

**City of Glenwood Springs
Glenwood Springs, Colorado**

**Financial Statements
December 31, 2009**



**City of Glenwood Springs, Colorado
Financial Report
December 31, 2009**

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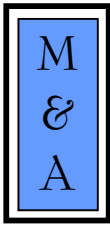
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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council City of Glenwood Springs Glenwood Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Glenwood Springs, (the "City"), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above presently 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 City of Glenwood Springs, as of December 31, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 07, 2010 on our consideration of the City's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control of financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

**To the Members of City Council
City of Glenwood Springs, Colorado**

The budgetary schedules in Section E are not a required part of the basic financial statements but are supplementary information required by GASB. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. Accompanying supplementary information in Section F, including individual fund budgetary statements, combining internal service fund financial statements, and the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the Schedule of Expenditures of Federal Awards included in the single audit section is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The individual fund budgetary statements, combining internal service fund financial statements, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**McMahan & Associates, LLC
June 07, 2010**

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Glenwood Springs, Colorado

Management's Discussion and Analysis
December 31, 2009

As management of the City of Glenwood Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2009.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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 City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, transportation, public safety, community development, public works and culture and recreation. The business-type activities of the City include water and sewer operations, electric distribution operation, airport and landfill operations.

The government-wide financial statements can be found in Section C of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into three categories: governmental funds, proprietary funds and fiduciary 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. The City's major governmental funds include the General Fund, Street Tax Fund, Capital Projects Fund, Acquisition and Improvement Fund, and the Downtown Development Authority. The City also reports a number of non-major governmental funds.

Overview of the Financial Statements (continued)

Governmental Funds (continued): 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 Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The basic major governmental fund financial statements can be found in Section C.

Proprietary Funds: The City reports two categories of proprietary funds - Internal Service and Enterprise. The Fleet Service Fund, an internal service fund created in 2007, provides vehicle and equipment replacement and maintenance services to the City's governmental and enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer, Electric Distribution, Airport and Landfill 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 City, each of which is considered to be a major fund of the City.

The basic Proprietary Fund financial statements can be found in Section C of this report.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Fiduciary Funds used by the City are the Cemetery Reserve and the Volunteer Firemen's Pension Plan.

The basic Fiduciary Fund financial statements can be found in Section C of this report.

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:

City of Glenwood Spring's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	17,357,810	22,370,330	24,174,397	24,495,755	41,532,207	46,866,085
Capital assets, net	75,049,066	66,045,312	46,844,862	47,512,998	121,893,928	113,558,310
Total Assets	92,406,876	88,415,642	71,019,259	72,008,753	163,426,135	160,424,395
Liabilities:						
Other liabilities	5,932,886	5,377,580	2,226,386	1,826,201	8,159,272	7,203,781
Long-term liabilities	15,861,595	17,663,972	1,872,399	2,098,040	17,733,994	19,762,012
Total Liabilities	21,794,481	23,041,552	4,098,785	3,924,241	25,893,266	26,965,793
Net Assets:						
Invested in capital assets, net of related debt	58,059,538	47,040,335	44,824,569	45,090,415	102,884,107	92,130,750
Restricted	2,310,720	3,067,860	460,000	-	2,770,720	3,067,860
Unrestricted	10,242,137	15,265,895	21,635,905	22,994,097	31,878,042	38,259,992
Total Net Assets	70,612,395	65,374,090	66,920,474	68,084,512	137,532,869	133,458,602

Government-wide Net Assets and Activities: Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for 75% of its total assets; these assets are not an available source for payment of future spending. Of the remaining \$41,532,207 in assets, \$2,770,720 is restricted for the following purposes:

	Governmental Activities	Business-type Activities
Emergency reserve	\$ 697,888	-
Other items	1,292,832	-
Long-term receivables	320,000	
Debt service	-	460,000
	\$ 2,310,720	460,000

At the end of the 2009 fiscal year, the City is able to report positive balances in all three categories of net assets, first for the government as a whole, and then as separate governmental and business-type activities.

The City's net assets increased \$4,074,264 during the current fiscal year. The increase in governmental activities can primarily be attributed to the City's investment in capital assets and debt reduction. The decrease in business-type activities is due to lower user fee revenues in all enterprise funds and a seventeen percent (17%) increase in operating costs.

Government-wide Financial Analysis (continued):

Governmental Activities: Governmental activities increased the City's net assets by \$5,238,304. Key elements of this increase are as follows:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	4,892,382	4,191,175	17,923,695	19,293,485	22,816,077	23,484,660
Grants and contributions	3,827,110	2,578,903	697,565	1,011,941	4,524,675	3,590,844
General revenue:						
Sales and use taxes	14,261,086	17,174,926	-	-	14,261,086	17,174,926
Property taxes	1,352,426	1,214,423	-	-	1,352,426	1,214,423
Other taxes	877,736	1,129,564	-	-	877,736	1,129,564
Interest and other revenues	517,941	1,132,441	427,954	719,010	945,895	1,851,451
Total Revenues	25,728,681	27,421,432	19,049,214	21,024,436	44,777,895	48,445,868
Expenses:						
General government	3,441,897	4,139,417	-	-	3,441,897	4,139,417
Transportation	1,332,810	1,255,604	-	-	1,332,810	1,255,604
Public Safety	6,711,856	6,536,066	-	-	6,711,856	6,536,066
Community development	1,663,577	1,730,766	-	-	1,663,577	1,730,766
Public works	3,938,191	4,485,437	-	-	3,938,191	4,485,437
Culture and recreation	4,384,404	3,857,589	-	-	4,384,404	3,857,589
Interest on long-term debt	821,892	897,451	-	-	821,892	897,451
Water and sewer	-	-	3,429,694	3,386,300	3,429,694	3,386,300
Electric system	-	-	9,220,083	9,113,869	9,220,083	9,113,869
Airport operations	-	-	203,710	168,615	203,710	168,615
Landfill	-	-	5,555,517	2,344,264	5,555,517	2,344,264
Total Expenses	22,294,627	22,902,330	18,409,004	15,013,048	40,703,631	37,915,378
Change in Net Assets						
Before Transfers	3,434,054	4,519,102	640,210	6,011,388	4,074,264	10,530,490
Transfers	1,804,250	1,093,572	(1,804,250)	(1,093,572)	-	-
Change in Net Assets	5,238,304	5,612,674	(1,164,040)	4,917,816	4,074,264	10,530,490
Net Assets - Beginning	65,374,091	59,761,417	68,084,514	63,166,698	133,458,605	122,928,115
Net Assets - Ending	70,612,395	65,374,091	66,920,474	68,084,514	137,532,869	133,458,605

Significant events impacting 2009 are:

- Governmental Activities revenues decreased \$1,692,751 over the prior year. Sales Tax and recreation fees saw a significant decrease over the prior year, as national economic conditions were felt within the City. Expenditures decreased slightly over 2%.
- Broadband activities are being accounted for in the Electric Fund. The activities are being accounted for in the Electric Fund because the broadband infrastructure utilizes the City's electric right of ways and conduits. The City sells broadband access to Internet Service Providers within the City. The services at some date in the future are intended to cover operational costs.
- The City has historically contributed capital assets from the Capital Projects Fund to the business-type activities funds. The business-type activities funds also share the cost of general government overhead functions. The reimbursement of overhead from business-type activities to governmental activities has assisted the governmental activities in maintaining an overall positive net asset position.

Government-wide Financial Analysis (continued):

Business-type Activities: Business-type activities decreased the City's net assets by \$1,164,040. Key elements of this increase are as follows:

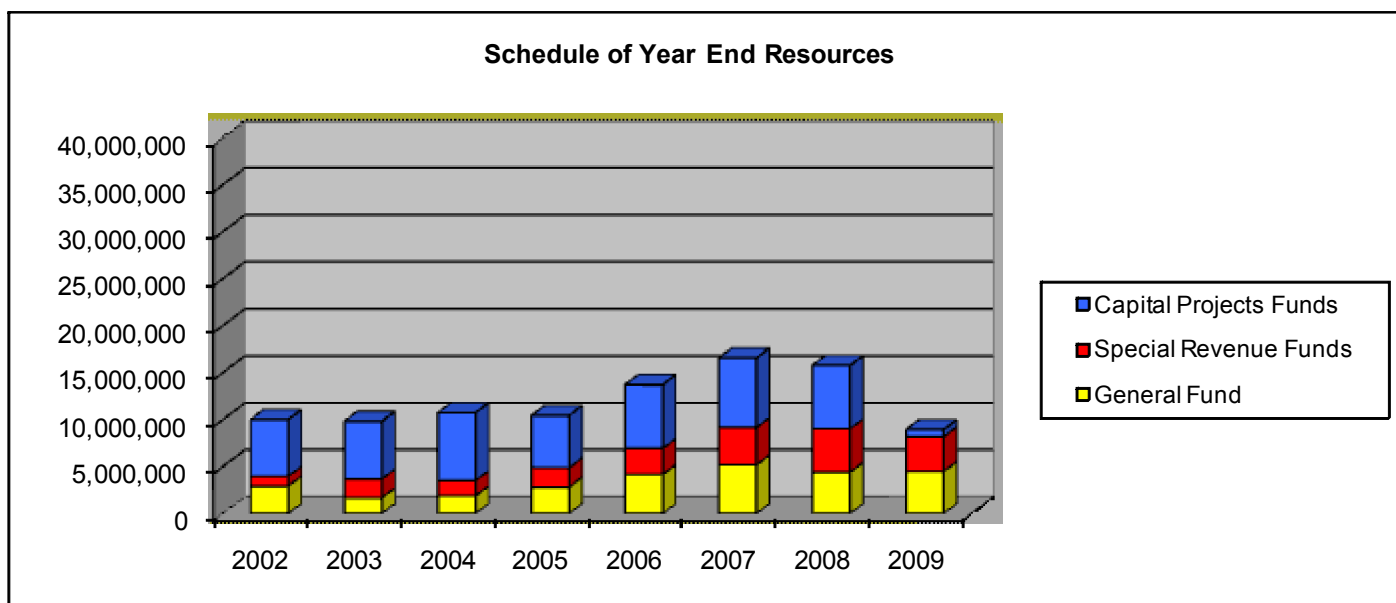
- The Water and Sewer Fund's net assets decreased \$308,189. User fees decreased \$106,705 over the prior year. The collection and distribution system incurred capital outlay in the amount of \$703,491, for both the water and sewer systems. The cash decreased by \$106,105 for this fund.
- The Electric Fund's net assets increased \$452,875. This increase is due primarily to cost containment in an economic recession. Additionally, the fund received \$131,817 in developer contributions. The Fund's available cash decreased by \$536,937.
- The Landfill Fund's net assets decreased \$1,293,234. This decrease is largely due to a reduction in construction waste fees and an increase in operating expenditures; with the conversion to a third party operator in May of 2009 and an increase in State compliance costs. Transfers out to other funds totaled \$237,152. In 2007, the Landfill Fund advanced \$435,767 to the Downtown Development Authority for the purchase of property, which is being repaid in installments. Cash in this fund decreased \$2,475,624.

Financial Analysis of the City's Funds

As mentioned earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

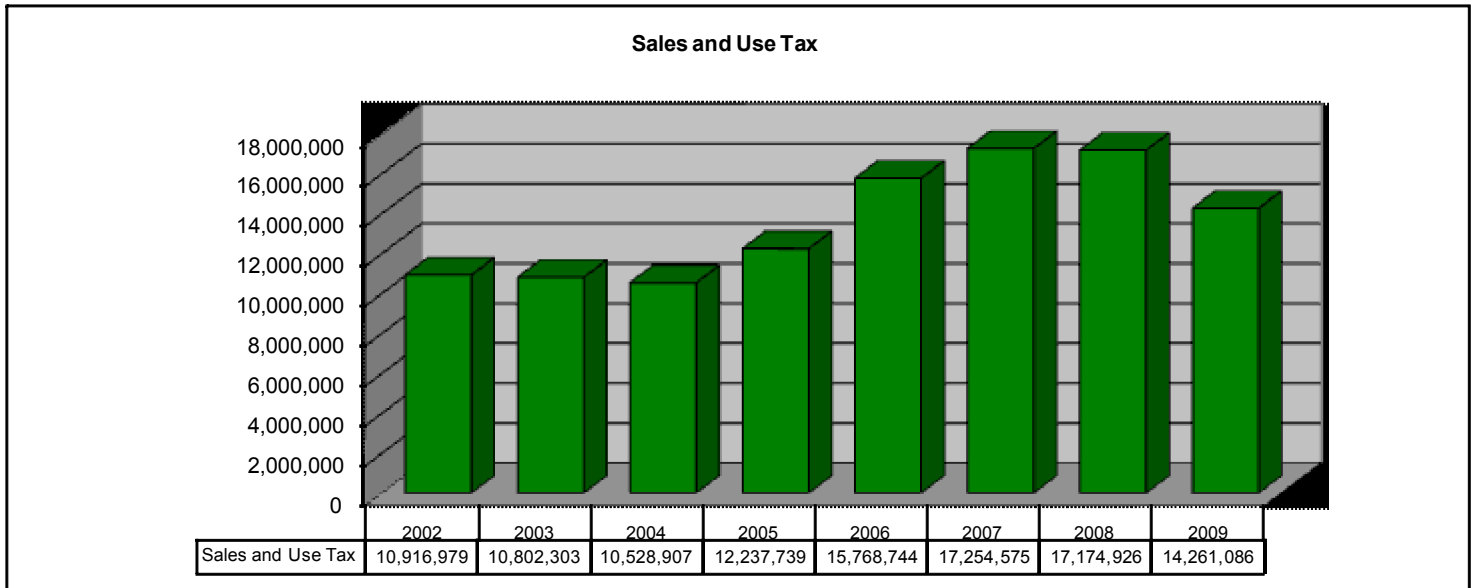
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,944,250, a decrease of (\$6,828,124) from the prior year ending fund balances. This decrease can be attributable to decreased investment earnings, as well as undertaking new projects in the Capital Projects and Street Tax Funds. Approximately 26% of the total fund balance, or \$2,310,720, is reserved, meaning it is not available for new spending because it has already been committed. The remainder of the combined fund balance is unreserved, which is available for spending at the City's discretion. The following graph provides a view of the City's ending fund balances:



Financial Analysis of the City's Funds (continued)

Governmental Funds (continued):

The City's primary funding of governmental activities is sales and use tax. The following chart represents changes in the City's sales and use tax revenue:



The decrease in 2009 is a result of the current economic times felt nationally. Governmental funds received a total of \$1,804,250 in operational transfers in from proprietary funds, before accounting for any capital contributions between fund types. These transfers were approved to primarily cover equipment and land acquisitions and to subsidize operational costs.

Financial Analysis of the City's Funds (continued)

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

The City's proprietary funds had ending net assets of \$66,920,474 broken down by fund as follows: Water and Sewer - \$30,357,383, Electric - \$27,221,970, Airport - \$102,441 and Landfill - \$9,238,680. The net assets listed previously include fixed assets. Unrestricted net assets available at year-end broken down by fund is: Water and Sewer - \$6,406,098, Electric System - \$5,873,602, Airport - \$36,778, and Landfill Operations - \$9,064,132.

The approved budget for 2010 includes transfers from the Enterprise funds only for debt requirements and the funding of equipment replacement costs.

Budget Variances in the General Fund: The City amended the General Fund budget during the year increasing appropriations by \$416,339. The following significant variances were noted in the General Fund:

<u>Account</u>	<u>Variance Positive (Negative)</u>	<u>Reason</u>
Revenues:		
General sales tax	\$(1,451,805)	Circumstance of current economic decline as seen throughout the state.
Severance Tax	424,277	Unanticipated severance taxes were received.
Other lease revenue	667,557	Unanticipated federal mineral lease monies were received.
Expenses:		
Annexation costs and rebates	653,278	Discretionary appropriations of \$426,450 remained unspent at year-end
Police department	282,501	Overall staffing shortages within department, as well as receiving grant reimbursements for programs undertaken.

Capital Assets: The City's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statement in section D.

Long-term Debts: As of the end of the current fiscal year, the City's long-term liabilities totaled \$20,750,964. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements in section D of this report.

Next Year's Budget and Rates: The City's General Fund balance at the end of fiscal year 2009 totaled \$4,505,763. The original 2010 budget anticipates decreasing this balance by \$575,325.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Glenwood Springs, City Finance Director, 101 W. 8th Street, Glenwood Springs, CO 81601.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business Type Activities	Total
Assets:			
Cash and cash equivalents - unrestricted	16,729,584	15,079,479	31,809,063
Cash and cash equivalents - restricted	-	2,759,505	2,759,505
Accounts, taxes, and interest receivable	3,767,486	2,425,909	6,193,395
Due from other governments	241,837	-	241,837
Prepaid items	1,107	-	1,107
Internal Balances	(3,411,138)	3,411,138	-
Inventory	28,934	470,025	498,959
Total current assets	17,357,810	24,146,056	41,503,866
Other assets:			
Deferred charges	-	28,341	28,341
Capital assets:			
Land and water rights	11,935,467	134,441	12,069,908
Buildings and improvements	78,543,099	65,489,389	144,032,488
Equipment	1,212,275	1,053,299	2,265,574
Vehicles	3,704,891	17,698	3,722,589
Construction in Progress	11,684,120	5,766,419	17,450,539
Less accumulated depreciation	(32,030,786)	(25,616,384)	(57,647,170)
Total capital assets (net of accumulated depr.)	75,049,066	46,844,862	121,893,928
Total assets	92,406,876	71,019,259	163,426,135
Liabilities:			
Current Liabilities:			
Accounts, retainage, arbitrage & deposits payable	1,618,129	1,469,518	3,087,647
Accrued compensation	395,783	80,992	476,775
Interest payable	199,734	7,806	207,540
Deferred revenue	1,370,340	-	1,370,340
Compensated absences - Due within one year	488,386	208,070	696,456
Long-term debt - Due within one year	1,860,514	460,000	2,320,514
Total current liabilities:	5,932,886	2,226,386	8,159,272
Noncurrent liabilities:			
Compensated absences	732,581	312,106	1,044,687
Long-term debt	15,129,014	1,560,293	16,689,307
Total noncurrent liabilities	15,861,595	1,872,399	17,733,994
Total Liabilities	21,794,481	4,098,785	25,893,266
Net Assets:			
Invested in capital assets, net of related debt	58,059,538	44,824,569	102,884,107
Restricted for:			
Debt service	-	460,000	460,000
Other purposes	1,612,832	-	1,612,832
Emergencies	697,888	-	697,888
Unrestricted	10,242,137	21,635,905	31,878,042
Net Assets	70,612,395	66,920,474	137,532,869

The notes to the financial statements are an integral part of this statement.

City of Glenwood Springs, Colorado
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	Total
					Activities	Activities	
Functions/Programs:							
Governmental Activities:							
General government	3,441,897	2,073,212	1,388,262	-	19,577	-	19,577
Public transportation	1,332,810	9,750	197,433	-	(1,125,627)	-	(1,125,627)
Public safety	6,711,856	1,386,262	244,885	-	(5,080,709)	-	(5,080,709)
Community and economic development	1,663,577	232,662	213	-	(1,430,702)	-	(1,430,702)
Public works	3,938,191	72,207	1,859,549	-	(2,006,435)	-	(2,006,435)
Culture and recreation	4,384,404	1,118,289	53,475	83,293	(3,129,347)	-	(3,129,347)
Interest on long-term debt	821,892	-	-	-	(821,892)	-	(821,892)
Total Governmental Activities	22,294,627	4,892,382	3,743,817	83,293	(13,575,135)	-	(13,575,135)
Business-type activities:							
Water and sewer	3,429,694	3,766,955	636	7,520	-	345,417	345,417
Electric system	9,220,083	9,719,657	500,072	131,817	-	1,131,463	1,131,463
Airport operations	203,710	132,320	57,520	-	-	(13,870)	(13,870)
Landfill operations	5,555,517	4,304,763	-	-	-	(1,250,754)	(1,250,754)
Total Business-type Activities	18,409,004	17,923,695	558,228	139,337	-	212,256	212,256
Total	40,703,631	22,816,077	4,302,045	222,630	(13,575,135)	212,256	(13,362,879)
General Revenues:							
Taxes:							
Property tax, levied for general purposes					1,352,426	-	1,352,426
Specific ownership tax					68,225	-	68,225
Sales and use tax					14,261,086	-	14,261,086
Franchise tax					179,825	-	179,825
Accommodations tax					594,470	-	594,470
Other miscellaneous taxes					35,216	-	35,216
Unrestricted investment earnings					231,225	418,980	650,205
Grants, contributions and miscellaneous income not restricted for specific purposes					107,901	940	108,841
Gain (loss) on asset disposal					178,815	8,034	186,849
Transfers					1,804,250	(1,804,250)	-
Total General Revenues and Transfers					18,813,439	(1,376,296)	17,437,143
Change in Net Assets					5,238,304	(1,164,040)	4,074,264
Net Assets - Beginning					65,374,091	68,084,514	133,458,605
Net Assets - Ending					70,612,395	66,920,474	137,532,869

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

FUND FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Balance Sheet
Governmental Funds
December 31, 2009

	<u>General</u>	<u>Street Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Acquisition and Improvement</u>	<u>Downtown Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets:							
Cash and investments	3,517,881	1,613,637	233,753	3,026,337	1,974,853	1,316,296	11,682,757
Taxes receivable	1,843,004	205,423	205,423	410,846	293,946	171,402	3,130,044
Accounts receivable	383,319	-	-	-	-	215,253	598,572
Interest receivable	4,326	1,239	-	377	-	-	5,942
Due from other governments	-	241,837	-	-	-	-	241,837
Due (to) from other funds	271,270	-	(3,000,000)	-	(682,407)	-	(3,411,137)
Prepaid items	-	-	-	-	-	1,107	1,107
Total Assets	6,019,800	2,062,136	(2,560,824)	3,437,560	1,586,392	1,704,058	12,249,122
Liabilities and Fund Equity:							
Liabilities:							
Accounts/vouchers payable	177,208	361,079	618,261	162,299	8,803	216,743	1,544,393
Other liabilities	40,670	-	-	-	-	-	40,670
Accrued payroll and related liabilities	267,056	-	5,942	-	-	78,171	351,169
Deferred property taxes not collectible until subsequent year	1,029,103	-	-	-	293,946	45,591	1,368,640
Total Liabilities	1,514,037	361,079	624,203	162,299	302,749	340,505	3,304,872
Fund Balance:							
Reserved:							
Other	254,509	133,533	-	903,683	-	1,107	1,292,832
Emergencies	406,988	84,598	52,807	52,243	19,502	81,750	697,888
Long-Term receivable	320,000	-	-	-	-	-	320,000
Unreserved, reported in:							
General	3,524,266	-	-	-	-	-	3,524,266
Special revenue	-	-	-	-	1,264,141	649,381	1,913,522
Capital projects	-	1,482,926	(3,237,834)	2,319,335	-	631,315	1,195,742
Total Fund Balance	4,505,763	1,701,057	(3,185,027)	3,275,261	1,283,643	1,363,553	8,944,250
Total Liabilities and Fund Balance	6,019,800	2,062,136	(2,560,824)	3,437,560	1,586,392	1,704,058	12,249,122

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

City of Glenwood Springs, Colorado
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2009

Governmental Funds Total Fund Balance	8,944,250
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	73,151,366
Internal Service Funds are used by the City to account for the repair and replacement costs of the City's heavy equipment and vehicles. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Activities.	6,927,008
Less:	
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 City long-term liabilities.	(18,410,229)
Governmental Activities Net Assets	<u><u>70,612,395</u></u>

The notes to the financial statements are an integral part of this statement.

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

	<u>General</u>	<u>Street Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Acquisition and Improvement</u>	<u>Downtown Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxes	6,987,340	1,891,206	1,891,206	3,782,412	642,441	1,399,084	16,593,689
Permits and licenses	189,986	-	-	-	-	-	189,986
Intergovernmental revenue	1,557,430	1,321,489	-	-	-	350,478	3,229,397
Charges for services	1,542,008	-	71,907	-	-	1,005,931	2,619,846
Investment income	57,706	27,509	18,595	37,240	7,639	5,611	154,300
Miscellaneous	2,827,193	93,446	3,748	59,924	-	152,356	3,136,667
Total Revenues	<u>13,161,663</u>	<u>3,333,650</u>	<u>1,985,456</u>	<u>3,879,576</u>	<u>650,080</u>	<u>2,913,460</u>	<u>25,923,885</u>
Expenditures:							
General government	2,833,470	-	-	431,890	194,945	73,517	3,533,822
Transportation	-	4,392,848	-	-	-	1,220,865	5,613,713
Public safety	3,036,520	-	-	-	-	436,547	3,473,067
Community and economic development	863,773	-	-	-	-	961,369	1,825,142
Public works	1,457,447	-	6,426,711	721,500	-	2,839,721	11,445,379
Culture and recreation	3,144,919	-	-	1,251,583	-	37,735	4,434,237
Debt service:							
Principal	170,000	226,619	188,872	1,421,459	-	-	2,006,950
Interest	124,333	40,002	36,343	623,503	25,047	-	849,228
Total Expenditures	<u>11,630,462</u>	<u>4,659,469</u>	<u>6,651,926</u>	<u>4,449,935</u>	<u>219,992</u>	<u>5,569,754</u>	<u>33,181,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,531,201</u>	<u>(1,325,819)</u>	<u>(4,666,470)</u>	<u>(570,359)</u>	<u>430,088</u>	<u>(2,656,294)</u>	<u>(7,257,653)</u>
Other Financing Sources (Uses):							
Sale of assets	-	-	-	-	-	7,525	7,525
Transfers in	881,446	153,210	225,215	224,843	50,000	2,514,250	4,048,964
Transfers (out)	(2,334,519)	(131,757)	(987,591)	(166,724)	(3,667)	(2,702)	(3,626,960)
Total Other Financing Sources (Uses)	<u>(1,453,073)</u>	<u>21,453</u>	<u>(762,376)</u>	<u>58,119</u>	<u>46,333</u>	<u>2,519,073</u>	<u>429,529</u>
Net Change in Fund Balance	78,128	(1,304,366)	(5,428,846)	(512,240)	476,421	(137,221)	(6,828,124)
Fund Balance - Beginning of Year	<u>4,427,635</u>	<u>3,005,423</u>	<u>2,243,819</u>	<u>3,787,501</u>	<u>807,222</u>	<u>1,500,774</u>	<u>15,772,374</u>
Fund Balance (Deficit) - End of Year	<u>4,505,763</u>	<u>1,701,057</u>	<u>(3,185,027)</u>	<u>3,275,261</u>	<u>1,283,643</u>	<u>1,363,553</u>	<u>8,944,250</u>

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

City of Glenwood Springs, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
December 31, 2009

Net Change in Fund Balances of Governmental Funds	(6,828,124)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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. This is the amount by which capital outlay exceeded depreciation for the year.	8,733,812
Repayment of bond principal and leases are expenditures in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets. This represents the total principal repayments and the change in accrued interest at year end.	2,042,785
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.	(96,913)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities.	1,459,389
In the Statement of Activities only the gain or loss on the sale and disposal of assets is reported, whereas in governmental funds, only the proceeds which increase current available resources is reported.	(72,645)
Governmental Activities Change in Net Assets	5,238,304

The notes to the financial statements are an integral part of this statement.

City of Glenwood Springs, Colorado
Statement of Net Assets
Enterprise Funds
December 31, 2009

	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Airport Operations</u>	<u>Landfill Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds Totals</u>
Assets:						
Current:						
Cash in bank - Unrestricted	3,884,891	4,976,919	33,391	6,184,278	15,079,479	5,046,828
Cash in bank - Restricted	2,475,005	284,500	-	-	2,759,505	-
Accounts receivable - Trade (net of allowance for doubtful accounts)	389,914	1,527,961	656	422,025	2,340,556	12,326
Interest receivable	24,248	34,994	-	23,328	82,570	20,603
Other receivables	2,784	-	-	-	2,784	-
Inventory	202,986	261,212	5,827	-	470,025	28,934
Due (to) other funds	-	-	-	3,411,138	3,411,138	-
Total Current Assets	<u>6,979,828</u>	<u>7,085,586</u>	<u>39,874</u>	<u>10,040,769</u>	<u>24,146,057</u>	<u>5,108,691</u>
Other Assets:						
Deferred charge - Bond issuance cost, net of amortization	25,201	3,140	-	-	28,341	-
Property and Equipment:						
Land	-	104,641	-	-	104,641	-
Construction in progress	1,794,589	3,967,776	-	4,055	5,766,420	-
Building, plant and system	36,369,343	28,870,901	53,205	195,940	65,489,389	-
Water rights	29,800	-	-	-	29,800	-
Equipment	706,609	184,049	90,388	72,254	1,053,300	701,288
Vehicles	-	13,693	4,005	-	17,698	1,841,374
Total	<u>38,900,341</u>	<u>33,141,060</u>	<u>147,598</u>	<u>272,249</u>	<u>72,461,248</u>	<u>2,542,662</u>
Less accumulated depreciation	<u>(14,249,056)</u>	<u>(11,187,692)</u>	<u>(81,935)</u>	<u>(97,701)</u>	<u>(25,616,384)</u>	<u>(644,970)</u>
Net Property and Equipment	<u>24,651,285</u>	<u>21,953,368</u>	<u>65,663</u>	<u>174,548</u>	<u>46,844,864</u>	<u>1,897,692</u>
 Total Assets	 <u>31,656,314</u>	 <u>29,042,094</u>	 <u>105,537</u>	 <u>10,215,317</u>	 <u>71,019,262</u>	 <u>7,006,383</u>
Liabilities and Fund Equity:						
Current Liabilities:						
Accounts payable	266,432	899,851	2,173	236,235	1,404,691	28,819
Deposits	-	64,829	-	-	64,829	-
Accrued interest	1,806	6,000	-	-	7,806	-
Accrued payroll and taxes	35,021	37,842	923	7,207	80,993	50,556
Accrued vacation and sick pay	295,672	206,602	-	17,902	520,176	-
Other liabilities	-	-	-	715,293	715,293	-
Current portion of long-term debt	165,000	295,000	-	-	460,000	-
Total Current Liabilities	<u>763,931</u>	<u>1,510,124</u>	<u>3,096</u>	<u>976,637</u>	<u>3,253,788</u>	<u>79,375</u>
Long-term Liabilities:						
Long-term debt - Bonds payable, net of current portion	535,000	310,000	-	-	845,000	-
Total Liabilities	<u>1,298,931</u>	<u>1,820,124</u>	<u>3,096</u>	<u>976,637</u>	<u>4,098,788</u>	<u>79,375</u>
Net Assets:						
Invested in capital assets, net of related debt	23,951,285	21,348,368	65,663	174,548	45,539,864	1,897,692
Unrestricted	6,406,098	5,873,601	36,778	9,064,132	21,380,609	5,029,316
Total Net Assets	<u>30,357,383</u>	<u>27,221,969</u>	<u>102,441</u>	<u>9,238,680</u>	<u>66,920,473</u>	<u>6,927,008</u>
 Total Liabilities and Fund Equity	 <u>31,656,314</u>	 <u>29,042,093</u>	 <u>105,537</u>	 <u>10,215,317</u>	 <u>71,019,261</u>	 <u>7,006,383</u>

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

City of Glenwood Springs, Colorado
Statement of Revenues, Expenditures and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2009

	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Airport Operations</u>	<u>Landfill Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds Totals</u>
Operating Revenues:						
Rentals	-	-	25,043	-	25,043	-
Charges and fees	3,769,881	9,741,391	105,123	3,332,614	16,949,009	832,430
Other	5,230	497,131	3,818	79,650	585,829	24,419
Total Operating Revenues	<u>3,775,111</u>	<u>10,238,522</u>	<u>133,984</u>	<u>3,412,264</u>	<u>17,559,881</u>	<u>856,849</u>
Operating Expenses:						
Purchased power	-	5,698,133	-	-	5,698,133	-
Operations and maintenance	1,652,467	1,410,073	92,577	3,811,523	6,966,640	713,245
General and administrative	744,962	1,212,737	28,372	381,945	2,368,016	-
Improvements	-	-	70,995	-	70,995	-
Depreciation	994,648	867,419	11,765	197,651	2,071,483	304,974
Total Operating Expenses	<u>3,392,077</u>	<u>9,188,362</u>	<u>203,709</u>	<u>4,391,119</u>	<u>17,175,267</u>	<u>1,018,219</u>
Operating Income (Loss)	<u>383,034</u>	<u>1,050,160</u>	<u>(69,725)</u>	<u>(978,855)</u>	<u>384,614</u>	<u>(161,370)</u>
Non-Operating Revenues (Expenses):						
Disposition of assets	-	-	-	(271,899)	(271,899)	124,229
Investment income	104,507	119,664	137	194,672	418,980	76,927
Intergovernmental awards	-	-	56,796	-	56,796	-
Interest expense	(25,800)	(39,483)	-	-	(65,283)	-
Amortization - bond issuance cost	(11,817)	(2,999)	-	-	(14,816)	-
Total Non-Operating Revenues (Expenses)	<u>66,890</u>	<u>77,182</u>	<u>56,933</u>	<u>(77,227)</u>	<u>123,778</u>	<u>201,156</u>
Income (Loss) Before Transfers and Capital Contributions	449,924	1,127,342	(12,792)	(1,056,082)	508,392	39,786
Transfer (out)	(758,113)	(806,285)	(2,700)	(237,152)	(1,804,250)	-
Transfer in	-	-	-	-	-	1,382,247
Capital contributions	-	131,817	-	-	131,817	37,356
Change in Net Assets	(308,189)	452,874	(15,492)	(1,293,234)	(1,164,041)	1,459,389
Net Assets - Beginning of Year	<u>30,665,572</u>	<u>26,769,095</u>	<u>117,933</u>	<u>10,531,914</u>	<u>68,084,514</u>	<u>5,467,619</u>
Net Assets - End of Year	<u>30,357,383</u>	<u>27,221,969</u>	<u>102,441</u>	<u>9,238,680</u>	<u>66,920,473</u>	<u>6,927,008</u>

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

City of Glenwood Springs, Colorado
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2009

	Water and Sewer	Electric System	Airport Operations	Landfill Operations	Totals	Governmental Activities Internal Service Funds Totals
Cash Flows From Operating Activities:						
Cash received from customers	3,749,662	9,531,513	126,488	3,541,269	16,948,932	856,111
Cash paid to suppliers and employees	(2,326,102)	(7,874,043)	(170,022)	(4,040,884)	(14,411,051)	(718,983)
Other operating revenues	-	497,131	-	79,650	576,781	24,419
Interfund transfers	(758,113)	(806,285)	(2,700)	(237,152)	(1,804,250)	1,382,247
Net Cash Provided (Used) by Operating Activities	665,447	1,348,316	(46,234)	(657,117)	1,310,412	1,543,794
Cash Flows From Non-Capital Financing Activities:						
Net refunds of customer deposits	-	(17,877)	-	-	(17,877)	-
Net Cash (Used) by Non-Capital Financing Activities	-	(17,877)	-	-	(17,877)	-
Cash Flows From Capital and Related Financing Activities:						
Sale of assets	-	16,808	-	892,499	909,307	166,051
Grant received	-	-	56,796	-	56,796	-
Advance to other funds	-	-	-	(2,987,332)	(2,987,332)	-
Interest paid on bonds and equipment contracts	(26,175)	(40,976)	-	-	(67,151)	-
Principal paid on bonds and equipment contracts	(180,000)	(285,000)	-	-	(465,000)	-
Acquisition and construction of capital assets	(722,917)	(1,719,670)	(6,095)	(4,055)	(2,452,737)	(652,019)
Net Cash Provided (Used) by Capital and Related Financing Activities	(929,092)	(2,028,838)	50,701	(2,098,888)	(5,006,117)	(485,968)
Cash Flows From Investing Activities:						
Interest on investments	157,540	161,461	137	280,381	599,519	76,927
Net Cash Provided by Investing Activities	157,540	161,461	137	280,381	599,519	76,927
Net Change in Cash and Cash Equivalents	(106,105)	(536,938)	4,604	(2,475,624)	(3,114,063)	1,134,753
Cash and Cash Equivalents - Beginning of Year	6,466,001	5,798,356	28,787	8,659,902	20,953,046	3,912,075
Cash and Cash Equivalents - End of Year	6,359,896	5,261,418	33,391	6,184,278	17,838,983	5,046,828
Cash and Cash Equivalents Consists of the Following:						
Cash in bank - Unrestricted	3,884,891	4,976,919	33,391	6,184,278	15,079,479	5,046,828
Cash in bank - Restricted	2,475,005	284,500	-	-	2,759,505	-
Total	6,359,896	5,261,419	33,391	6,184,278	17,838,984	5,046,828
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	383,034	1,050,160	(69,725)	(978,855)	384,614	(161,370)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	994,648	867,419	11,765	197,651	2,071,483	304,974
(Increase) decrease in accounts receivable	(25,449)	(209,878)	2,454	208,655	(24,218)	23,681
(Increase) decrease in inventories	(22,555)	24,174	21,875	-	23,494	-
(Increase) decrease in prepaid items/other assets	-	-	-	-	-	(6,308)
Increase (decrease) in accounts payable	93,882	422,726	47	152,584	669,239	570
Increase (decrease) in other liabilities	-	-	(9,950)	-	(9,950)	-
Net change in interfund transfers	(758,113)	(806,285)	(2,700)	(237,152)	(1,804,250)	1,382,247
Total Adjustments	282,413	298,156	23,491	321,738	925,798	1,705,164
Net Cash Provided (Used) by Operating Activities	665,447	1,348,316	(46,234)	(657,117)	1,310,412	1,543,794
Schedule of Non-Cash Investing, Capital and Financing Activities:						
Assets donated	-	131,817	-	-	131,817	37,356

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

City of Glenwood Springs, Colorado
Statement of Fiduciary Net Assets
December 31, 2009

	Cemetery Reserve Fund	Firemen's Pension Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and investments	<u>28,173</u>	<u>744,256</u>	<u>772,429</u>
Total Assets	<u>28,173</u>	<u>744,256</u>	<u>772,429</u>
Net Assets:			
Held in Trust	<u>28,172</u>	<u>744,256</u>	<u>772,428</u>

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

City of Glenwood Springs, Colorado
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2009

	Cemetery Reserve Fund	Fireman's Pension Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Charges and fees	3,500	-	3,500
Pension contributions	-	39,900	39,900
Investment income, net	60	120,977	121,037
	<u> </u>	<u> </u>	<u> </u>
Total Additions	<u>3,560</u>	<u>160,877</u>	<u>164,437</u>
Deductions:			
Pension payments	-	97,906	97,906
Total Reductions	<u>-</u>	<u>97,906</u>	<u>97,906</u>
Change in Net Assets	3,560	62,971	66,531
Net Assets - Beginning of Year	<u>24,612</u>	<u>681,285</u>	<u>705,897</u>
Net Assets - End of Year	<u><u>28,172</u></u>	<u><u>744,256</u></u>	<u><u>772,428</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009

I. Summary of Significant Accounting Policies

The City of Glenwood Springs, Colorado, ("City"), is located in Garfield County, Colorado and its major operations include police and fire protection, road maintenance, ambulance, airport, utilities and culture and recreation.

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

A. Reporting Entity

In 1966, the City became a "Home Rule City" (a municipal corporation, as defined by Colorado Revised Statutes). The City is governed by an appointed Mayor and an elected City Council which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. Additional separate governmental units, agencies, or non-profit corporations are included in the financial statements of the City since they were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

B. Blended Component Units

In conformity with generally accepted accounting principles, the financial statements of the following component units have been included in the financial reporting entity as blended component units.

- General Improvement District Number 1980 (the "District"); the District's primary purpose is to provide infrastructure improvements to specific areas within the City's downtown area. The District's primary funding source is an ad valorem tax. The District's boundaries are entirely within the City's boundaries. Although the District is legally separate from the City, the District and the City are related through a common governing board. For financial reporting purposes, the District is reported as if it were part of the City's operations because the City is able to impose its will on the District and City Council acts as the District's *de facto* governing board.
- Downtown Development Authority (the "Authority"); the Authority's primary purpose is to develop and implement a downtown development and redevelopment plan for the central business area. The Authority's boundaries are entirely within the City's boundaries. The Authority exists only with the City's express consent. Although the Authority is legally separate from the City, the Authority and the City are related through a common governing board. For financial reporting purposes, the Authority is reported as if it were part of the City's operations because the City is able to impose its will on the Authority and City Council acts as the Authority's *de facto* governing board.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, road maintenance, culture and recreation, community development, transportation systems, and administration are classified as governmental activities. The City's utilities, airport and landfill are classified as business-type activities.

1. Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

2. Fund Financial Statements

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

The City reports the following major governmental funds:

- (a) *General Fund* - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.
- (b) *Street Tax Fund* - accounts for revenues received from one-half (1/2)% sales tax levied for transportation related projects.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

- (c) *Capital Projects Fund* – accounts for major City Projects which are financed by one-half (1/2) cent sales tax.
- (d) *Acquisitions and Improvements Fund* - accounts for revenues and expenditures received from a 1.00% sales tax and special assessments levied for capital improvements purposes.
- (e) *Downtown Development Authority* - A blended component unit, was established by vote of the citizens in 2001 for the purpose of revitalizing the downtown corridor and building a parking structure.

The City reports the following major propriety funds:

- (a) *Water and Sewer Fund* - accounts for activities of the fund that supplies water and sewer services to the citizens of the City. City water is provided on a metered basis.
- (b) *Electric System Fund* - accounts for activities related to the purchase and delivery of power within the City limits.
- (c) *Airport Operations Fund* - accounts for activities related to user charges and maintenance expenses for the airport.
- (d) *Landfill Operations Fund* - accounts for the activities related to the operations of the City landfill and recycling program.

The City reports the following non-major governmental funds:

- (a) *Tourism Fund* - accounts for funds received from a two and one-half percent rent tax on accommodations. Expenditures are restricted for tourism promotion purposes.
- (b) *Victims Assistance and Law Enforcement Fund (V.A.L.E.)* - accounts for funds received from a surcharge for violation of all municipal ordinances and violations of the Model Traffic Code. Expenditures are restricted to victims' and witnesses' services and reimbursements and to Police Department equipment purchases, training, and additional personnel costs.
- (c) *Conservation Trust Fund* - accounts for funds received and restricted as to use in the acquisition, development and maintenance of new conservation sites pursuant to Colorado Revised Statutes.
- (d) *Bus Tax Fund* - accounts for the .2% sales tax designated towards "Ride Glenwood Springs" bus service.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

- (e) *Fire and Ambulance Fund* – accounts for fire and ambulance services performed by the City and Rural Fire District.
- (f) *General Improvement District Number 1980 Fund* - the District's primary purpose is to provide infrastructure improvements to specific areas within the downtown area. The District's primary funding source is an ad valorem tax.
- (g) *Emergency Services Equipment Replacement Fund* - accounts for revenues received on a pro-rated basis from the Glenwood Springs Rural Fire Protection District and transfers from the General Fund for the purchase of emergency services, facilities and equipment.

The City also reports the following fiduciary funds which are not included in the government-wide statements since the resources of the fund are not available to the City:

- (a) The *Cemetery Reserve Fund* accounts for funds received and restricted for the maintenance and care of the Rosebud Cemetery.
- (b) The *Firemen's Pension Fund* accounts for the retirement plan established for the City's volunteer firemen through the Fire and Police Pension Association.

Additionally, the City reports the following Internal Service Fund:

Fleet Service Fund - accounts for the repair and maintenance costs and the capital replacement plan of the City's vehicles and heavy equipment, excluding fire trucks.

D. 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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements, proprietary fund financial statements, and fiduciary 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.

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 City'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.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

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

2. Investments

Investments are stated at fair value.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

3. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Electric System Fund and the Water and Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month prior to the close of the fiscal year.

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 revenue.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

7. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are shown as long-term debt on the Government-wide Statement of Net Assets. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated to be taken as "terminal leave" at retirement.

8. Subsequent Events

Management has evaluated subsequent events through June 07, 2010, the date these financial statement were available to be issued.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City 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.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Infrastructure	25-40
Buildings	30
Electric plant	40
Electric system and equipment	25
Water and sewer, plant and distribution system	40
Office furniture and equipment	10
Vehicles and tools	5

10. Comparative Data

Comparative data for the prior year have been presented only on the individual fund financial statements in order to provide an understanding of the changes in the financial position and operations of the funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets

The governmental fund Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The \$73,151,366 reconciling item represents the book value of capital assets at December 31, 2009.

Another element of that reconciliation states that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$18,410,229 difference represent long-term bonds and loans of \$16,730,255, property and capital leases of \$259,273, accrued interest of \$199,734 and \$1,220,967 of compensated absences.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets (continued)

Another element of that reconciliation states that "Internal Service Funds are used by the City to account for the repair and replacement costs of the City's heavy equipment and vehicles. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets". The result is an increase in net assets of \$6,927,008 within governmental activities.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes a reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "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 as depreciation expense". The details of the net difference of \$8,733,812 are net capital outlay of \$11,656,808 less depreciation expense of \$2,922,996.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado statutes and the Home Rule Charter, the City followed required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2009 budget year:

- (1) For the 2009 budget year, prior to December 10, 2008, the County Assessor sent to the City the final recertified assessed valuation of all taxable property within the City's boundaries.
- (2) The City Manager, or other qualified persons appointed by the Council, submitted to the Council, on or before October 15, 2008, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Council prior to October 15, 2008.
- (4) For the 2009 budget, prior to December 15, 2008, the City Council computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) After the required public hearing, the City Council adopted the proposed budget by resolution prior to October 15, 2008. The ordinance which legally appropriates expenditures for the upcoming year was passed on or before the first Council meeting in November.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (6) After adoption of the budget ordinance, the City may make by ordinance the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) a reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the City Council may, by affirmative vote of five or more members, transfer part or all of any unexpended funds from one department, fund, or office to another.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2008 were collected in 2009 and taxes certified in 2009 will be collected in 2010. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Water and Sewer Fund, Electric System Fund, Airport Operations Fund, Landfill Operations Fund, and Fleet Service Fund. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at fiscal year end except for the Capital Projects Fund and the Acquisition and Improvement fund, which lapse upon project completion.

During the year, \$1,405,172 of supplemental appropriation ordinances were approved. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

The following funds had supplementary budget appropriations:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Supplemental Appropriation</u>
General	15,024,365	15,137,804
Capital Projects	2,553,374	17,853,591
Acquisition and Improvements	10,182,909	10,582,409
Tourism	870,955	975,701
V.A.L.E.	43,500	49,250
Water and Sewer	21,741,678	6,933,678
Airport Operations	193,080	266,600
Landfill Operations	7,039,292	7,255,292

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$742,302 which is the approximate required reserve at December 31, 2009.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues from the date of January 1, 1993 and thereafter. The City may not increase tax rates or add new debt without voter approval.

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

C. Budgetary Information

	Water and Sewer Fund	Electric System Fund	Airport Operations Fund	Landfill Operations Fund	Fleet Service Fund
Excess (deficiency) of revenues over expenditures - budget basis	\$ (1,211,107)	(1,843,887)	\$ (21,587)	(1,297,289)	1,068,590
Depreciation	-	-	-	-	(304,974)
Capital contributions	-	-	-	-	37,356
Debt service - Principal	180,000	285,000	-	-	-
Capital outlay	722,918	2,011,761	6,095	4,055	658,417
Total Adjustments	902,918	2,296,761	6,095	4,055	390,799
Net Income (Loss) - GAAP Basis	\$ (308,189)	452,874	\$ (15,492)	(1,293,234)	1,459,389

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

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

	Standard & Poors Rating	Carrying amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 3,010	3,010	
Checking	Not Rated	2,379,068	2,379,068	
Savings and money market	Not Rated	4,390,860	4,390,860	
Investments:				
Certificates of Deposit	Not Rated	13,082,606	13,082,606	
United States Treasuries	Not Rated	300,000	-	300,000
Investment pools	AAAm	14,441,198	14,441,198	
Cash held by Trustee	Not Rated	744,256	744,256	
		<u>\$ 35,340,998</u>		

The City also has \$744,256 invested with its pension fund trustee – FPPA. The City’s holdings in investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The City has no regulatory oversight for the pools.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the City coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the City has limited its interest rate risk.

Credit Risk: State law and City policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The City’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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk: The City diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

B. Receivables

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

	<u>General</u>	<u>Street Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Acquisition and Improvement</u>
Receivables:				
Taxes	\$ 1,843,004	205,423	205,423	410,846
Accounts	383,318	-	-	-
Interest	4,326	1,239	-	377
Other	-	-	-	-
Intergovernmental	-	241,837	-	-
Gross receivables	<u>2,230,648</u>	<u>448,499</u>	<u>205,423</u>	<u>411,223</u>
Less: allowance for uncollectible	-	-	-	-
Net receivables	<u><u>2,230,648</u></u>	<u><u>448,499</u></u>	<u><u>205,423</u></u>	<u><u>411,223</u></u>

	<u>DDA</u>	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Non-major and other Funds</u>	<u>Total</u>
Receivables:					
Taxes	293,946	-	-	171,402	3,130,044
Accounts	-	391,414	1,552,961	734,760	3,062,453
Interest	-	24,248	34,994	43,931	109,115
Other	-	2,784	-	-	2,784
Intergovernmental	-	-	-	-	241,837
Gross receivables	<u>293,946</u>	<u>418,446</u>	<u>1,587,955</u>	<u>950,093</u>	<u>6,546,233</u>
Less: allowance for uncollectible	-	(1,500)	(25,000)	(84,500)	(111,000)
Net receivables	<u><u>293,946</u></u>	<u><u>416,946</u></u>	<u><u>1,562,955</u></u>	<u><u>865,593</u></u>	<u><u>6,435,233</u></u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$1,368,640 of deferred revenue for property taxes levied in 2009 but not available until 2010.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

The City had the following capital asset activity for the year:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 10,037,776	-	-	10,037,776
Construction in progress	2,680,674	11,382,101	(2,378,655)	11,684,120
Total capital assets, not being depreciated	<u>12,718,450</u>	<u>11,382,101</u>	<u>(2,378,655)</u>	<u>21,721,896</u>
Capital assets, being depreciated:				
Buildings	27,884,892	-	-	27,884,892
Other improvements	2,953,535	6,390	-	2,959,925
Machinery and equipment	2,047,043	151,677	(77,015)	2,121,705
Streets and trails	45,319,627	2,378,655	-	47,698,282
Vehicles	4,845,530	806,021	(313,430)	5,338,121
Total capital assets, being depreciated	<u>83,050,627</u>	<u>3,342,743</u>	<u>(390,445)</u>	<u>86,002,925</u>
Less accumulated depreciation for:				
Buildings	(6,523,957)	(925,013)	-	(7,448,970)
Other improvements	(416,735)	(87,290)	-	(504,025)
Machinery and equipment	(849,387)	(99,322)	4,151	(944,558)
Streets and trails	(18,979,268)	(1,451,377)	-	(20,430,645)
Vehicles	(2,954,418)	(664,968)	271,828	(3,347,558)
Total accumulated depreciation	<u>(29,723,765)</u>	<u>(3,227,970)</u>	<u>275,979</u>	<u>(32,675,756)</u>
Total capital assets, being depreciated, net	<u>53,326,862</u>	<u>114,773</u>	<u>(114,466)</u>	<u>53,327,169</u>
Governmental Activities - Capital Assets, Net	<u>\$ 66,045,312</u>	<u>11,496,874</u>	<u>(2,493,121)</u>	<u>75,049,065</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 104,641	-	-	104,641
Water rights	29,800	-	-	29,800
Construction in progress	3,591,455	2,517,866	(342,903)	5,766,418
Total capital assets, not being depreciated	<u>3,725,896</u>	<u>2,517,866</u>	<u>(342,903)</u>	<u>5,900,859</u>
Capital assets, being depreciated:				
Buildings and plant	39,677,925	329,368	(43,440)	39,963,853
Distribution and collection system	25,451,408	74,128	-	25,525,536
Machinery and equipment	3,004,612	6,095	(1,957,406)	1,053,301
Vehicles	105,375	-	(87,677)	17,698
Total capital assets, being depreciated	<u>68,239,320</u>	<u>409,591</u>	<u>(2,088,523)</u>	<u>66,560,388</u>
Less accumulated depreciation for:				
Buildings and plant	(6,128,158)	(929,923)	26,631	(7,031,450)
Distribution and collection system	(16,524,412)	(723,328)	-	(17,247,740)
Machinery and equipment	(1,694,274)	(418,231)	793,008	(1,319,497)
Vehicles	(105,374)	-	87,677	(17,697)
Total accumulated depreciation	<u>(24,452,218)</u>	<u>(2,071,482)</u>	<u>907,316</u>	<u>(25,616,384)</u>
Total capital assets, being depreciated, net	<u>43,787,102</u>	<u>(1,661,891)</u>	<u>(1,181,207)</u>	<u>40,944,004</u>
Business-type Activities - Capital Assets, Net	<u>\$ 47,512,998</u>	<u>855,975</u>	<u>(1,524,110)</u>	<u>46,844,863</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
Governmental Activities:		
General government	\$ 17,998	261,006
Transportation	-	432,490
Public safety	250,326	362,971
Public works	9,888,248	1,477,260
Culture and recreation	2,188,092	694,243
Total Governmental Activities	<u>\$ 12,344,664</u>	<u>3,227,970</u>
Business-type Activities:		
Water and sewer	\$ 722,918	994,649
Electric	2,011,761	867,419
Airport	6,095	11,765
Landfill	4,055	197,651
Total Business-type Activities	<u>\$ 2,744,829</u>	<u>2,071,484</u>

The difference between fixed asset additions and capital outlay include contributed assets and projects initially capitalized and subsequently expensed.

D. Interfund Receivables, Payables, and Transfers

Balances at year-end between funds are reported as “due from other funds/due to other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

In 2007, Landfill Operations loaned to the Downtown Development Authority \$435,767 to acquire real property. Terms of the Interfund loan are annual principal and interest payments beginning August 2008 through August 2027. Annual interest rate is fixed at 5.91%. At December 31, 2009, principal amount outstanding on this loan was \$423,806. Interest payments made by the Downtown Development Authority to Landfill Operations during 2009 totaled \$25,047.

In 2009, Landfill Operations temporarily loaned to the Capital Projects Funds \$3,000,000 toward construction of the wastewater treatment facility. Repayment will occur in 2010, once financing is secured for the project.

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

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 271,270	-
Landfill Operations	3,411,138	-
Capital Projects Fund	-	3,000,000
Downtown Development	-	682,408
	<u>\$ 3,682,408</u>	<u>3,682,408</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Transfers were as follows:

<u>Fund</u>	<u>Funds Transferred In</u>	<u>Funds Transferred (Out)</u>	<u>Reason</u>
General Fund	\$ 242,610		Allocated organizational costs and franchise fees.
Water and Sewer		242,610	
Downtown Development Authority	50,000		Transfer of sales tax per Glenwood Meadows development agreement.
General Fund		20,270	
Street Tax Fund		6,757	
Bus Tax Fund		2,702	
Capital Projects Fund		6,757	
Acquisition and Improvement Fund		13,514	
General Fund	638,836		Allocated organizational costs and franchise fees.
Electric Fund		638,836	
Fleet Service Fund	1,382,247		Funding required in Fleet Service Fund from other funds in accordance with the City's capital replacement plan.
General Fund		29,644	
Water and Sewer		290,288	
Electric Fund		167,449	
Airport		2,700	
Landfill Fund		12,309	
Capital Projects Fund		879,857	
Emergency Services Equipment and Replacement Fund	191,341		City share of capital improvement mill levy.
General Fund		191,341	
Bus Tax Fund	200,000		Infrastructure needs
Traffic Congestion Fund		125,000	
Landfill Fund		75,000	
Traffic Congestion Fund	153,210		Infrastructure needs
Acquisition and Improvement Fund		153,210	
Water Fund	225,215		Infrastructure needs
Capital Projects		225,215	
Acquisition and Improvement Fund	224,843		Community pool debt payment
Landfill Fund		224,843	
Fire and Ambulance Fund	2,122,909		Equity transfer for new fund
General Fund		2,122,909	
	<u>\$ 5,431,211</u>	<u>5,431,211</u>	

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt

1. Revenue and General Obligation Bonds

- (a) \$19,040,000 Sales and Use Tax Revenue Bonds dated February 15, 1999, bearing an effective interest rate of 4.5633%, payable April 1 and October 1 each year thereafter until maturity. Principal on this issue matures October 1 of each year through 2018.

Bonds of this issue maturing before October 1, 2009, are not redeemable prior to their respective maturity dates. Bonds of this issue maturing on or after October 1, 2009, are redeemable in whole or in part. The redemption price is equal to the principal amount thereof and accrued interest to the date of redemption, plus a premium ranging from 0% to 1% of the principal amount of the bonds.

Bonds of this issue maturing on October 1, 2018, are subject to mandatory sinking fund requirements. The revenues derived from the 1.0% portion of the City's effective 3.7% sales and use tax are pledged for payment of bonds of this issue. This bond issue is MBIA insured.

- (b) \$4,999,017 Government Agency Bond dated May 1, 1999, issued to evidence the loan agreement of the same date with the Colorado Water Resources and Power Development Authority. The bond bears an effective interest yield of 3.77%, payable April 1 and October 1 from 1999 through 2018. Principal on this issue matures April 1 and October 1 of each year from 1999 through 2018.
- (c) \$2,298,217 Government Agency Bond dated September 15, 1998, issued to evidence the loan agreement of the same date with the Colorado Water Resources and Power Development Authority. The bond bears an effective interest yield of 4.454%, payable April 1 and October 1 from 1999 through 2012. Principal on this issue matures October 1 of each year from 1999 through 2012.
- (d) \$3,695,000 Limited Tax General Obligation Bonds dated March 15, 2001, bearing interest rates ranging from 4.0% to 5.05%. The revenues derived from an ad valorem mill levy imposed annually through December 31, 2020, upon all taxable property within the City are pledged for this bond issue. The issue is subject to mandatory sinking fund requirements. This bond issue is insured by Financial Security Assurance, Inc. The proceeds are to be used for the acquisition and construction of fire department buildings and equipment.

2. Land Lease Payable

On December 29, 2000, the City entered into an installment purchase agreement (\$1,000,000) for the purchase of land located within the City limits. Repayment terms include equal annual installments of \$99,631 over a period of eleven years. The annual interest rate in relation to this note is 8.33%.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt

3. Capital Leases

The City has various capital leases relating to vehicles and office equipment. The leases are annually appropriable and the terms vary. The following lease payments are required:

Year	2006 Ford Expedition
2010	\$ 4,210
Less: interest	(183)
Total	\$ 4,027

4. 2002 SIB Loan

In 2002, the City entered into a loan agreement with the State Infrastructure Bank via the Colorado Department of Transportation to purchase property for possible Highway 82 relocation. The original principal balance was \$1,500,000 with annual payments of \$166,990. The loan has a stated interest rate of 2% and matures in 2012.

5. Pool Lease

In 2004, the City signed a lease agreement with Municipal Capital Markets Group, subsequently assigned to Alpine Bank, for funds to complete the municipal pool. The lease requires semi-annual payments of \$224,843 through 2009. The lease carries an interest rate of 4.375% and can be terminated through payment of the outstanding balance at a 103% premium. This lease was paid off in 2009.

6. Compensated Absences

The City 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 but may not exceed 52 days. Sick pay may be accumulated to a maximum of 120 days; upon retirement, an employee's accrued sick leave may be converted to monetary payment at their current rate of pay for 100% of the amount accrued. In lieu of accruing and receiving additional sick leave, an employee who has accrued 120 days will be compensated as follows; in money at current salary or hourly rate for half of the accrued days in excess of the 120 days or in vacation leave at a ratio of 1 day for every 2 days sick leave. In lieu of overtime compensation, an employee may bank compensatory time at the rate of 1½ hours for every hour worked up to a maximum of 40 hours.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Fund Long-term Debt (continued)

5. Summary of Debt Service Requirements

The following is a summary of debt service requirements for governmental activities:

Year Ended December 31,	Sales and Use Tax Revenue Bonds	1998 Government Agency Bonds	1999 Government Agency Bonds	2001 Limited Tax General Obligation	Land Installment Agreement
2010	\$ 1,476,593	223,601	385,081	292,193	99,631
2011	1,474,730	221,692	384,416	289,667	99,631
2012	1,475,655	224,213	383,484	291,748	99,596
2013	1,473,575	-	384,983	293,197	-
2014	1,473,400	-	386,125	294,098	-
2015-2019	5,906,080	-	1,350,148	1,463,152	-
2020-2021	-	-	-	294,140	-
Total	13,280,033	669,506	3,274,237	3,218,195	298,858
Less: Interest	(2,660,033)	(55,917)	(699,151)	(778,195)	(43,613)
Total	\$ 10,620,000	613,589	2,575,086	2,440,000	255,245

Year Ended December 31,	SIB Loan	Capital Leases	Grand Total
2010	\$ 166,990	-	2,644,089
2011	166,990	4,210	2,641,336
2012	166,990	-	2,641,686
2013	-	-	2,151,755
2014	-	-	2,153,623
2015-2019	-	-	8,719,380
2020-2021	-	-	294,140
Total	500,970	4,210	21,246,009
Less: Interest	(19,391)	(183)	(4,256,483)
Total	\$ 481,579	4,027	\$ 16,989,526

F. Enterprise Fund Long-term Debt

1. Revenue and General Obligation Refunding Bonds

- (a) \$1,770,000 Water and Sewer Revenue Refunding Bonds - 2003 issue, bearing interest rates ranging from 2.00% to 3.25%, payable on June 1 and December 1 of each year through 2013. Principal matures year to year from 2003 to 2013. The bonds are revenue obligations of the City and are not general obligation bonds of the City. The bonds were issued to refinance the outstanding water and sewer bonds of the City. The bonds are not subject to prior redemption.
- (b) \$2,845,000 of Electric System Revenue Bonds bearing interest between 4.0% and 4.5% depending on maturity. The bonds mature in 2011 and require annual payments of approximately \$330,000. The proceeds are to be used for construction of a maintenance facility and municipal operation center.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Enterprise Fund Long-term Debt (continued)

1. Revenue and General Obligation Refunding Bonds (continued)

Year Ended December 31,	Water and Sewer Revenue Refunding Bonds Series 2003	Electric System Revenue Bonds	Total
2010	186,675	321,856	508,531
2011	186,725	323,950	510,675
2012	191,412	-	191,412
2013	191,012	-	191,012
Total	755,824	645,806	1,401,630
Less: Interest	(55,824)	(40,806)	(96,630)
Total	<u>\$ 700,000</u>	<u>605,000</u>	<u>1,305,000</u>

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

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Governmental Activities:					
2001 Limited Tax General Obligation	2,610,000	-	(170,000)	2,440,000	175,000
1999 Sales and Use Tax Revenue Bonds	11,565,000	-	(945,000)	10,620,000	985,000
1999 Governmental Agency Bonds	2,831,515	-	(256,429)	2,575,086	264,527
1998 Governmental Agency Bonds	802,462	-	(188,872)	613,590	196,229
Colorado SIB Loan	635,852	-	(154,273)	481,579	157,358
Land Lease Payable	327,591	-	(72,346)	255,245	78,372
Pool Lease	220,030	-	(220,030)	-	-
Capital Leases	12,527	-	(8,499)	4,028	4,028
Compensated Absences	1,124,054	96,913	-	1,220,967	488,386
Business-type Activities:					
Water and Sewer Revenue					
Refunding Bonds, Series 2003	880,000	-	(180,000)	700,000	165,000
Electric Revenue Bonds	890,000	-	(285,000)	605,000	295,000
Landfill closure and post closure	652,583	62,710	-	715,293	-
Compensated Absences	432,633	100,851	(13,308)	520,176	208,070
Total	<u>\$ 22,984,247</u>	<u>260,474</u>	<u>(2,493,757)</u>	<u>20,750,964</u>	<u>3,016,970</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Landfill Closure and Post-Closure Costs

State and federal laws and regulations require the City to perform certain closure and post-closure maintenance of the landfill site for thirty years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the amount of landfill used during the year. The estimated liability for landfill closure and postclosure care are based upon an estimate of the landfill used during the year. The estimated liability for landfill closure and postclosure costs is \$1,040,500 and \$610,177, respectively. As of December 31, 2009, the liability for closure and postclosure is \$450,883 and \$264,410. The December 31, 2009 liability is based upon the usage (filled) of the landfill and is shown in these financial statements as an accrued liability in the Landfill Fund. It is estimated that an additional \$935,384 will be recognized as closure and postclosure care expenses between the date of the balance sheet and 2027, the date the landfill is expected to be filled to capacity.

The estimated total current cost of the landfill closure and postclosure cost, \$715,293 is based upon the estimated amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2009.

The actual costs of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to provide adequate financial resources to pay for all closure and postclosure care. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

H. Advance Refunding

The City has advance refunded several general obligation and revenue 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 not been recorded on the financial statements. The amount of defeased bonds outstanding at December 31, 2009 cannot be readily determined.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Reserved Fund Balance

The City had the following reserves on the fund balance at December 31, 2009:

	Governmental Activities	Business-type Activities
Emergency reserve	\$ 697,888	-
Other items	1,292,832	-
Long-term receivables	320,000	
Debt service	-	460,000
	\$ 2,310,720	460,000

When expenditures/expenses meet the requirements to be used for restricted purposes, they are initially applied against restricted resources and subsequently applied against unrestricted resources.

J. Bond Issuance Costs

Bond issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Unamortized bond issuance costs at December 31, 2009, were \$28,341.

V. Other Information

A. Pension Plans

All City employees, except police and fire, participate in the Federal Social Security system for which the City has no liability except for amounts withheld and related statutory matching amounts. In addition, the City has established two contributory pension plans.

1. Contributory Pension Plan (IRS Section 401(k))

All full-time employees of the City are eligible to participate in the plan. Eligibility is after six months of employment with enrollment dates of the first day of each month. An employee must have six months of employment at the enrollment date. The City contributes 4% of the base pay of all eligible City employees. In addition, all eligible employees may contribute. Employee contributions are fully vested and City contributions become fully vested after five years. The non-vested contributions that are forfeited are allocated to the remaining plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$10,595,513 and current year payroll for employees covered under the plan was \$9,284,391. The City's contributions were \$610,732.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

A. Pension Plans (continued)

2. Contributory Pension Plan (IRS Section 401(a))

All City police and fire employees are eligible to participate in this plan, in lieu of Social Security benefits. Eligibility is at the date of employment. The employee and the City contribute 7 1/2% of compensation to this plan. Employee contributions are fully vested, and the City's contributions become fully vested after five years. If the employee does not become eligible for the benefits, the forfeitures are divided among the plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$10,595,513 and current year payroll for employees covered under the plan was \$3,490,733. The City's contributions were \$261,805.

3. Volunteer Firemen's Pension Fund

Plan Description: The City, on behalf of its volunteer firemen, provides a defined benefit pension plan which is affiliated with the Colorado Fire and Police Pension Association ("FPPA"). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the plan. Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. The activity for the Firemen's Pension Trust Fund has been reported in these financial statements.

Funding Policy: The City contributed to the plan in 2009. There were no contributions from participants.

Annual Pension Costs: For the fiscal year ended December 31, 2009, the annual pension costs were \$97,906. Eligible firemen presently receive \$500 per month in pension benefits.

Actuarial Information: The Annual Required Contribution ("ARC") for the January 1, 2007 (the last available year) was determined by the FPPA actuary, or an actuarial firm designated by FPPA using the "entry age normal" cost method and is as of January 1, 2007. The significant actuarial assumptions used in the valuation as of January 1, 2007, were: (a) life expectancy of participants obtained from the 1983 Group Annuity Mortality Table loaded for fire and police experience; (b) retirement age assumption of age 50 with 20 years of service; (c) pension benefits at \$500 per month with 20 years, or \$25 per year of service between 10 and 20 years; and (d) investment return of 8% per annum net of operating expenses.

For the purpose of this actuarial study, plan assets were valued at fair value using quoted market prices. The study uses a level amortization period over a period of 20 years, up to a maximum of 40 years.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

A. Pension Plans (continued)

3. Volunteer Firemen's Pension Fund (continued)

Listed below is the required disclosure for the most recent actuarial valuation, prior evaluations are not available as the City joined the plan in 1997.

Actuarial valuation date	Net assets available for benefits (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (funding excess) (c)	Funded ratio (a)/(b)
1/1/1997	\$ 545,609	274,607	-271,002	199%
1/1/1999	687,733	393,630	-294,103	175%
1/1/2001	818,845	590,928	-227,917	139%
1/1/2003	772,828	636,148	-136,680	121%
1/1/2005	806,515	831,758	25,243	97%
1/1/2007	946,200	1,020,629	74,429	93%
1/1/2009	817,542	1,028,580	211,038	79%

B. Post-Employment Health Care Benefits

All City employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the City for premiums from the termination date of coverage and monthly thereafter. Retirees and their dependents can stay on the medical, dental and vision insurance until they are eligible for Medicare. The employee pays the total premiums for any elections. No cost to the City is recognized as employees reimburse 100% of their premium cost.

C. Cafeteria Plan

The City offers a cafeteria plan organized under IRS Sections 125 and 129. It allows employees to pay premiums for some insurances tax free, contribute to medical spending accounts and contribute to dependent care spending accounts. No cost to the City is recognized as the plan is a salary reduction plan.

D. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

E. Claims

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2009
(Continued)

V. Other Information (continued)

F. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

The City is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$250,000 per claim or occurrence for property, \$1,000,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate such losses at December 31, 2009.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as 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.

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

G. Commitments and Contingencies

1. Lease for Operations Management at South Canyon Landfill

On June 1, 2009, the City entered into an operations management agreement (the "Agreement") with South Canyon Waste Systems LLC., to provide operations management for the City's South Canyon Landfill (the "Landfill"). The Agreement was effective as of May 1, 2009 through March 31, 2014, with provisions for four (4) additional five (5) years terms. The Agreement was amended on August 17, 2009 to provide for certain expansion work to be undertaken at the Landfill. Future minimum lease payments for years subsequent to December 31, 2009 are as follows:

Year ending March 31	
2010	\$ 1,985,000
2011	2,085,000
2012	1,985,000
2013	1,985,000
2014	1,985,000
Total	<u>\$ 10,025,000</u>

At December 31, 2009, the City had incurred \$1,488,753 under the terms of the lease agreement and \$986,185 under the terms of the amendment to the Agreement.

REQUIRED SUPPLEMENTARY INFORMATION



City of Glenwood Springs, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>Final Budget</u>	<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Property taxes	1,036,076	1,036,076	1,033,421	(2,655)	977,096
Specific ownership	84,000	84,000	65,190	(18,810)	91,420
Special assessment	36,000	36,000	35,216	(784)	38,884
General sales tax	6,969,112	6,969,112	5,517,307	(1,451,805)	6,640,747
Use tax	116,353	116,353	156,381	40,028	184,240
Franchise tax	167,000	167,000	179,825	12,825	179,601
Total Taxes	<u>8,408,541</u>	<u>8,408,541</u>	<u>6,987,340</u>	<u>(1,421,201)</u>	<u>8,111,988</u>
Permits and Licenses:					
Contractors licenses	20,000	20,000	25,501	5,501	28,652
Liquor licenses	17,500	17,500	19,398	1,898	12,803
Dog licenses	600	600	385	(215)	799
Building permits	138,064	138,064	109,262	(28,802)	100,057
Sales tax license	28,000	28,000	35,440	7,440	20,363
Total Permits and Licenses	<u>204,164</u>	<u>204,164</u>	<u>189,986</u>	<u>(14,178)</u>	<u>162,674</u>
Intergovernmental:					
Cigarette tax	114,000	114,000	103,030	(10,970)	114,225
County road and bridge	255,000	255,000	253,039	(1,961)	254,692
County sales tax	377,103	377,103	266,148	(110,955)	350,585
Highway use tax	240,178	240,178	263,429	23,251	246,313
Severance tax	75,000	75,000	499,277	424,277	74,100
Grants	111,328	157,328	172,507	15,179	189,474
Glenwood Springs Rural Fire District	-	-	-	-	455,583
Total Intergovernmental	<u>1,172,609</u>	<u>1,218,609</u>	<u>1,557,430</u>	<u>338,821</u>	<u>1,684,972</u>
Charges and Fees:					
Plan check and record fee	115,516	115,516	81,519	(33,997)	125,733
Ambulance	-	-	-	-	387,125
Cemetery fees	18,000	18,000	23,563	5,563	16,781
Police fines and court fees	155,200	155,200	288,304	133,104	236,915
Parking fees and fines	45,000	45,000	45,781	781	30,515
Impoundment fees	6,000	6,000	8,114	2,114	7,255
Recreation fees	1,450,000	1,450,000	1,059,514	(390,486)	1,184,614
Park and rafting fees	21,300	21,300	35,213	13,913	31,970
Affordable housing fees	15,000	15,000	-	(15,000)	25,982
Total Charges and Fees	<u>1,826,016</u>	<u>1,826,016</u>	<u>1,542,008</u>	<u>(284,008)</u>	<u>2,046,890</u>
Other Revenues:					
Contributions	500	500	300	(200)	-
Interest	91,750	91,750	57,706	(34,044)	132,939
Police confiscated assets	-	-	428	428	1,882
Miscellaneous	29,000	79,664	66,960	(12,704)	57,683
Other lease revenue	133,000	133,000	800,557	667,557	146,702
Overhead reimbursement	1,895,739	1,895,739	1,917,707	21,968	1,511,125
Other reimbursements	47,721	47,721	41,241	(6,480)	201,364
Total Other Revenues	<u>2,197,710</u>	<u>2,248,374</u>	<u>2,884,899</u>	<u>636,525</u>	<u>2,051,695</u>
Total Revenues	<u>13,809,040</u>	<u>13,905,704</u>	<u>13,161,663</u>	<u>(744,041)</u>	<u>14,058,219</u>

(continued)

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

City of Glenwood Springs, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)
(Continued)

	2009			2008	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Administration	548,855	564,855	528,753	36,102	544,354
Personnel/purchasing	293,462	293,462	256,842	36,620	228,574
City Clerk and elections	373,038	373,038	337,466	35,572	387,222
Finance	840,316	848,516	807,217	41,299	770,870
Data processing	313,150	313,150	291,461	21,689	329,703
Judicial	231,177	231,177	205,080	26,097	186,235
Legal	297,123	297,123	244,396	52,727	299,280
Annexation costs and rebates	689,084	562,634	162,256	400,378	425,983
Total General Government	<u>3,586,205</u>	<u>3,483,955</u>	<u>2,833,471</u>	<u>650,484</u>	<u>3,172,221</u>
Public Safety:					
Police Department	3,258,021	3,319,021	3,036,520	282,501	3,203,291
Emergency services	-	-	-	-	2,818,857
Total Public Safety	<u>3,258,021</u>	<u>3,319,021</u>	<u>3,036,520</u>	<u>282,501</u>	<u>6,022,148</u>
Community Development:					
Administration/planning	700,014	700,014	587,677	112,337	478,961
Building inspector	334,688	334,688	276,096	58,592	282,932
Total Community Development	<u>1,034,702</u>	<u>1,034,702</u>	<u>863,773</u>	<u>170,929</u>	<u>761,893</u>
Public Works:					
Administration/engineering	476,110	476,110	448,009	28,101	441,106
Streets, alleys, snow removal	996,667	996,667	1,009,438	(12,771)	1,100,557
Total Public Works	<u>1,472,777</u>	<u>1,472,777</u>	<u>1,457,447</u>	<u>15,330</u>	<u>1,541,663</u>
Culture and Recreation:					
Recreation	2,283,713	2,285,713	2,236,094	49,619	543,576
Community Center	-	-	-	-	1,703,365
Parks and cemetery	855,166	912,416	908,825	3,591	906,794
Total Culture and Recreation	<u>3,138,879</u>	<u>3,198,129</u>	<u>3,144,919</u>	<u>53,210</u>	<u>3,153,735</u>
Debt Service:					
Principal on bonded debt	170,000	170,000	170,000	-	160,000
Interest on bonded debt	124,333	124,333	124,333	-	130,893
Total Debt Service	<u>294,333</u>	<u>294,333</u>	<u>294,333</u>	<u>-</u>	<u>290,893</u>
Total Expenditures	<u>12,784,917</u>	<u>12,802,917</u>	<u>11,630,463</u>	<u>1,172,454</u>	<u>14,942,553</u>
Excess (Deficiency) of Revenues Over Expenditures	1,024,123	1,102,787	1,531,200	(1,916,495)	(884,334)
Other Financing Sources (Uses):					
Transfers in	881,446	881,446	881,446	-	818,828
Transfers (out)	(2,239,448)	(2,334,887)	(2,334,519)	368	(711,556)
Total Other Financing Sources (Uses)	<u>(1,358,002)</u>	<u>(1,453,441)</u>	<u>(1,453,073)</u>	<u>368</u>	<u>107,272</u>
Net Change in Fund Balance	(333,879)	(350,654)	78,127	(1,916,127)	(777,062)
Fund Balance - Beginning of Year	<u>4,344,714</u>	<u>4,427,635</u>	<u>4,427,635</u>	<u>-</u>	<u>5,204,697</u>
Fund Balance - End of Year	<u>4,010,835</u>	<u>4,076,981</u>	<u>4,505,762</u>	<u>428,781</u>	<u>4,427,635</u>

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

City of Glenwood Springs, Colorado
Street Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General sales tax	2,323,009	2,323,009	1,839,080	(483,929)	2,213,555
Use tax	38,784	38,784	52,126	13,342	61,412
Other:					
Miscellaneous income	500,000	500,000	93,446	(406,554)	410,442
Interest income	45,100	45,100	27,509	(17,591)	48,471
Total Revenues	<u>2,906,893</u>	<u>2,906,893</u>	<u>2,012,161</u>	<u>(894,732)</u>	<u>2,733,880</u>
Expenditures:					
Transportation:					
TDM contract	40,700	40,700	22,087	18,613	40,630
Transit program	12,624,928	12,844,928	4,143,968	8,700,960	3,347,504
Other expenses	567,631	347,631	226,793	120,838	256,662
Total Transportation	<u>13,233,259</u>	<u>13,233,259</u>	<u>4,392,848</u>	<u>8,840,411</u>	<u>3,644,796</u>
Debt Service:					
Principal payment	72,346	72,346	72,346	-	66,783
Interest payment	27,285	27,285	27,285	-	32,848
Principal payment - SIB loan	154,273	154,273	154,273	-	151,248
Interest payment - SIB loan	12,717	12,717	12,717	-	15,742
Total Expenditures	<u>13,499,880</u>	<u>13,499,880</u>	<u>4,659,469</u>	<u>8,840,411</u>	<u>3,911,417</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,592,987)	(10,592,987)	(2,647,308)	7,945,679	(1,177,537)
Other Financing Sources (Uses):					
Bond Proceeds	4,000,000	4,000,000	-	(4,000,000)	-
Intergovernmental awards	3,653,600	3,653,600	1,321,489	(2,332,111)	683,236
Transfers in	750,000	750,000	153,210	(596,790)	1,480,000
Transfers (out)	(131,757)	(131,757)	(131,757)	-	(6,757)
Total Other Financing Sources (Uses)	<u>8,271,843</u>	<u>8,271,843</u>	<u>1,342,942</u>	<u>(6,928,901)</u>	<u>2,156,479</u>
Net Change in Fund Balance	(2,321,144)	(2,321,144)	(1,304,366)	1,016,778	978,942
Fund Balance - Beginning of Year	<u>2,593,826</u>	<u>3,005,423</u>	<u>3,005,423</u>	<u>-</u>	<u>2,026,481</u>
Fund Balance - End of Year	<u>272,682</u>	<u>684,279</u>	<u>1,701,057</u>	<u>1,016,778</u>	<u>3,005,423</u>

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

City of Glenwood Springs, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Revenues:				
Taxes:				
Sales tax	2,323,009	2,323,009	1,839,080	(483,929)
Use tax	38,874	38,784	52,126	13,342
Total Taxes	<u>2,361,883</u>	<u>2,361,793</u>	<u>1,891,206</u>	<u>(470,587)</u>
Fees and Charges:				
Park land fees	-	-	71,907	71,907
Other:				
Interest income	53,000	53,000	18,595	(34,405)
Other income	-	-	3,748	3,748
Total Other	<u>53,000</u>	<u>53,000</u>	<u>22,343</u>	<u>(30,657)</u>
Total Revenues	<u>2,414,883</u>	<u>2,414,793</u>	<u>1,985,456</u>	<u>(429,337)</u>
Expenditures:				
Public Works:				
Water projects	-	-	-	7,084
Work activities team	415,144	415,144	311,888	103,256
Sewer improvements	322,895	15,322,895	6,059,679	9,263,216
Other expenditures	55,144	55,144	55,144	-
Total Public Works	<u>793,183</u>	<u>15,793,183</u>	<u>6,426,711</u>	<u>9,366,472</u>
Debt Service:				
Principal - 1998 Government Agency Bond	-	188,873	188,872	1
Interest - 1998 Government Agency Bond	-	36,344	36,343	1
Total Debt Service	<u>-</u>	<u>225,217</u>	<u>225,215</u>	<u>2</u>
Total Expenditures	<u>793,183</u>	<u>16,018,400</u>	<u>6,651,926</u>	<u>9,366,474</u>
Excess (Deficiency) of Revenues Over Expenditures	1,621,700	(13,603,607)	(4,666,470)	8,937,137
Other Financing Sources (Uses):				
Transfers in	-	225,217	225,215	(2)
Transfers (out)	(1,760,191)	(1,835,191)	(987,591)	847,600
Total Other Financing Sources (Uses)	<u>(1,760,191)</u>	<u>(1,609,974)</u>	<u>(762,376)</u>	<u>847,598</u>
Net Change in Fund Balance	(138,491)	(15,213,581)	(5,428,846)	9,784,735
Fund Balance - Beginning of Year	1,956,792	2,243,819	2,243,819	-
Fund Balance (Deficit) - End of Year	<u>1,818,301</u>	<u>(12,969,762)</u>	<u>(3,185,027)</u>	<u>9,784,735</u>

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

City of Glenwood Springs, Colorado
Acquisition and Improvement fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	2009			Final Budget Variance	2008
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Taxes:					
General sales tax	4,646,018	4,646,018	3,678,160	(967,858)	4,427,110
Use tax	77,567	77,567	104,252	26,685	122,825
Total Taxes	<u>4,723,585</u>	<u>4,723,585</u>	<u>3,782,412</u>	<u>(941,173)</u>	<u>4,549,935</u>
Intergovernmental:					
Grants	200,000	200,000	-	(200,000)	3,706
Other:					
Interest income	132,500	132,500	37,240	(95,260)	126,295
Donations	-	-	53,175	53,175	50,000
Cost reimbursement	125,000	125,000	-	(125,000)	200,000
Other income	-	-	6,749	6,749	25,142
Total Other	<u>257,500</u>	<u>257,500</u>	<u>97,164</u>	<u>(160,336)</u>	<u>401,437</u>
Total Revenues	<u>5,181,085</u>	<u>5,181,085</u>	<u>3,879,576</u>	<u>(1,301,509)</u>	<u>4,955,078</u>
Expenditures:					
General Government:					
General and administrative	3,754,435	3,731,700	391,748	3,339,952	512,137
Bond fees	40,142	40,142	40,142	-	40,142
Total General Government	<u>3,794,577</u>	<u>3,771,842</u>	<u>431,890</u>	<u>3,339,952</u>	<u>552,279</u>
Culture and Recreation:					
Frontier Historical Museum	7,415	7,415	6,396	1,019	7,914
River trail system	1,570,000	670,000	520,904	149,096	259,338
Arts Center	74,500	74,500	22,030	52,470	30,500
Other projects	895,021	1,247,756	702,253	545,503	1,488,794
Total Culture and Recreation	<u>2,546,936</u>	<u>1,999,671</u>	<u>1,251,583</u>	<u>748,088</u>	<u>1,786,546</u>
Public Works:					
Streets and sidewalks	108,000	109,000	11,680	97,320	-
Glenwood Meadows project	-	39,500	39,566	(66)	85,344
Other projects	253,920	1,182,920	670,254	512,666	686,493
Total Public Works	<u>361,920</u>	<u>1,331,420</u>	<u>721,500</u>	<u>609,920</u>	<u>771,837</u>
Debt Service:					
Principal - 1999 Sales and Use Tax bonds	945,000	945,000	945,000	-	910,000
Interest - 1999 Sales and Use Tax bonds	530,810	530,810	530,810	-	567,665
Principal - 1999 Government Agency bonds	256,429	256,429	256,429	-	251,031
Interest - 1999 Government Agency bonds	87,880	87,880	87,880	-	93,812
Principal - Pool lease	220,030	220,030	220,030	-	426,030
Interest - Pool lease	4,813	4,813	4,813	-	23,656
Total Debt Service	<u>2,044,962</u>	<u>2,044,962</u>	<u>2,044,962</u>	<u>-</u>	<u>2,272,194</u>
Total Expenditures	<u>8,748,395</u>	<u>9,147,895</u>	<u>4,449,935</u>	<u>4,697,960</u>	<u>5,382,856</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,567,310)	(3,966,810)	(570,359)	3,396,451	(427,778)
Other Financing Sources (Uses):					
Transfers in	3,224,843	3,224,843	224,843	(3,000,000)	449,686
Transfers (out)	(1,434,514)	(1,434,514)	(166,724)	1,267,790	(1,493,514)
Total Other Financing Sources (Uses)	<u>1,790,329</u>	<u>1,790,329</u>	<u>58,119</u>	<u>(1,732,210)</u>	<u>(1,043,828)</u>
Net Change in Fund Balance	(1,776,981)	(2,176,481)	(512,240)	1,664,241	(1,471,606)
Fund Balance - Beginning of Year	4,666,526	3,787,501	3,787,501	-	5,259,107
Fund Balance - End of Year	<u>2,889,545</u>	<u>1,611,020</u>	<u>3,275,261</u>	<u>1,664,241</u>	<u>3,787,501</u>

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

City of Glenwood Springs, Colorado
Downtown Development Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property taxes	268,274	268,274	273,851	5,577	195,133
Sales taxes	440,000	440,000	368,590	(71,410)	416,172
Interest income	38,200	38,200	7,639	(30,561)	32,597
Total Revenues	<u>746,474</u>	<u>746,474</u>	<u>650,080</u>	<u>(96,394)</u>	<u>643,902</u>
Expenditures:					
General Government:					
Capital outlay	2,050,000	1,998,000	129,234	1,868,766	-
Other	5,365	57,365	65,711	(8,346)	238,840
Debt service:					
Interest	25,047	25,047	25,047	-	25,754
Total Expenditures	<u>2,080,412</u>	<u>2,080,412</u>	<u>219,992</u>	<u>1,860,420</u>	<u>264,594</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,333,938)	(1,333,938)	430,088	1,764,026	379,308
Other Financing Sources (Uses):					
Transfer in	721,000	721,000	50,000	(671,000)	50,000
Transfer (out)	(16,336)	(16,336)	(3,667)	12,669	(3,667)
Total Other Financing Sources (Uses)	<u>704,664</u>	<u>704,664</u>	<u>46,333</u>	<u>(658,331)</u>	<u>46,333</u>
Net Change in Fund Balance	(629,274)	(629,274)	476,421	1,105,695	425,641
Fund Balance - Beginning of Year	<u>716,814</u>	<u>807,222</u>	<u>807,222</u>	<u>-</u>	<u>381,581</u>
Fund Balance - End of Year	<u>87,540</u>	<u>177,948</u>	<u>1,283,643</u>	<u>1,105,695</u>	<u>807,222</u>

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

SUPPLEMENTARY INFORMATION



City of Glenwood Springs, Colorado
Combining Balance Sheets
Non-major Governmental Funds
For the Year Ended December 31, 2009

	<u>Special Revenue Funds</u>					<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Tourism Fund</u>	<u>V.A.L.E. Fund</u>	<u>Conservation Trust Fund</u>	<u>Bus Tax Fund</u>	<u>Fire and Ambulance Fund</u>	<u>General Improvement District No. 1980</u>	<u>Emergency Services Equipment Replacement</u>	
Assets:								
Cash and investments - Unrestricted	64,449	115,045	126,454	248,881	120,287	54,040	587,140	1,316,296
Taxes receivable	43,445	-	-	82,163	-	45,794	-	171,402
Accounts receivable, net of allowance	-	-	-	11,540	203,713	-	-	215,253
Prepaid items	-	-	-	1,107	-	-	-	1,107
Total Assets	<u>107,894</u>	<u>115,045</u>	<u>126,454</u>	<u>343,691</u>	<u>324,000</u>	<u>99,834</u>	<u>587,140</u>	<u>1,704,058</u>
Liabilities and Fund Balance:								
Liabilities:								
Accounts payable	8,434	1,470	-	189,562	14,069	-	3,208	216,743
Accrued payroll and related	-	-	-	-	78,171	-	-	78,171
Deferred property taxes	-	-	-	-	-	45,591	-	45,591
Total Liabilities	<u>8,434</u>	<u>1,470</u>	<u>-</u>	<u>189,562</u>	<u>92,240</u>	<u>45,591</u>	<u>3,208</u>	<u>340,505</u>
Fund Balance:								
Reserved:								
Emergency	18,793	1,856	2,509	23,275	28,457	1,761	5,099	81,750
Other	-	-	-	1,107	-	-	-	1,107
Unreserved	<u>80,667</u>	<u>111,719</u>	<u>123,945</u>	<u>129,747</u>	<u>203,303</u>	<u>52,482</u>	<u>578,833</u>	<u>1,280,696</u>
Total Fund Balance	<u>99,460</u>	<u>113,575</u>	<u>126,454</u>	<u>154,129</u>	<u>231,760</u>	<u>54,243</u>	<u>583,932</u>	<u>1,363,553</u>
Total Liabilities and Fund Balance	<u>107,894</u>	<u>115,045</u>	<u>126,454</u>	<u>343,691</u>	<u>324,000</u>	<u>99,834</u>	<u>587,140</u>	<u>1,704,058</u>

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

City of Glenwood Springs, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2009

	<u>Special Revenue Funds</u>					<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Tourism Fund</u>	<u>V.A.L.E. Fund</u>	<u>Conservation Trust Fund</u>	<u>Bus Tax Fund</u>	<u>Fire and Ambulance Fund</u>	<u>General Improvement District No. 1980</u>	<u>Emergency Services Equipment Replacement</u>	
Revenues:								
Taxes	594,470	-	-	756,426	-	48,188	-	1,399,084
Intergovernmental	-	-	83,293	196,000	12,993	-	58,192	350,478
Charges for services	-	60,959	-	9,750	935,222	-	-	1,005,931
Interest income	331	901	341	702	357	439	2,540	5,611
Other	31,642	-	-	1,433	-	10,059	109,222	152,356
Total Revenues	<u>626,443</u>	<u>61,860</u>	<u>83,634</u>	<u>964,311</u>	<u>948,572</u>	<u>58,686</u>	<u>169,954</u>	<u>2,913,460</u>
Expenditures:								
General governmental	-	31,971	-	-	-	41,546	-	73,517
Transportation	-	-	-	1,220,865	-	-	-	1,220,865
Public safety	-	8,177	-	-	-	-	428,370	436,547
Public works	-	-	-	-	2,839,721	-	-	2,839,721
Community and economic development	961,369	-	-	-	-	-	-	961,369
Culture and recreation	-	-	37,735	-	-	-	-	37,735
Total Expenditures	<u>961,369</u>	<u>40,148</u>	<u>37,735</u>	<u>1,220,865</u>	<u>2,839,721</u>	<u>41,546</u>	<u>428,370</u>	<u>5,569,754</u>
Excess (Deficiency) of Revenues Over Expenditures	(334,926)	21,712	45,899	(256,554)	(1,891,149)	17,140	(258,416)	(2,656,294)
Other Financing Sources (Uses):								
Transfers in	-	-	-	200,000	2,122,909	-	191,341	2,514,250
Sale of assets	-	-	-	7,525	-	-	-	7,525
Transfers (out)	-	-	-	(2,702)	-	-	-	(2,702)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,823</u>	<u>2,122,909</u>	<u>-</u>	<u>191,341</u>	<u>2,519,073</u>
Net Change in Fund Balance	(334,926)	21,712	45,899	(51,731)	231,760	17,140	(67,075)	(137,221)
Fund Balance - Beginning of Year	<u>434,386</u>	<u>91,863</u>	<u>80,555</u>	<u>205,860</u>	<u>-</u>	<u>37,103</u>	<u>651,007</u>	<u>1,500,774</u>
Fund Balance - End of Year	<u>99,460</u>	<u>113,575</u>	<u>126,454</u>	<u>154,129</u>	<u>231,760</u>	<u>54,243</u>	<u>583,932</u>	<u>1,363,553</u>

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

City of Glenwood Springs, Colorado
Tourism Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Accommodations tax	832,000	832,000	594,470	(237,530)	815,517
Other:					
Interest income	5,000	5,000	331	(4,669)	4,422
Other income	31,752	31,752	31,642	(110)	34,144
Total Revenues	<u>868,752</u>	<u>868,752</u>	<u>626,443</u>	<u>(242,309)</u>	<u>854,083</u>
Expenditures:					
Economic Development:					
Salary and benefits	127,325	127,325	127,325	-	121,250
Administrative	37,917	37,917	37,917	-	33,827
Visitor services	60,200	60,200	60,200	-	57,322
Central reservations/watts line	20,950	20,950	7,901	13,049	14,923
Public relations	34,400	34,400	32,710	1,690	27,660
Printing and distribution (brochures, postcards, etc.)	172,338	189,138	203,985	(14,847)	227,113
Database and internet marketing	63,825	81,825	138,854	(57,029)	90,399
Advertising and promotion	262,000	331,946	308,812	23,134	338,172
Travel and booth expenses	78,000	78,000	31,665	46,335	39,445
Research and tracking	12,000	12,000	12,000	-	10,839
Special event	2,000	2,000	-	2,000	3,433
Total Expenditures	<u>870,955</u>	<u>975,701</u>	<u>961,369</u>	<u>14,332</u>	<u>964,383</u>
Net Change in Fund Balance	(2,203)	(106,949)	(334,926)	(227,977)	(110,300)
Fund Balance - Beginning of Year	<u>305,014</u>	<u>434,386</u>	<u>434,386</u>	<u>-</u>	<u>544,686</u>
Fund Balance - End of Year	<u>302,811</u>	<u>327,437</u>	<u>99,460</u>	<u>(227,977)</u>	<u>434,386</u>

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

City of Glenwood Springs, Colorado
V.A.L.E. Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:				
Charges for Services:				
Assessments	42,000	42,000	60,959	18,959
Other:				
Interest income	2,000	2,000	901	(1,099)
Total Revenues	<u>44,000</u>	<u>44,000</u>	<u>61,860</u>	<u>17,860</u>
Expenditures:				
General Government:				
Victim/witness assistance	30,000	31,000	30,717	283
Professional fees	-	-	1,117	(1,117)
Office supplies	1,000	2,050	137	1,913
Capital Outlay:				
Police equipment	12,500	16,200	8,177	8,023
Total Expenditures	<u>43,500</u>	<u>49,250</u>	<u>40,148</u>	<u>9,102</u>
Net Change in Fund Balance	500	(5,250)	21,712	26,962
Fund Balance - Beginning of Year	<u>76,449</u>	<u>91,863</u>	<u>91,863</u>	<u>-</u>
Fund Balance - End of Year	<u><u>76,949</u></u>	<u><u>86,613</u></u>	<u><u>113,575</u></u>	<u><u>26,962</u></u>

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

City of Glenwood Springs, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Intergovernmental:				
Colorado Lottery	85,000	83,293	(1,707)	88,761
Other:				
Interest income	2,100	341	(1,759)	1,991
Total Other	<u>2,100</u>	<u>341</u>	<u>(1,759)</u>	<u>1,991</u>
Total Revenues	<u>87,100</u>	<u>83,634</u>	<u>(3,466)</u>	<u>90,752</u>
Expenditures:				
Culture and Recreation:				
Brush Creek Lane playground equipment	10,000	2,888	7,112	-
Park improvement and equipment	40,000	34,847	5,153	7,612
Park mowers	-	-	-	41,507
Sayre tennis improvements	-	-	-	3,152
Veltus tennis courts	-	-	-	32,485
Total Expenditures	<u>50,000</u>	<u>37,735</u>	<u>12,265</u>	<u>84,756</u>
Net Change in Fund Balance	37,100	45,899	8,799	5,996
Fund Balance - Beginning of Year	<u>89,859</u>	<u>80,555</u>	<u>(9,304)</u>	<u>74,559</u>
Fund Balance - End of Year	<u><u>126,959</u></u>	<u><u>126,454</u></u>	<u><u>(505)</u></u>	<u><u>80,555</u></u>

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

City of Glenwood Springs, Colorado
Bus Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>	
Revenues:					
Taxes:					
General sales tax	929,134	929,134	735,577	(193,557)	885,357
Use tax	15,512	15,512	20,849	5,337	24,563
Intergovernmental:					
Grants and awards	495,000	495,000	196,000	(299,000)	201,496
Charges for Services:					
Bus fares	-	-	1,987	1,987	1,636
Advertising fees	12,000	12,000	7,763	(4,237)	8,776
Other:					
Interest income	6,100	6,100	702	(5,398)	4,949
Miscellaneous	1,000	1,000	1,433	433	158
Total Revenues	<u>1,458,746</u>	<u>1,458,746</u>	<u>964,311</u>	<u>(494,435)</u>	<u>1,126,935</u>
Expenditures:					
Transportation:					
Fixed labor	260,525	272,525	271,027	1,498	245,205
Direct labor	381,325	381,325	374,457	6,868	358,906
Employee bus pass	1,000	3,000	2,140	860	2,296
Direct mileage cost	236,050	236,050	211,980	24,070	215,816
Training	30,500	33,400	33,304	96	28,719
Capital costs	412,000	341,500	39,212	302,288	30,611
Other	284,329	337,929	288,745	49,184	266,198
Total Expenditures	<u>1,605,729</u>	<u>1,605,729</u>	<u>1,220,865</u>	<u>384,864</u>	<u>1,147,751</u>
Excess (Deficiency) of Revenues Over Expenditures	(146,983)	(146,983)	(256,554)	(109,571)	(20,816)
Other Financing Sources (Uses):					
Transfer in	125,000	200,000	200,000	-	-
Sale of assets	-	-	7,525	7,525	-
Transfer (out)	(2,702)	(2,702)	(2,702)	-	(2,702)
Total Other Financing Sources (Uses)	<u>122,298</u>	<u>197,298</u>	<u>204,823</u>	<u>7,525</u>	<u>(2,702)</u>
Net Change in Fund Balance	(24,685)	50,315	(51,731)	(102,046)	(23,518)
Fund Balance - Beginning of Year	<u>70,208</u>	<u>205,860</u>	<u>205,860</u>	<u>-</u>	<u>229,378</u>
Fund Balance - End of Year	<u>45,523</u>	<u>256,175</u>	<u>154,129</u>	<u>(102,046)</u>	<u>205,860</u>

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

City of Glenwood Springs, Colorado
Fire and Ambulance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009

	2009			Final Budget Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
Grants and awards	25,000	25,000	12,993	(12,007)
Charges for Services:				
Permits	12,000	12,000	10,400	(1,600)
Ambulance fees	873,255	873,255	924,822	51,567
Other:				
Interest income	400	400	357	(43)
Miscellaneous	150,000	150,000	-	(150,000)
Total Revenues	<u>1,060,655</u>	<u>1,060,655</u>	<u>948,572</u>	<u>(112,083)</u>
Expenditures:				
Public Safety:				
Emergency services	3,088,125	3,088,085	2,839,721	248,364
Total Expenditures	<u>3,088,125</u>	<u>3,088,085</u>	<u>2,839,721</u>	<u>248,364</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,027,470)	(2,027,430)	(1,891,149)	136,281
Other Financing Sources (Uses):				
Transfer in	2,027,470	2,122,909	2,122,909	-
Total Other Financing Sources (Uses)	<u>2,027,470</u>	<u>2,122,909</u>	<u>2,122,909</u>	<u>-</u>
Net Change in Fund Balance	-	95,479	231,760	136,281
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>-</u>	<u>95,479</u>	<u>231,760</u>	<u>136,281</u>

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

City of Glenwood Springs, Colorado
General Improvement District No. 1980
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property taxes	45,205	45,154	(51)	42,195
Specific ownership taxes	3,800	3,034	(766)	4,142
Total Taxes	<u>49,005</u>	<u>48,188</u>	<u>(817)</u>	<u>46,337</u>
Other:				
Interest income	125	439	314	376
Miscellaneous income	-	10,059	10,059	-
Total Revenues	<u>49,130</u>	<u>58,686</u>	<u>9,556</u>	<u>46,713</u>
Expenditures:				
General Government:				
Miscellaneous and Treasurer's fees	920	910	10	849
Other	48,210	40,636	7,574	40,517
Total Expenditures	<u>49,130</u>	<u>41,546</u>	<u>7,584</u>	<u>41,366</u>
Net Change in Fund Balance	-	17,140	17,140	5,347
Fund Balance - Beginning of Year	<u>66,834</u>	<u>37,103</u>	<u>(29,731)</u>	<u>31,756</u>
Fund Balance - End of Year	<u><u>66,834</u></u>	<u><u>54,243</u></u>	<u><u>(12,591)</u></u>	<u><u>37,103</u></u>

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

City of Glenwood Springs, Colorado
Emergency Services Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Rural Fire District contribution	58,292	58,192	(100)	56,425
Interest income	14,400	2,540	(11,860)	21,816
Impact fees	50,000	109,222	59,222	48,478
Total Revenues	<u>122,692</u>	<u>169,954</u>	<u>47,262</u>	<u>126,719</u>
Expenditures:				
Public Safety:				
Equipment purchases	535,000	428,370	106,630	285,471
Total Expenditures	<u>535,000</u>	<u>428,370</u>	<u>106,630</u>	<u>285,471</u>
Excess (Deficiency) of Revenues Over Expenditures	(412,308)	(258,416)	153,892	(158,752)
Other Financing Sources (Uses):				
Transfer in	191,708	191,341	(367)	191,173
Total Other Financing Sources	<u>191,708</u>	<u>191,341</u>	<u>(367)</u>	<u>191,173</u>
Net Change in Fund Balance	(220,600)	(67,075)	153,525	32,421
Fund Balance - Beginning of Year	<u>666,506</u>	<u>651,007</u>	<u>(15,499)</u>	<u>618,586</u>
Fund Balance - End of Year	<u><u>445,906</u></u>	<u><u>583,932</u></u>	<u><u>138,026</u></u>	<u><u>651,007</u></u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Water and Sewer Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>Final Budget</u>	<u>2008</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Charges and Fees:					
Water user fees	2,573,200	2,573,200	1,966,391	(606,809)	2,069,159
Sewer user fees	1,470,300	1,470,300	1,696,103	225,803	1,444,754
Water connection fees	2,800	2,800	6,924	4,124	8,068
Sewer connection fees	500	500	596	96	1,001
Meter sales	7,000	7,000	3,920	(3,080)	5,440
Other	19,500	19,500	5,230	(14,270)	5,575
Water improvement fees	250,000	250,000	61,468	(188,532)	130,668
Sewer improvement fees	150,000	150,000	34,479	(115,521)	217,496
Total Operating Revenues	<u>4,473,300</u>	<u>4,473,300</u>	<u>3,775,111</u>	<u>(698,189)</u>	<u>3,882,161</u>
Operating Expenses:					
Administration	616,882	616,882	573,448	43,434	501,358
Water plant operation	584,356	584,356	528,296	56,060	593,191
Water transmission and distribution	459,856	459,856	423,536	36,320	410,155
Wastewater plant operation	501,236	501,236	438,975	62,261	467,398
Wastewater collection and transmission	273,301	273,301	261,661	11,640	260,117
Customer service	173,376	173,376	171,513	1,863	158,748
Depreciation	1,098,564	1,098,564	994,648	103,916	951,801
Capital outlay	17,058,000	2,250,000	722,918	1,527,082	2,842,002
Debt service - Principal	368,873	180,000	180,000	-	180,000
Total Operating Expenses	<u>21,134,444</u>	<u>6,137,571</u>	<u>4,294,995</u>	<u>1,842,576</u>	<u>6,364,770</u>
Operating Income (Loss) - Budget Basis	<u>(16,661,144)</u>	<u>(1,664,271)</u>	<u>(519,884)</u>	<u>1,144,387</u>	<u>(2,482,609)</u>
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	-	-	-	-	1,802
Investment income	151,600	151,600	104,507	(47,093)	211,069
Intergovernmental awards	-	-	-	-	367,190
Amortization of bond costs	(11,817)	(11,817)	(11,817)	-	(13,645)
Interest expense	(62,519)	(26,175)	(25,800)	375	(29,888)
Total Non-Operating Revenues (Expenses):	<u>77,264</u>	<u>113,608</u>	<u>66,890</u>	<u>(46,718)</u>	<u>536,528</u>
Transfers in	847,600	847,600	-	(847,600)	1,195,200
Transfers (out)	(532,898)	(758,115)	(758,113)	2	(717,258)
Change in Net Assets - Budget Basis	<u>(16,269,178)</u>	<u>(1,461,178)</u>	<u>(1,211,107)</u>	<u>250,071</u>	<u>(1,468,139)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital contributions			-		217,725
Debt service - Principal			180,000		180,000
Capital outlay			722,918		2,842,002
Total Adjustments			<u>902,918</u>		<u>3,239,727</u>
Net Income - GAAP Basis			<u>(308,189)</u>		<u>1,771,588</u>

City of Glenwood Springs, Colorado
Enterprise Funds
Electric System Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			Final Budget Variance Positive (Negative)	<u>2008</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Charges and fees:					
Commercial	7,063,959	7,063,959	6,657,536	(406,423)	6,824,369
Residential	3,012,340	3,012,340	2,970,397	(41,943)	2,911,549
Municipal	87,752	87,752	87,484	(268)	83,342
Security lights	13,234	13,234	11,589	(1,645)	12,107
Service connect fees	14,000	14,000	14,385	385	14,130
Other	491,000	491,000	497,131	6,131	519,819
Total Operating Revenues	<u>10,682,285</u>	<u>10,682,285</u>	<u>10,238,522</u>	<u>(443,763)</u>	<u>10,365,316</u>
Expenses:					
Purchased power	6,013,649	6,013,649	5,698,133	315,516	5,667,715
Maintenance - Distribution	1,625,710	1,625,710	1,410,073	215,637	1,557,812
Customer accounts	428,818	428,818	371,863	56,955	378,101
General and administrative	973,963	973,963	840,874	133,089	609,847
Capital improvements	2,143,787	2,143,787	2,011,761	132,026	629,056
Depreciation	938,502	938,502	867,419	71,083	851,372
Debt service - Principal	285,000	285,000	285,000	-	275,000
Total Operating Expenses	<u>12,409,429</u>	<u>12,409,429</u>	<u>11,485,123</u>	<u>924,306</u>	<u>9,968,903</u>
Operating Income (Loss) Budget Basis	(1,727,144)	(1,727,144)	(1,246,601)	480,543	396,413
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	-	-	-	-	-
Investment income	118,300	118,300	119,664	1,364	193,790
Intergovernmental awards	-	-	-	-	9,600
Amortization of bond costs	(2,999)	(2,999)	(2,999)	-	(3,878)
Interest expense	(41,469)	(41,469)	(39,483)	1,986	(51,992)
Total Non-Operating Revenues (Expenses):	<u>73,832</u>	<u>73,832</u>	<u>77,182</u>	<u>3,350</u>	<u>147,520</u>
Capital contributions	400,000	400,000	131,817	(268,183)	102,623
Transfers (out)	(806,285)	(806,285)	(806,285)	-	(836,217)
Change in Net Assets - Budget Basis	<u>(2,059,597)</u>	<u>(2,059,597)</u>	<u>(1,843,887)</u>	<u>215,710</u>	<u>(189,661)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Debt service - Principal			285,000		275,000
Capital outlay			2,011,761		629,056
Total Adjustments			<u>2,296,761</u>		<u>904,056</u>
Net Income - GAAP Basis			<u>452,874</u>		<u>714,395</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Airport Operations Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	2009			Final Budget Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Rentals:					
Airport/land lease	27,550	27,550	24,103	(3,447)	21,651
Hanger lease	-	-	940	940	900
Charges and fees:					
Annual user fees	3,500	3,500	2,605	(895)	3,340
Long-term tie downs	6,100	6,100	6,740	640	7,391
Transient tie downs	1,400	1,400	2,627	1,227	1,349
Fuel sales	117,400	117,400	92,497	(24,903)	118,848
State fuel tax refund	1,000	1,000	654	(346)	1,277
Other income	-	-	3,818	3,818	3,979
Total Operating Revenues	<u>156,950</u>	<u>156,950</u>	<u>133,984</u>	<u>(22,966)</u>	<u>158,735</u>
Operating Expenses:					
Administration	30,935	30,935	28,372	2,563	31,715
Operations	127,373	127,373	92,577	34,796	121,851
Improvements	10,800	84,320	70,995	13,325	3,284
Capital Outlay	9,500	9,500	6,095	3,405	-
Depreciation	11,772	11,772	11,765	7	11,765
Total Expenses	<u>190,380</u>	<u>263,900</u>	<u>209,804</u>	<u>54,096</u>	<u>168,615</u>
Operating Income (Loss) - Budget Basis	(33,430)	(106,950)	(75,820)	31,130	(9,880)
Non-Operating Revenues (Expenses):					
Investment income	1,000	1,000	137	(863)	859
Intergovernmental awards	8,640	8,640	56,796	48,156	2,627
Total Non-Operating Revenues	<u>9,640</u>	<u>9,640</u>	<u>56,933</u>	<u>47,293</u>	<u>3,486</u>
Transfer (out)	2,700	(2,700)	(2,700)	-	(2,700)
Change in Net Assets - Budget Basis	<u>(21,090)</u>	<u>(100,010)</u>	<u>(21,587)</u>	<u>78,423</u>	<u>(9,094)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			6,095		-
Total Adjustments			<u>6,095</u>		<u>-</u>
Net Income - GAAP Basis			<u>(15,492)</u>		<u>(9,094)</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Landfill Operations Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Operating Revenues:				
Disposal fees	4,089,000	4,089,000	2,543,039	(1,545,961)
Composting fees	720,000	720,000	789,575	69,575
Other Income	30,000	30,000	79,650	49,650
Total Operating Revenues	<u>4,839,000</u>	<u>4,839,000</u>	<u>3,412,264</u>	<u>(1,426,736)</u>
Operating Expenses:				
Personnel costs	466,536	466,536	311,170	155,366
Operating costs	712,350	4,164,350	3,474,230	690,120
Composting fees	750,000	150,000	147,302	2,698
Utilities	7,500	7,500	7,125	375
Insurance	77,028	77,028	63,650	13,378
Allocated costs	127,281	127,281	127,281	-
Landfill compliance costs	98,379	98,379	62,710	35,669
Depreciation	24,066	240,066	197,651	42,415
Capital outlay	1,534,000	1,534,000	4,055	1,529,945
Total Operating Expenses	<u>3,797,140</u>	<u>6,865,140</u>	<u>4,395,174</u>	<u>2,469,966</u>
Operating Income (Loss) Budget Basis	1,041,860	(2,026,140)	(982,910)	1,043,230
Non-Operating Revenues (Expenses):				
Interest income	173,347	173,347	194,672	21,325
Gain (loss) on disposition of asset	(5,000)	(5,000)	(271,899)	(266,899)
Transfers (out)	(3,237,152)	(385,152)	(237,152)	148,000
Total Non-Operating Revenues	<u>(3,068,805)</u>	<u>(216,805)</u>	<u>(314,379)</u>	<u>(97,574)</u>
Change in Net Assets - Budget Basis	<u>(2,026,945)</u>	<u>(2,242,945)</u>	<u>(1,297,289)</u>	<u>945,656</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay			4,055	678,455
Total Adjustments			<u>4,055</u>	<u>678,455</u>
Net Income - GAAP Basis			<u>(1,293,234)</u>	<u>2,440,924</u>

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

City of Glenwood Springs, Colorado
Internal Service Funds
Fleet Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Net Assets
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for December 31, 2006)

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Charges and fees	826,215	832,430	6,215	942,222
Other operating revenue	100	24,419	24,319	736
Investment income	58,500	76,927	18,427	103,457
Sale of asset	-	124,229	124,229	31,452
Transfers in	1,382,247	1,382,247	-	2,140,506
Total Revenues	<u>2,267,062</u>	<u>2,440,252</u>	<u>173,190</u>	<u>3,218,373</u>
Expenses:				
General government:				
Operations	792,688	713,245	79,443	770,436
Capital outlay	1,578,600	658,417	920,183	780,097
Total Expenses	<u>2,371,288</u>	<u>1,371,662</u>	<u>999,626</u>	<u>1,550,533</u>
Operating Income (Loss) - Budget Basis	<u>(104,226)</u>	1,068,590	<u>1,172,816</u>	<u>1,667,840</u>
Reconciliation to GAAP Basis:				
Capital Contributions		37,356		25,969
Capital outlay		658,417		780,097
Depreciation and amortization		(304,974)		(235,027)
Operating Income (Loss) - GAAP Basis		<u>1,459,389</u>		<u>2,238,879</u>
Net Assets - Beginning of Year		<u>5,467,620</u>		<u>3,228,741</u>
Net Assets - End of Year		<u>6,927,009</u>		<u>5,467,620</u>

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Cemetery Reserve Fund
Schedule of Changes in Fiduciary Net Assets
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for December 31, 2008)

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
Additions:				
Perpetual care fees	2,500	3,500	1,000	5,750
Interest income	250	60	(190)	255
	2,750	3,560	810	6,005
Total Additions				
Change in Net Assets	2,750	3,560	810	6,005
Net Assets - Beginning of Year	21,307	24,612	3,305	18,607
Net Assets - End of Year	24,057	28,172	4,115	24,612

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Firemen's Pension Fund
Schedule of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2009
(With Comparative Totals For the Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
Additions:		
Pension contributions:		
State of Colorado	18,900	18,900
City of Glenwood Springs	21,000	21,000
Investment gain (loss)	<u>120,977</u>	<u>(286,418)</u>
Total Additions	<u>160,877</u>	<u>(246,518)</u>
Deductions:		
Pension payments	<u>97,906</u>	<u>93,000</u>
Total Deductions	<u>97,906</u>	<u>93,000</u>
Change in Net Assets	62,971	(339,518)
Net Assets - Beginning of Year	<u>681,285</u>	<u>1,020,803</u>
Net Assets - End of Year	<u><u>744,256</u></u>	<u><u>681,285</u></u>

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

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



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

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

This Information From The Records Of (example - City of _ or County of _) Glenwood Springs	Prepared By: Phone:	Michael J. Harman (970)384-6422
---	------------------------	------------------------------------

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,494,150
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	896,998
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	86,273
2. General fund appropriations	500,589	b. Snow and ice removal	165,033
3. Other local imposts (from page 2)	4,770,931	c. Other	0
4. Miscellaneous local receipts (from page 2)	310,802	d. Total (a. through c.)	251,306
5. Transfers from toll facilities		4. General administration & miscellaneous	112,002
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	941,038
a. Bonds - Original Issues		6. Total (1 through 5)	6,695,494
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	73,406
7. Total (1 through 6)	5,582,322	b. Redemption	130,685
B. Private Contributions		c. Total (a. + b.)	204,091
C. Receipts from State government (from page 2)	1,238,997	2. Notes:	
D. Receipts from Federal Government (from page 2)	78,266	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,899,585	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	204,091
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	6,899,585

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,622,567		132,459	1,490,108
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

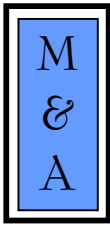
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		6,899,585	6,899,585		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2009	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	27,509
b. Other local imposts:		b. Traffic Fines & Penalties	237,512
1. Sales Taxes	4,698,241	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	7,500	d. Parking Meter Fees	45,781
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	65,190	g. Other Misc. Receipts	0
6. Total (1. through 5.)	4,770,931	h. Other	0
c. Total (a. + b.)	4,770,931	i. Total (a. through h.)	310,802
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	263,429	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	35,216	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify) EIAF Grants	940,352	f. Other Feder l (See note below)	78,266
f. Total (a. through e.)	975,568	g. Total (a. through f.)	78,266
4. Total (1. + 2. + 3.f)	1,238,997	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		152,040	584,749
c. Construction:			
(1). New Facilities			911,609
(2). Capacity Improvements			2,556,961
(3). System Preservation			222,730
(4). System Enhancement & Operation			66,061
(5). Total Construction (1) + (2) + (3) + (4)		0	3,757,361
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		152,040	4,342,110
			(Carry forward to page 1)
Notes and Comments:			
Line II.D.2.f.: HPP M535-003 Grant \$ 78,266			

SINGLE AUDIT REPORTS AND SCHEDULES





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

**To the Members of City Council
City of Glenwood Springs
Glenwood Springs, Colorado**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Glenwood Springs as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 07, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

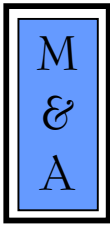
FRISCO
(970) 668-3481

**To the Members of City Council
City of Glenwood Springs, Colorado**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**McMahan and Associates, L.L.C.
June 07, 2010**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

SUITE 222/AVON CENTER
100 WEST BEAVER CREEK BLVD.
P.O. Box 5850 AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
TELEPHONE: (970) 845-8800
FACSIMILE: (970) 845-0851
E-MAIL: MCMAHAN@MCMAHANCPA.COM

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**To the Members of City Council
City of Glenwood Springs
Glenwood Springs, Colorado**

Compliance

We have audited the compliance of the City of Glenwood Springs (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Glenwood Springs complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Performing services for local governments throughout Colorado

*D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.*

*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

**To the Members of City Council
City of Glenwood Springs, Colorado**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**McMahan and Associates, L.L.C.
June 07, 2010**

City of Glenwood Springs, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Reportable condition identified that is not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Reportable conditions identified that is not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None noted
Major program – Administrative and Operating Costs Section 5311	CFDA #20.509
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

City of Glenwood Springs, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2008.

**City of Glenwood Springs
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Passed through State of Colorado:			
Department of Agriculture			
Forestry Assistance to States	10.664	No	12,993
Passed through Colorado Department of Transportation:			
Federal Transportation Agency			
Highway Planning and Construction	20.205	No	247,099
Administrative and Operating Costs Section 5311	20.509	Yes	196,000
Total - Federal Transportation Agency			<u>443,099</u>
Department of Justice:			
Office of Nation Drug Control - HIDTA program	16	No	100,328
Edward Byrne Memorial Justice Assistance Program	16.738	No	33,070
American Recovery and Reinvestment Act:			
Justice Assistance Grant	16.804	No	6,845
Total - Department of Justice			<u>140,243</u>
Total			<u><u>596,335</u></u>

Notes to the Schedule of Expenditures of Federal Awards for the year ended December 31, 2009

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Glenwood Springs and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Sub-recipients:

The City of Glenwood Springs did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients.