capital assets being depreciated	<u>29,139,587</u>	<u>680,279</u>	<u>-</u>	<u>29,819,866</u>
Less accumulated depreciation for:				
Water/wastewater system and improvements	(12,417,533)	(496,786)	-	(12,914,319)
Buildings and improvements	(390,116)	(24,286)	-	(414,402)
Equipment	(916,862)	(119,163)	-	(1,036,025)
Total accumulated depreciation	<u>(13,724,511)</u>	<u>(640,235)</u>	<u>-</u>	<u>(14,364,746)</u>
Total capital assets, being depreciated, net	<u>15,415,076</u>	<u>40,044</u>	<u>-</u>	<u>15,455,120</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 15,956,460</u>	<u>40,044</u>	<u>-</u>	<u>15,996,504</u>

Certain beginning balance amounts in both the Governmental and Business-type activities have been reclassified to conform to the 2017 presentation.

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

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
Governmental activities:		
General government	\$ -	281,167
Public safety	-	64,849
Public works, including infrastructure	706,252	285,149
Culture and recreation	42,230	249,696
<b>Total - governmental activities</b>	<u>\$ 748,482</u>	<u>880,861</u>
Business-type activities:		
Water	\$ 566,372	307,399
Wastewater	43,916	332,836
<b>Total - business-type activities</b>	<u>\$ 610,288</u>	<u>640,235</u>

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

The Town had the following interfund receivables or payables as of December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 322,760	-
Victim Assistance Fund	-	2,451
Capital Construction Fund	-	300,309
Sales and Use Tax Fund	-	20,000
<b>Total</b>	<u>\$ 322,760</u>	<u>322,760</u>

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

Transfers were as follows:

<u>Fund In (Out)</u>	<u>Amount</u>	<u>Reason</u>
General / (Sales and Use Tax)	\$ 4,213,500	Operating transfer
Capital Projects / (General)	675,000	To increase fund balance for Capital Projects
CHA Mortgage Fund / (General)	50,000	Affordable housing acquisition
Bond Fund / (Recreation Sales and Use Tax)	217,600	Debt service for 2004 and 2006 Sales and Use Tax bonds.

**E. Long-term Debt**

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

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

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

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



**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

**3. Advance Refunding**

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

**4. Schedule of Future Payment**

The Town's annual debt service is as follows:

<b>Year</b>	<b>Recreation Sales and Use Bonds Series 2004</b>	<b>Recreation Sales and Use Bonds Series 2006</b>	<b>Total</b>
2018	\$ 168,500	42,663	211,163
2019	172,860	46,238	219,098
2020	171,750	44,575	216,325
2021	170,000	42,913	212,913
2022	168,000	46,250	214,250
2023 - 2024	338,750	91,500	430,250
Total	1,189,860	314,139	1,503,999
Less: interest	(204,860)	(54,139)	(258,999)
Bonds outstanding	<u>\$ 985,000</u>	<u>260,000</u>	1,245,000
Add: Unamortized bond premium			1,196
Less: Unamortized bond discount			(692)
Total debt			<u>1,245,504</u>

**5. Compensated Absences**

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

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

**5. Compensated Absences (continued)**

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

**6. Tap Fees Agreement**

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

The Town agreed, under certain conditions, that fees collected to serve properties within RVR shall reimburse CRLP up to the amount of the Remaining Credit Earned. One of the conditions is that the term to repay the obligation shall not exceed eight years. If the Town has not reimbursed its obligation to CRLP in 2017, the amount owed under the obligation will be considered extinguished, and the Town will no longer be liable for the obligation under the Agreement. The remaining obligation at December 31, 2017 is \$1,648,762, which will be recognized as debt forgiveness in 2018.

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

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	<b>Balance 1/1/17</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance 12/31/17</b>	<b>Due in One Year</b>
<b>Governmental Activities:</b>					
Series 2004 Bonds	\$ 1,100,000	-	(115,000)	985,000	120,000
Series 2006 Bonds	290,000	-	(30,000)	260,000	30,000
Compensated absences	316,633	-	(3,912)	312,721	9,382
<b>Business-Type Activities:</b>					
Compensated absences	47,416	-	(10,944)	36,472	1,094
Reimbursable prepaid tap fees	1,702,947	-	(54,185)	1,648,762	-
<b>Total</b>	<b>\$ 3,456,996</b>	<b>-</b>	<b>(214,041)</b>	<b>3,242,955</b>	<b>160,476</b>

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

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

**F. Fund Balance**

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

	<b>General</b>	<b>Recreation Sales and Use Tax</b>	<b>Sales and Use Tax</b>	<b>Streetscape</b>	<b>Development Dedication</b>	<b>Capital Projects</b>	<b>Conservation Trust</b>	<b>Victims Assistance</b>
Nonspendable:								
Prepaid expenses	\$ 95,380	-	-	-	-	-	-	-
Inventory	3,115	-	-	-	-	-	-	-
Economic development	15,720	-	-	-	-	-	-	-
<b>Total Nonspendable:</b>	<b>114,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Restricted:								
Constitutionally required emergency reserve	243,000	-	-	-	-	-	-	-
Capital projects	-	-	443,264	-	-	-	-	-
Community enhancement	-	-	-	558,020	-	-	-	-
Culture and recreation	-	1,152,124	-	-	-	-	120,415	-
Tree funding	25,931	-	-	-	-	-	-	-
<b>Total Restricted:</b>	<b>268,931</b>	<b>1,152,124</b>	<b>443,264</b>	<b>558,020</b>	<b>-</b>	<b>-</b>	<b>120,415</b>	<b>-</b>
Committed:								
General operating	-	-	-	-	347,421	-	-	-
Parking	40,700	-	-	-	-	-	-	-
<b>Total Committed:</b>	<b>40,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347,421</b>	<b>-</b>	<b>-</b>	<b>-</b>
Assigned:								
Town Manger contract	65,564	-	-	-	-	-	-	-
Economic development	139,384	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	649,014	-	-
<b>Total Assigned:</b>	<b>204,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>649,014</b>	<b>-</b>	<b>-</b>
	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	<b>Lodging Tax</b>	<b>1% of Arts</b>	<b>Efficient Building</b>	<b>Disposable Bag Tax</b>	<b>Bond</b>	<b>Bond Reserve</b>
Restricted:								
Culture and recreation	-	13,528	10,727	-	-	-	-	-
Debt service	-	-	-	-	-	-	38,514	173,618
<b>Total Restricted:</b>	<b>-</b>	<b>13,528</b>	<b>10,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,514</b>	<b>173,618</b>
Committed:								
Community enhancement	-	-	-	17,207	-	-	-	-
Affordable housing	369,821	-	-	-	-	-	-	-
Efficient building	-	-	-	-	8,268	-	-	-
Education and awareness	-	-	-	-	-	34,516	-	-
<b>Total Committed:</b>	<b>369,821</b>	<b>-</b>	<b>-</b>	<b>17,207</b>	<b>8,268</b>	<b>34,516</b>	<b>-</b>	<b>-</b>

As of December 31, 2017, the Victims Assistance Fund had a deficit fund balance of \$2,451.

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

**IV. Other Information**

**A. Benefits**

The Town has established three 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 AXA Equitable Life Insurance Company.

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

The Town contributes 5% of the employees' compensation to this plan. The Town's contributions vest 40% after two years, the vesting percentage increases 20% each year thereafter, and becomes fully vested after five years. Forfeitures may first be used to pay administrative expenses of the plan, with any remainder being applied to reduce the Town's contributions.

The Town's current year covered payroll was \$5,895,630 and current year total payroll was \$3,989,018. For 2017, the Town's expense to the plan was \$170,130, which consisted of the Town's required and actual contributions of \$176,869 net of \$6,739 applied forfeitures. There was no outstanding liability to the plan at December 31, 2017.

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

**IV. Other Information (continued)**

**A. Benefits (continued)**

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

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

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

Employees contribute 8% and the Town contributes 8% of the employee's annual salary. Employee contributions are 100% vested when paid. The Town's contributions vest 20% after one year, the vesting percentage increases 20% each year thereafter, and becomes fully vested after five years. Forfeitures may first be used to pay administrative expenses of the plan, with any remainder being applied to reduce the Town's contributions.

The Town's current year covered payroll was \$974,408 and current year total payroll was \$1,044,536. For 2017, the Town's expense to the plan was \$74,094, which consists of the Town's required and actual contributions of \$77,953, net of \$3,859 applied forfeitures. There was no outstanding liability to the plan at December 31, 2017.

**B. Commitments and Contingencies - Landfill**

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

**C. Risk Management**

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

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

**Town of Carbondale, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**  
**(Continued)**

**IV. Other Information (continued)**

**C. Risk Management (continued)**

The Town's share of assets, liabilities and fund equity as of December 31, 2017, the latest date for which information is available, is as follows:

<b>Property and Casualty Pool:</b>	<b>%</b>
Loss fund	0.862%
Pooled excess fund	0.609%

The December 31, 2017, combined financial information is as follows:

Cash and investments	\$ 79,928,631
Other assets	7,839,652
<b>Total</b>	<b><u>\$ 87,768,283</u></b>
Liabilities	\$ 33,977,576
Members fund balance	53,790,707
<b>Total</b>	<b><u>\$ 87,768,283</u></b>
Total revenue	\$ 26,784,613
Total expense	(23,649,283)
<b>Excess of Revenue Over Expense</b>	<b><u>\$ 3,135,330</u></b>

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, 2017, the Town does not expect to incur losses in excess of the above coverage.

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

**D. Lease Agreements**

**1. Operating Leases**

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

**2. Building Lease**

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

**REQUIRED SUPPLEMENTARY INFORMATION**



**Town of Carbondale, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Taxes	616,991	616,991	651,519	34,528	655,847
Licenses and permits	154,800	154,800	212,072	57,272	210,566
Intergovernmental	602,031	602,031	765,191	163,160	680,093
Charges for services	142,750	142,750	193,583	50,833	186,558
Fines and forfeitures	46,000	46,000	67,703	21,703	63,133
Investment income	12,000	12,000	33,163	21,163	22,159
Administrative charges	408,400	408,400	408,400	-	408,400
Developer reimbursable	85,000	85,000	26,393	(58,607)	57,554
Other	106,500	106,500	234,215	127,715	237,465
<b>Total Revenues</b>	<u>2,174,472</u>	<u>2,174,472</u>	<u>2,592,239</u>	<u>417,767</u>	<u>2,521,775</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Attorney	125,000	125,000	91,495	33,505	134,188
Municipal elections	8,550	8,550	557	7,993	12,128
Trustees	113,008	113,008	98,482	14,526	128,340
Municipal Court	42,199	42,199	46,141	(3,942)	42,386
Town Manager	317,355	317,355	336,001	(18,646)	298,604
Administrative services	399,783	399,783	374,592	25,191	368,375
Finance and records	324,798	364,798	343,347	21,451	305,471
Planning	354,678	354,678	287,698	66,980	297,494
Data processing	68,950	68,950	68,718	232	48,962
Building operations	81,869	131,869	114,854	17,015	69,545
Motor pool	230,899	230,899	211,499	19,400	224,271
Economic development	21,500	21,500	20,921	579	26,536
Sales tax administration	44,379	44,379	30,822	13,557	39,591
Affordable housing	30,000	30,000	28,000	2,000	28,000
<b>Total General Government</b>	<u>2,162,968</u>	<u>2,252,968</u>	<u>2,053,127</u>	<u>199,841</u>	<u>2,023,891</u>
<b>Public Safety:</b>					
Police department	1,590,917	1,600,917	1,622,432	(21,515)	1,517,581
Communications	38,000	38,000	37,328	672	54,726
Building inspection	179,205	179,205	172,193	7,012	166,516
Ordinance control	94,419	94,419	91,261	3,158	84,902
<b>Total Public Safety</b>	<u>1,902,541</u>	<u>1,912,541</u>	<u>1,923,214</u>	<u>(10,673)</u>	<u>1,823,725</u>
<b>Public Works:</b>					
Streets, alleys, snow removal	755,787	755,787	651,803	103,984	674,239
Public works administration	207,219	207,219	217,177	(9,958)	312,135
<b>Total Public Works</b>	<u>963,006</u>	<u>963,006</u>	<u>868,980</u>	<u>94,026</u>	<u>986,374</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, 2017**  
**(With Comparative Totals For 2016)**  
**(Continued)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures (continued):</b>					
<b>Culture and Recreation:</b>					
Recreation	452,535	452,535	411,170	41,365	376,653
Parks and cemetery	432,996	432,996	404,613	28,383	404,719
RV park	38,827	38,827	40,982	(2,155)	32,335
Boat ramp	4,800	4,800	5,955	(1,155)	-
Community affairs	70,500	70,500	59,205	11,295	62,000
<b>Total Culture and Recreation</b>	<u>999,658</u>	<u>999,658</u>	<u>921,925</u>	<u>77,733</u>	<u>875,707</u>
<b>Other:</b>					
Environmental health and recycling	48,000	48,000	41,149	6,851	44,528
<b>Total Other</b>	<u>48,000</u>	<u>48,000</u>	<u>41,149</u>	<u>6,851</u>	<u>44,528</u>
<b>Total Expenditures</b>	<u>6,076,173</u>	<u>6,176,173</u>	<u>5,808,395</u>	<u>367,778</u>	<u>5,754,225</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(3,901,701)	(4,001,701)	(3,216,156)	785,545	(3,232,450)
<b>Other Financing Sources (Uses):</b>					
Sale of fixed assets	10,000	10,000	18,230	8,230	4,883
Transfers (out)	(725,000)	(725,000)	(725,000)	-	(1,075,000)
Transfers in	4,117,102	4,117,102	4,213,500	96,398	4,138,100
<b>Total Other Financing Sources (Uses)</b>	<u>3,402,102</u>	<u>3,402,102</u>	<u>3,506,730</u>	<u>104,628</u>	<u>3,067,983</u>
<b>Net Change in Fund Balance</b>	<u>(499,599)</u>	<u>(599,599)</u>	290,574	<u>890,173</u>	(164,467)
<b>Fund Balance - Beginning</b>			5,473,568		5,638,035
<b>Fund Balance - Ending</b>			<u>5,764,142</u>		<u>5,473,568</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, 2017**  
**(With Comparative Totals For 2016)**

	<b>2017</b>			<b>Final Budget Variance Positive (Negative)</b>	<b>2016</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Sales tax revenue	558,033	558,033	615,920	57,887	563,977
Use tax - motor vehicle	42,800	42,800	75,361	32,561	73,996
Use tax - building permits	46,414	46,414	25,419	(20,995)	29,632
Investment income	1,000	1,000	2,732	1,732	1,465
Intergovernmental	73,900	73,900	96,213	22,313	40,250
Charges for services	319,000	319,000	374,592	55,592	349,431
Other income	40,500	40,500	43,996	3,496	40,592
<b>Total Revenues</b>	<u>1,081,647</u>	<u>1,081,647</u>	<u>1,234,233</u>	<u>152,586</u>	<u>1,099,343</u>
<b>Expenditures:</b>					
Pool	11,700	11,700	16,337	(4,637)	849
Park improvements	8,000	8,000	2,165	5,835	15,995
Trail improvements	2,000	2,000	9,087	(7,087)	5,000
Riding area and building	50,900	50,900	21,833	29,067	61,954
Salaries and benefits	531,868	531,868	470,707	61,161	482,795
Park and recreation facilities	310,437	310,437	281,962	28,475	373,552
Master plan	-	-	35	(35)	-
<b>Total Expenditures</b>	<u>914,905</u>	<u>914,905</u>	<u>802,126</u>	<u>112,779</u>	<u>940,145</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	166,742	166,742	432,107	265,365	159,198
<b>Other Financing Sources (Uses):</b>					
Operating transfers (out)	(217,600)	(217,600)	(217,600)	-	(217,600)
<b>Total Other Financing Sources (Uses)</b>	<u>(217,600)</u>	<u>(217,600)</u>	<u>(217,600)</u>	<u>-</u>	<u>(217,600)</u>
<b>Net Change in Fund Balance</b>	<u>(50,858)</u>	<u>(50,858)</u>	214,507	<u>265,365</u>	(58,402)
<b>Fund Balance - Beginning</b>			<u>937,617</u>		<u>996,019</u>
<b>Fund Balance - Ending</b>			<u>1,152,124</u>		<u>937,617</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Sales tax	3,399,102	3,399,102	3,642,412	243,310	3,399,986
Use tax - motor vehicle	350,000	350,000	452,006	102,006	404,970
Use tax - building permits	250,000	250,000	152,463	(97,537)	177,727
<b>Total Revenues</b>	<u>3,999,102</u>	<u>3,999,102</u>	<u>4,246,881</u>	<u>247,779</u>	<u>3,982,683</u>
<b>Expenditures:</b>					
Miscellaneous	7,000	7,000	8,782	(1,782)	8,746
<b>Total Expenditures</b>	<u>7,000</u>	<u>7,000</u>	<u>8,782</u>	<u>(1,782)</u>	<u>8,746</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	3,992,102	3,992,102	4,238,099	245,997	3,973,937
<b>Other Financing (Uses):</b>					
Operating transfers (out)	(3,992,102)	(4,392,102)	(4,213,500)	178,602	(4,003,100)
<b>Total Other Financing (Uses)</b>	<u>(3,992,102)</u>	<u>(4,392,102)</u>	<u>(4,213,500)</u>	<u>178,602</u>	<u>(4,003,100)</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(400,000)</u>	24,599	<u>424,599</u>	(29,163)
<b>Fund Balance - Beginning</b>			418,665		447,828
<b>Fund Balance - Ending</b>			<u>443,264</u>		<u>418,665</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Property tax	195,581	195,581	196,330	749	191,613
Specific ownership tax	8,200	8,200	15,094	6,894	9,282
Delinquent tax and interest	72	72	464	392	214
<b>Total Revenues</b>	<u>203,853</u>	<u>203,853</u>	<u>211,888</u>	<u>8,035</u>	<u>201,109</u>
<b>Expenditures:</b>					
Treasurer fee	4,000	4,000	3,936	64	3,836
Streetscape improvements	500,000	550,000	462,636	87,364	46,628
<b>Total Expenditures</b>	<u>504,000</u>	<u>554,000</u>	<u>466,572</u>	<u>87,428</u>	<u>50,464</u>
<b>Net Change in Fund Balance</b>	<u>(300,147)</u>	<u>(350,147)</u>	(254,684)	<u>95,463</u>	150,645
<b>Fund Balance - Beginning</b>			<u>812,704</u>		<u>662,059</u>
<b>Fund Balance - Ending</b>			<u>558,020</u>		<u>812,704</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Development Dedication Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
General development fee	24,000	24,000	34,824	10,824	39,548
Investment income	100	100	80	(20)	61
<b>Total Revenues</b>	<u>24,100</u>	<u>24,100</u>	<u>34,904</u>	<u>10,804</u>	<u>39,609</u>
<b>Expenditures:</b>					
Reserve	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	24,100	24,100	34,904	10,804	39,609
<b>Other Financing Sources (Uses):</b>					
Operating transfers (out)	(135,000)	(135,000)	-	135,000	(135,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>	<u>135,000</u>	<u>(135,000)</u>
<b>Net Change in Fund Balance</b>	<u>(110,900)</u>	<u>(110,900)</u>	34,904	<u>145,804</u>	(95,391)
<b>Fund Balance - Beginning</b>			<u>312,517</u>		<u>407,908</u>
<b>Fund Balance - Ending</b>			<u>347,421</u>		<u>312,517</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Investment income	-	-	91	91	83
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>	<u>83</u>
<b>Expenditures:</b>					
Property acquisition	-	-	7,500	(7,500)	5,000
Highway 133	170,000	170,000	132,278	37,722	144,050
Construction	93,000	93,000	87,030	5,970	48,201
Street resurfacing	212,500	212,500	193,645	18,855	144,567
Landfill reclamation	50,000	50,000	54,996	(4,996)	6,025
Vehicles	91,000	91,000	84,373	6,627	68,068
<b>Total Expenditures</b>	<u>616,500</u>	<u>616,500</u>	<u>559,822</u>	<u>56,678</u>	<u>415,911</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(616,500)	(616,500)	(559,731)	56,769	(415,828)
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	675,000	675,000	675,000	-	1,075,000
<b>Total Other Financing Sources (Uses)</b>	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>-</u>	<u>1,075,000</u>
<b>Net Change in Fund Balance</b>	<u>58,500</u>	<u>58,500</u>	115,269	<u>56,769</u>	659,172
<b>Fund Balance - Beginning</b>			<u>533,745</u>		<u>(125,427)</u>
<b>Fund Balance - Ending</b>			<u>649,014</u>		<u>533,745</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, 2017  
(With Comparative Totals For 2016)

	Water Fund				Wastewater Fund					
	2017	2016			2017	2016				
	Original Budget	Original and Final Budget	Actual	Variance Positive (Negative)	Actual	Original Budget	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>										
<b>Charges for services:</b>										
Sale of meters	15,000	15,000	11,449	(3,551)	15,350	-	-	-	-	-
Service fees	1,112,200	1,112,200	1,285,690	173,490	1,192,731	1,241,950	1,241,950	1,215,589	(26,361)	1,193,966
Penalty assessments	7,650	7,650	6,023	(1,627)	8,581	3,350	3,350	5,922	2,572	7,786
Miscellaneous	14,300	14,300	97,730	83,430	26,194	70,000	70,000	69,007	(993)	79,058
<b>Total Revenues</b>	<u>1,149,150</u>	<u>1,149,150</u>	<u>1,400,892</u>	<u>251,742</u>	<u>1,242,856</u>	<u>1,315,300</u>	<u>1,315,300</u>	<u>1,290,518</u>	<u>(24,782)</u>	<u>1,280,810</u>
<b>Operating Expenses:</b>										
Operations and maintenance	177,485	177,485	226,459	(48,974)	162,576	254,055	254,055	260,441	(6,386)	267,143
Personnel costs	508,041	508,041	425,885	82,156	384,971	457,363	457,363	544,067	(86,704)	532,129
Administration	484,074	484,074	397,840	86,234	359,452	247,130	247,130	257,193	(10,063)	231,183
Capital outlay	959,400	959,400	762,827	196,573	262,434	565,600	565,600	61,805	503,795	416,671
<b>Total operating expenses</b>	<u>2,129,000</u>	<u>2,129,000</u>	<u>1,813,011</u>	<u>315,989</u>	<u>1,169,433</u>	<u>1,524,148</u>	<u>1,524,148</u>	<u>1,123,506</u>	<u>400,642</u>	<u>1,447,126</u>
<b>Operating Income (Loss) Budget Basis</b>	(979,850)	(979,850)	(412,119)	567,731	73,423	(208,848)	(208,848)	167,012	375,860	(166,316)
<b>Non-operating revenues (expenses):</b>										
Investment income	2,000	2,000	3,838	1,838	2,555	8,000	8,000	7,483	(517)	6,186
Reimbursed prepaid tap fees	-	-	(28,150)	(28,150)	(33,746)	-	-	(26,035)	(26,035)	(35,198)
Grant revenue	118,153	118,153	112,880	(5,273)	87,606	-	-	-	-	-
<b>Total non-operating revenues (expenses):</b>	<u>120,153</u>	<u>120,153</u>	<u>88,568</u>	<u>(31,585)</u>	<u>56,415</u>	<u>8,000</u>	<u>8,000</u>	<u>(18,552)</u>	<u>(26,552)</u>	<u>(29,012)</u>
<b>Capital contributions</b>	124,000	124,000	196,614	72,614	170,057	130,000	130,000	180,754	50,754	168,138
<b>Excess (Deficiency) of Revenues Over Expenditures Budget (Non-GAAP) Basis</b>	<u>(735,697)</u>	<u>(735,697)</u>	<u>(126,937)</u>	<u>608,760</u>	<u>299,895</u>	<u>(70,848)</u>	<u>(70,848)</u>	<u>329,214</u>	<u>400,062</u>	<u>(27,190)</u>
<b>Reconciliation to GAAP Basis:</b>										
Capitalized assets			566,372		83,033			43,916		399,299
Contributed capital assets			69,991		-			-		-
Reimbursed prepaid tap fees			28,150		33,746			26,035		35,198
Bad debt expense			(74,578)		-			-		-
Depreciation			(307,400)		(292,283)			(332,836)		(315,593)
Loss on disposal of capital assets			-		(2,231)			-		(171)
<b>Net Income - GAAP Basis</b>			<u>155,598</u>		<u>122,160</u>			<u>66,329</u>		<u>91,543</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, 2017**

	<u>Special Revenue</u>					<b>Sub-total Non-Major Governmental Funds</b>
	<b>Conservation Trust</b>	<b>Victims Assistance</b>	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	<b>Lodging Tax</b>	
<b>Assets:</b>						
Cash and investments - Unrestricted	120,415	-	376,191	13,528	8,294	518,428
Receivables, net of allowance for uncollectibles	-	-	-	-	9,829	9,829
<b>Total Assets</b>	<u>120,415</u>	<u>-</u>	<u>376,191</u>	<u>13,528</u>	<u>18,123</u>	<u>528,257</u>
<b>Liabilities:</b>						
Accounts/vouchers payable	-	-	1,370	-	7,396	8,766
Other liabilities	-	-	5,000	-	-	5,000
Due to other funds	-	2,451	-	-	-	2,451
<b>Total Liabilities</b>	<u>-</u>	<u>2,451</u>	<u>6,370</u>	<u>-</u>	<u>7,396</u>	<u>16,217</u>
<b>Fund Balance:</b>						
Restricted	120,415	-	-	13,528	10,727	144,670
Committed	-	-	369,821	-	-	369,821
Unassigned	-	(2,451)	-	-	-	(2,451)
<b>Total Fund Balance</b>	<u>120,415</u>	<u>(2,451)</u>	<u>369,821</u>	<u>13,528</u>	<u>10,727</u>	<u>512,040</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>120,415</u>	<u>-</u>	<u>376,191</u>	<u>13,528</u>	<u>18,123</u>	<u>528,257</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, 2017  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-Major Governmental Funds	Total Non-Major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
<b>Assets:</b>							
Cash and investments - Unrestricted	17,207	8,268	31,668	38,814	173,618	518,428	788,003
Receivables, net of allowance for uncollectibles	-	-	2,848	-	-	9,829	12,677
<b>Total Assets</b>	<u>17,207</u>	<u>8,268</u>	<u>34,516</u>	<u>38,814</u>	<u>173,618</u>	<u>528,257</u>	<u>800,680</u>
<b>Liabilities:</b>							
Accounts/vouchers payable	-	-	-	300	-	8,766	9,066
Other liabilities	-	-	-	-	-	5,000	5,000
Due to other funds	-	-	-	-	-	2,451	2,451
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>16,217</u>	<u>16,517</u>
<b>Fund Balance:</b>							
Restricted	-	-	-	38,514	173,618	144,670	356,802
Committed	17,207	8,268	34,516	-	-	369,821	429,812
Unassigned	-	-	-	-	-	(2,451)	(2,451)
<b>Total Fund Balance</b>	<u>17,207</u>	<u>8,268</u>	<u>34,516</u>	<u>38,514</u>	<u>173,618</u>	<u>512,040</u>	<u>784,163</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>17,207</u>	<u>8,268</u>	<u>34,516</u>	<u>38,814</u>	<u>173,618</u>	<u>528,257</u>	<u>800,680</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 Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2017**

	<b>Special Revenue</b>					<b>Sub-total Non-major Governmental Funds</b>
	<b>Conservation Trust</b>	<b>Victims Assistance</b>	<b>CHA Mortgage</b>	<b>Community Enhancement</b>	<b>Lodging Tax</b>	
<b>Revenues:</b>						
Taxes	-	-	11,790	-	122,056	133,846
Intergovernmental revenue	65,861	-	-	-	-	65,861
Fines and forfeitures	-	14,631	-	-	-	14,631
Investment income	15	-	-	-	-	15
Miscellaneous	-	-	54,128	6,516	-	60,644
<b>Total Revenues</b>	<u>65,876</u>	<u>14,631</u>	<u>65,918</u>	<u>6,516</u>	<u>122,056</u>	<u>274,997</u>
<b>Expenditures:</b>						
General government	-	-	30,374	-	-	30,374
Public safety	-	16,715	-	-	-	16,715
Culture and recreation	51,515	-	-	-	120,413	171,928
<b>Total Expenditures</b>	<u>51,515</u>	<u>16,715</u>	<u>30,374</u>	<u>-</u>	<u>120,413</u>	<u>219,017</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	14,361	(2,084)	35,544	6,516	1,643	55,980
<b>Other Financing Sources (Uses):</b>						
Operating transfers in	-	-	50,000	-	-	50,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<b>Net Change in Fund Balance</b>	14,361	(2,084)	85,544	6,516	1,643	105,980
<b>Fund Balance - Beginning</b>	<u>106,054</u>	<u>(367)</u>	<u>284,277</u>	<u>7,012</u>	<u>9,084</u>	<u>406,060</u>
<b>Fund Balance - Ending</b>	<u>120,415</u>	<u>(2,451)</u>	<u>369,821</u>	<u>13,528</u>	<u>10,727</u>	<u>512,040</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 Balances  
Non-Major Governmental Funds  
For the Year Ended December 31, 2017  
(Continued)

	Special Revenue			Debt Service		Sub-total Non-major Governmental Funds	Total Non-major Governmental Funds
	1% of Arts	Efficient Building	Disposable Bag Tax	Bond	Bond Reserve		
<b>Revenues:</b>							
Taxes	-	-	19,732	-	-	133,846	153,578
Intergovernmental revenue	-	-	-	-	-	65,861	65,861
Fines and forfeitures	-	-	-	-	-	14,631	14,631
Investment income	-	-	-	-	-	15	15
Miscellaneous	3,100	-	-	-	-	60,644	63,744
<b>Total Revenues</b>	3,100	-	19,732	-	-	274,997	297,829
<b>Expenditures:</b>							
General government	-	-	25,241	300	-	30,374	55,915
Public safety	-	-	-	-	-	16,715	16,715
Culture and recreation	3,000	-	-	-	-	171,928	174,928
Debt service:							
Principal	-	-	-	145,000	-	-	145,000
Interest	-	-	-	67,993	-	-	67,993
<b>Total Expenditures</b>	3,000	-	25,241	213,293	-	219,017	460,551
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	100	-	(5,509)	(213,293)	-	55,980	(162,722)
<b>Other Financing Sources (Uses):</b>							
Operating transfers in	-	-	-	217,600	-	50,000	267,600
<b>Total Other Financing Sources (Uses)</b>	-	-	-	217,600	-	50,000	267,600
<b>Net Change in Fund Balance</b>	100	-	(5,509)	4,307	-	105,980	104,878
<b>Fund Balance - Beginning</b>	17,107	8,268	40,025	34,207	173,618	406,060	679,285
<b>Fund Balance - Ending</b>	17,207	8,268	34,516	38,514	173,618	512,040	784,163

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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Intergovernmental revenue	65,000	65,000	65,861	861	73,118
Investment income	10	10	15	5	142
<b>Total Revenues</b>	<u>65,010</u>	<u>65,010</u>	<u>65,876</u>	<u>866</u>	<u>73,260</u>
<b>Expenditures:</b>					
Personnel	70,799	70,799	43,317	27,482	41,255
Park maintenance	21,000	21,000	8,198	12,802	10,367
Equipment	-	-	-	-	5,704
<b>Total Expenditures</b>	<u>91,799</u>	<u>91,799</u>	<u>51,515</u>	<u>40,284</u>	<u>57,326</u>
<b>Net Change in Fund Balance</b>	<u>(26,789)</u>	<u>(26,789)</u>	14,361	<u>41,150</u>	15,934
<b>Fund Balance - Beginning</b>			<u>106,054</u>		<u>90,120</u>
<b>Fund Balance - Ending</b>			<u>120,415</u>		<u>106,054</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<u>2016</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Fines and surcharge	12,000	12,000	14,631	2,631	12,202
<b>Total Revenues</b>	<u>12,000</u>	<u>12,000</u>	<u>14,631</u>	<u>2,631</u>	<u>12,202</u>
<b>Expenditures:</b>					
Victim's assistance	8,500	8,500	8,500	-	8,000
Police training	7,500	8,500	8,215	285	7,464
<b>Total Expenditures</b>	<u>16,000</u>	<u>17,000</u>	<u>16,715</u>	<u>285</u>	<u>15,464</u>
<b>Net Change in Fund Balance</b>	<u>(4,000)</u>	<u>(5,000)</u>	(2,084)	<u>2,916</u>	(3,262)
<b>Fund Balance - Beginning</b>			(367)		2,895
<b>Fund Balance - Ending</b>			<u>(2,451)</u>		<u>(367)</u>

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**CHA Mortgage Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2017**  
**(With Comparative Totals For 2016)**

	<b>2017</b>			<b>Final Budget Variance Positive (Negative)</b>	<b>2016</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Real estate transfer assessment	-	-	11,790	11,790	19,130
Lease income	46,800	46,800	54,120	7,320	52,445
<b>Total Revenues</b>	<u>46,800</u>	<u>46,800</u>	<u>65,918</u>	<u>19,118</u>	<u>71,575</u>
<b>Expenditures:</b>					
Other expense	8,000	8,000	2,336	5,664	6,140
Grant expense	15,000	30,000	28,038	1,962	-
<b>Total Expenditures</b>	<u>23,000</u>	<u>38,000</u>	<u>30,374</u>	<u>7,626</u>	<u>6,140</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	23,800	8,800	35,544	26,744	65,435
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	50,000	50,000	50,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>73,800</u>	<u>58,800</u>	85,544	<u>26,744</u>	65,435
<b>Fund Balance - Beginning</b>			<u>284,277</u>		<u>218,842</u>
<b>Fund Balance - Ending</b>			<u>369,821</u>		<u>284,277</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Community enhancement	6,100	6,100	6,516	416	6,242
<b>Total Revenues</b>	<u>6,100</u>	<u>6,100</u>	<u>6,516</u>	<u>416</u>	<u>6,242</u>
<b>Expenditures:</b>					
Community projects	13,208	33,000	-	33,000	-
<b>Total Expenditures</b>	<u>13,208</u>	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(7,108)</u>	<u>(26,900)</u>	6,516	<u>33,416</u>	6,242
<b>Fund Balance - Beginning</b>			<u>7,012</u>		<u>770</u>
<b>Fund Balance - Ending</b>			<u>13,528</u>		<u>7,012</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Lodging tax	95,000	95,000	122,056	27,056	100,085
<b>Total Revenues</b>	<u>95,000</u>	<u>95,000</u>	<u>122,056</u>	<u>27,056</u>	<u>100,085</u>
<b>Expenditures:</b>					
Chamber of Commerce	95,000	105,000	120,413	(15,413)	99,477
<b>Total Expenditures</b>	<u>95,000</u>	<u>105,000</u>	<u>120,413</u>	<u>(15,413)</u>	<u>99,477</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(10,000)</u>	1,643	<u>11,643</u>	608
<b>Fund Balance - Beginning</b>			<u>9,084</u>		<u>8,476</u>
<b>Fund Balance - Ending</b>			<u>10,727</u>		<u>9,084</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, 2017**  
**(With Comparative Totals For 2016)**

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Miscellaneous	2,000	2,000	3,100	1,100	13,279
<b>Total Revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>3,100</u>	<u>1,100</u>	<u>13,279</u>
<b>Expenditures:</b>					
Reserve	2,000	3,000	3,000	-	20,365
<b>Total Expenditures</b>	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>20,365</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(1,000)</u>	100	<u>1,100</u>	(7,086)
<b>Fund Balance - Beginning</b>			<u>17,107</u>		<u>24,193</u>
<b>Fund Balance - Ending</b>			<u>17,207</u>		<u>17,107</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, 2017**  
**(With Comparative Totals For 2016)**

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Expenditures:</b>					
Building inspection	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-	-	-
<b>Fund Balance - Beginning</b>			8,268		8,268
<b>Fund Balance - Ending</b>			8,268		8,268

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

**Town of Carbondale, Colorado**  
**Special Revenue Funds**  
**Disposable Bag Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**For the Year Ended December 31, 2017**  
**(With Comparative Totals For 2016)**

	2017			Final Budget Variance Positive (Negative)	2016
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Taxes	18,000	18,000	19,732	1,732	18,754
<b>Total Revenues</b>	<u>18,000</u>	<u>18,000</u>	<u>19,732</u>	<u>1,732</u>	<u>18,754</u>
<b>Expenditures:</b>					
Miscellaneous	20,000	27,000	25,241	1,759	12,163
<b>Total Expenditures</b>	<u>20,000</u>	<u>27,000</u>	<u>25,241</u>	<u>1,759</u>	<u>12,163</u>
<b>Net Change in Fund Balance</b>	<u>(2,000)</u>	<u>(9,000)</u>	(5,509)	<u>3,491</u>	6,591
<b>Fund Balance - Beginning</b>			40,025		33,434
<b>Fund Balance - Ending</b>			<u>34,516</u>		<u>40,025</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2016</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Investment income	-	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Bond principal	145,000	145,000	145,000	-	140,000
Bond interest	67,993	67,993	67,993	-	74,513
Agents fee	1,000	1,000	300	700	599
<b>Total Expenditures</b>	<u>213,993</u>	<u>213,993</u>	<u>213,293</u>	<u>700</u>	<u>215,112</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(213,993)	(213,993)	(213,293)	700	(215,112)
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	217,600	217,600	217,600	-	217,600
<b>Total Other Financing Sources (Uses)</b>	<u>217,600</u>	<u>217,600</u>	<u>217,600</u>	<u>-</u>	<u>217,600</u>
<b>Net Change in Fund Balance</b>	<u>3,607</u>	<u>3,607</u>	4,307	<u>700</u>	2,488
<b>Fund Balance - Beginning</b>			<u>34,207</u>		<u>31,719</u>
<b>Fund Balance - Ending</b>			<u>38,514</u>		<u>34,207</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, 2017**  
**(With Comparative Totals For 2016)**

	<u>2017</u>			<u>2016</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Investment income	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	-	<u>-</u>	-
<b>Fund Balance - Beginning</b>			<u>173,618</u>		<u>173,618</u>
<b>Fund Balance - Ending</b>			<u>173,618</u>		<u>173,618</u>

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

**ANNUAL HIGHWAY FINANCE REPORT**



# ANNUAL HIGHWAY FINANCE REPORT - CY17

## Steps for editing and printing your content

1. Enter your email and select your City or County from the list below.
2. Click on "Start" to edit/update your data.
3. Click on "Save" at the bottom of the form to save your work.
4. Click on "Print Mode" at the bottom of the form to view your work in a read only more printer friendly format.
5. Click on "Edit Mode" at the bottom of the form to return to editing your work.
6. Save any changes that are made using the "Save" button.

Your Email Address:

Select City:

## II - RECEIPTS FOR ROAD AND STREET PURPOSES

**Please no commas or dollar signs for the input**

### A. Receipts from local sources

2. General Fund Appropriations:	\$	<input type="text" value="1341715.00"/>
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	<input type="text" value="561,113.00"/>
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	<input type="text" value="54,115.00"/>
5. Transfers from toll facilities	\$	<input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	<input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$	<input type="text" value="0.00"/>
c. Notes:	\$	<input type="text" value="0.00"/>

SubTotal: \$

### B. Private Contributions

\$

## II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)



Please no commas or dollar signs for the input

### A.3. Other local imposts

a. Property Taxes and Assessments	\$	401887.00
b. Other Local Imposts		
1. Sales Taxes:	\$	128328.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	30898.00
Total: (a + b) carried to 'Other local imposts' above		\$ 561,113.00

### A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	3338.00
b. Traffic fines & Penalties:	\$	50777.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 54,115.00

### C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	181687.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	24033.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 205,720.00

### D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies		
a. Forest Service:	\$	0.00

b. FEMA:	\$	<input type="text" value="0.00"/>
c. HUD:	\$	<input type="text" value="0.00"/>
d. Federal Transit Administration:	\$	<input type="text" value="0.00"/>
e. U.S. Corp of Engineers	\$	<input type="text" value="0.00"/>
f. Other Federal:	\$	<input type="text" value="196092.00"/>
Total: (2a-f)		\$ <u><u>196,092.00</u></u>

### III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	<input type="text" value="801,475.00"/>
2. Maintenance:	\$	<input type="text" value="0.00"/>
3. Road and street services		
a. Traffic control operations:	\$	<input type="text" value="6464.00"/>
b. Snow and ice removal:	\$	<input type="text" value="74897.00"/>
c. Other:	\$	<input type="text" value="0.00"/>
4. General administration & miscellaneous	\$	<input type="text" value="799260.00"/>
5. Highway law enforcement and safety	\$	<input type="text" value="676659.00"/>
Total: (A.1-5)		\$ <u><u>2,358,755.00</u></u>

Please no commas or dollar signs for the input

#### B. Debt service on local obligations

1. Bonds		
a. Interest	\$	<input type="text" value="0.00"/>
b. Redemption	\$	<input type="text" value="0.00"/>
2. Notes		
a. Interest	\$	<input type="text" value="0.00"/>
b. Redemption	\$	<input type="text" value="0.00"/>
SubTotal: (1+2)		\$ <u><u>0.00</u></u>

Please no commas or dollar signs for the input

#### C. Payments to State for Highways:

	\$	0.00
D. Payments to Toll Facilities:	\$	0.00
Total Disbursements: <i>(A+B+C+D)</i>		\$ 2,358,755.00

Please no commas or dollar signs for the input

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

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
<b>A.1. Capital Outlay</b>			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 89659.00	\$ 0.00	\$ 89,659.00
3. System Preservation:	\$ 0.00	\$ 193645.00	\$ 193,645.00
4. System Enhancement:	\$ 0.00	\$ 518171.00	\$ 518,171.00
5. Total Construction:			\$ 801,475.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 801,475.00

### IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
<b>A. Bonds (Total)</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
<b>B. Notes (Total):</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

## V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ <input type="text" value="0.00"/>	\$ 2,358,755.00	\$ 2,358,755.00	\$ <input type="text" value="0.00"/>	\$ 0.00

### Notes & Comments:

undefined

Please enter your name:

Please provide a telephone number where you may be reached:

Please click on the "Save" button before viewing the data in a print format.