

Town of Collbran, Colorado

Financial Statements  
and  
Supplementary Information

December 31, 2007

## Table of Contents

Independent Auditors' Report.....	A1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	C1
Statement of Activities.....	C2
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	C3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	C4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	C5
Statement of Net Assets – Proprietary Funds.....	C6
Statement of Revenues, Expenses and Changes in Net Assets- Proprietary Funds.....	C7
Notes to the Financial Statements.....	D1
Required Supplementary Information Other than MD&A	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Major Governmental Funds	
General Fund.....	E1
Capital Projects Fund.....	E3
Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Non-Major Governmental Fund	
Conservation Trust Fund.....	F1
Schedule of Revenues, Expenditures and Changes in Net Assets-Budget and Actual-Water Fund.....	F2
Schedule of Revenues, Expenditures and Changes in Net Assets-Budget and Actual-Sewer Fund.....	F3

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Town of Collbran, Colorado

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Town of Collbran, Colorado as of and for the year ended December 31, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Collbran, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Town of Collbran, Colorado as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town has not presented Management's Discussion and Analysis that generally accepted accounting principles in the United States of America require as supplemental information, but not part of the basic financial statements.

The budgetary comparison information in Sections E and F is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have not audited this information and express no opinion on it.



Jeff Wendland, CPA, LLC  
Fruita, Colorado  
September 26, 2008

**Town of Collbran, Colorado**  
**Statement of Net Assets**  
**December 31, 2007**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments - Unrestricted	\$ 1,080,053	\$ -	\$ 1,080,053
Cash and investments - Restricted		-	-
Internal balances	300,468	(300,468)	-
Receivables, net:			
Property tax	24,776	-	24,776
User fee		17,047	17,047
Due from other governments	120,572	-	120,572
Other receivables		-	-
Capital assets, net	710,734	1,324,227	2,034,961
<b>Total Assets</b>	<b>2,236,603</b>	<b>1,040,806</b>	<b>3,277,409</b>
<b>Liabilities:</b>			
Accounts payable	23,410	6,041	29,451
Accrued interest payable	10,313	-	10,313
Property taxes assessed, but not collectible until subsequent year	24,776	-	24,776
Accrued expenses and deposits	13,636	5,986	19,622
Accrued compensated absences:			
Due within one year	8,178	11,450	19,628
Due in more than one year	16,142	-	16,142
Revenue bonds payable:			
Due within one year	85,000	-	85,000
Due in more than one year	595,000	-	595,000
Judgement payable	124,891		
<b>Total Liabilities</b>	<b>901,346</b>	<b>23,477</b>	<b>799,932</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	30,734	1,324,227	1,354,961
Restricted for emergencies	34,725	-	34,725
Unrestricted	1,269,798	(306,898)	962,900
<b>Total Net Assets</b>	<b>\$ 1,335,257</b>	<b>\$ 1,017,329</b>	<b>\$ 2,352,586</b>

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

**Town of Collbran, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2007**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>						
<b>Governmental Activities:</b>						
General government	\$ 240,843	\$ -	\$ -	\$ (237,415)	\$ -	\$ (237,415)
Public safety	141,378	75	60,000	(81,040)		(81,040)
Public works	133,558	-	-	(131,536)		(131,536)
Municipal court	27,068	-	-	(11,884)		(11,884)
Culture and recreation	65,005	6,755	-	(50,104)		(50,104)
Interest on long-term debt	38,691	-	-	(38,691)		(38,691)
<b>Total Governmental Activities</b>	<b>646,543</b>	<b>6,830</b>	<b>60,000</b>	<b>(550,670)</b>		<b>(550,670)</b>
<b>Business-type Activities:</b>						
Water	174,030	-	19,061		\$ (45,918)	(45,918)
Sewer	162,970	-	19,535		(63,921)	(63,921)
<b>Total Business-type Activities</b>	<b>337,000</b>	<b>-</b>	<b>38,596</b>		<b>(109,839)</b>	<b>(109,839)</b>
<b>Extraordinary item</b>						
Easement dispute award	124,891	-	-	(124,891)		(124,891)
<b>Total</b>	<b>\$ 1,108,434</b>	<b>\$ 6,830</b>	<b>\$ 98,596</b>	<b>(675,561)</b>	<b>(109,839)</b>	<b>(785,400)</b>

**General Revenues:**

Taxes:	
Property tax, levied for general purposes	23,317
Sales tax and use tax	703,651
Cigarette tax	730
Franchise tax	6,571
Severance tax	26,443
Specific ownership tax	4,698
Earnings on investments	46,586
(Loss) on disposal of assets	-
Transfers	-
Miscellaneous	601
<b>Total General Revenues and Transfers</b>	<b>812,597</b>
<b>Change in Net Assets</b>	<b>137,036</b>
<b>Net Assets - Beginning</b>	<b>1,198,221</b>
<b>Net Assets - Ending</b>	<b>\$ 1,335,257</b>

	23,317	
	703,651	703,651
	730	730
	6,571	6,571
	26,443	26,443
	4,698	4,698
	46,586	46,586
	-	-
	-	-
	601	601
	812,597	812,597
	(109,839)	27,197
	1,127,168	2,325,389
	\$ 1,017,329	\$ 2,352,586

**Town of Collbran, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2007**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non Major Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and investments - Unrestricted	\$ 1,080,053	\$ -	\$ -	\$ 1,080,053
Due from other governments	120,572	-	-	120,572
Due from (to) other fund	289,232	(15,636)	26,872	300,468
Other receivables	-	-	-	-
Property taxes assessed, but not collectible until subsequent year	24,776	-	-	24,776
<b>Total Assets</b>	<u>\$ 1,514,633</u>	<u>\$ (15,636)</u>	<u>\$ 26,872</u>	<u>\$ 1,525,869</u>
<b>Liabilities and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 23,410	\$ -	\$ -	\$ 23,410
Accrued expenses	13,636	-	-	13,636
Property taxes assessed, but not collectible until subsequent year	24,776	-	-	24,776
Compensated absences	8,178	-	-	8,178
Judgement payable	124,891	-	-	124,891
<b>Total Liabilities</b>	<u>194,891</u>	<u>-</u>	<u>-</u>	<u>194,891</u>
<b>Fund Balance:</b>				
Reserved for emergencies	22,170	-	-	22,170
Reserved for debt service	-	-	-	-
Unreserved fund balance	1,297,572	(15,636)	26,872	1,308,808
<b>Total Fund Balance</b>	<u>1,319,742</u>	<u>(15,636)</u>	<u>26,872</u>	<u>1,330,978</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,514,633</u>	<u>\$ (15,636)</u>	<u>\$ 26,872</u>	<u>\$ 1,525,869</u>

**Amounts reported for governmental activities in the Statement  
of Net Assets are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	710,734
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(706,455)
<b>Net Assets of Governmental Activities</b>	<u>\$ 1,335,257</u>

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

**Town of Collbran, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non Major Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes	\$ 645,570	\$ 101,987	\$ -	\$ 747,557
Intergovernmental	18,024	-	6,559	24,583
Earnings on investments	46,586	-	-	46,586
Other revenues	89,743	-	-	89,743
<b>Total Revenues</b>	<u>799,923</u>	<u>101,987</u>	<u>6,559</u>	<u>908,469</u>
<b>Expenditures:</b>				
General government	220,145	-	-	220,145
Public safety	184,605	-	-	184,605
Public works	108,796	-	-	108,796
Municipal court	27,068	-	-	27,068
Culture and recreation	47,421	-	2,925	50,346
Cost of bond refunding	-	19,440	-	19,440
Debt service:				-
Bond fees	-	350	-	350
Bond interest	-	44,722	-	44,722
Bond principal	-	155,000	-	155,000
<b>Total Expenditures</b>	<u>588,035</u>	<u>219,512</u>	<u>2,925</u>	<u>810,472</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	211,888	(117,525)	3,634	97,997
<b>Extraordinary item</b>				
Easement dispute award	<u>(124,891)</u>	<u>-</u>	<u>-</u>	<u>(124,891)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources(Uses)</b>	86,997	(117,525)	3,634	(26,894)
<b>Fund Balance - Beginning</b>	<u>1,232,745</u>	<u>101,889</u>	<u>23,238</u>	<u>1,357,872</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,319,742</u>	<u>\$ (15,636)</u>	<u>\$ 26,872</u>	<u>\$ 1,330,978</u>

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

**Town of Collbran, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of Governmental**  
**Funds to the Statement of Activities**  
**For the Year Ended December 31, 2007**

<b>Net Change in Fund Balance of Governmental Funds</b>	\$ (26,894)
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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation outlay during the year.	6,286
Repayment of revenue bonds principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount of repayments.	155,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>2,644</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 137,036</u></u>

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



**Town of Collbran, Colorado**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2007**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Due from (to) other funds	\$ (320,698)	\$ 20,230	\$ (300,468)
User fee receivable	8,785	8,262	17,047
<b>Total Current Assets</b>	<u>(311,913)</u>	<u>28,492</u>	<u>(283,421)</u>
<b>Non-current Assets:</b>			
Capital assets, at cost	1,412,754	1,542,863	2,955,617
Accumulated depreciation	(651,084)	(980,306)	(1,631,390)
<b>Total Non-current Assets</b>	<u>761,670</u>	<u>562,557</u>	<u>1,324,227</u>
<b>Total Assets</b>	<u>449,757</u>	<u>591,049</u>	<u>1,040,806</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable	3,501	2,540	6,041
Deposits	5,986	-	5,986
Compensated absences	5,725	5,725	11,450
<b>Total Liabilities</b>	<u>15,212</u>	<u>8,265</u>	<u>23,477</u>
Invested in capital assets, net of related debt	761,670	562,557	1,324,227
Unrestricted	(327,125)	20,227	(306,898)
<b>Total Net Assets</b>	<u>\$ 434,545</u>	<u>\$ 582,784</u>	<u>\$ 1,017,329</u>

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

**Town of Collbran, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
User charges	\$ 109,051	\$ 79,514	\$ 188,565
Other operating	-	-	-
<b>Total Operating Revenues</b>	<u>109,051</u>	<u>79,514</u>	<u>188,565</u>
<b>Operating Expenses:</b>			
Salaries and benefits	66,462	55,698	122,160
Professional services	14,178	21,644	35,822
Supplies and chemicals	14,429	3,510	17,939
Utilities	14,588	24,009	38,597
Repairs and maintenance	7,654	1,326	8,980
Depreciation	38,697	40,731	79,428
Other	17,506	16,052	33,558
<b>Total Operating Expenses</b>	<u>173,514</u>	<u>162,970</u>	<u>336,484</u>
<b>Operating (Loss)</b>	<u>(64,463)</u>	<u>(83,456)</u>	<u>(147,919)</u>
<b>Non-operating Income (Expenses):</b>			
Grant Received	12,500	12,500	
Professional services expense	(12,500)	(12,500)	
Interest on note payable	(516)	-	(516)
<b>Total Non-operating (Expenses)</b>	<u>(516)</u>	<u>-</u>	<u>(516)</u>
<b>(Loss) Before Capital Contributions</b>	(64,979)	(83,456)	(148,435)
<b>Capital Contributions</b>	<u>19,061</u>	<u>19,535</u>	<u>38,596</u>
<b>Change in Net Assets</b>	(45,918)	(63,921)	(109,839)
<b>Net Assets - Beginning</b>	<u>480,463</u>	<u>646,705</u>	<u>1,127,168</u>
<b>Net Assets - Ending</b>	<u>\$ 434,545</u>	<u>\$ 582,784</u>	<u>\$ 1,017,329</u>

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

**Town of Collbran, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers	\$ 115,499	\$ 82,446	\$ 197,945
Cash payments for goods and services	(69,919)	(67,761)	(137,680)
Cash payments to employees	(65,872)	(55,108)	(120,980)
<b>Net Cash Provided(Used) by Operating Activities</b>	<u>(20,292)</u>	<u>(40,423)</u>	<u>(60,715)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital contributions - Tap Fees	19,061	19,535	38,596
Cash paid for capital assets	(44,265)	-	(44,265)
Principal payments on note payable	(9,175)	-	(9,175)
Interest paid	(516)	-	(516)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(34,895)</u>	<u>19,535</u>	<u>(15,360)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(55,187)	(20,888)	(76,075)
<b>Cash and Cash Equivalents (Deficit) - Beginning</b>	(265,511)	41,118	(224,393)
<b>Cash and Cash Equivalents (Deficit) - Ending</b>	<u>\$ (320,698)</u>	<u>\$ 20,230</u>	<u>\$ (300,468)</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>			
Operating (loss)	\$ (64,463)	\$ (83,456)	\$ (147,919)
<b>Adjustments to Reconcile:</b>			
Depreciation	38,697	40,731	79,428
(Increase) decrease in accounts receivable	2,382	2,932	5,314
Increase (decrease) in accounts payable	(1,564)	(1,220)	(2,784)
Increase (decrease) in deposits	4,066	-	4,066
Increase (decrease) in compensated absences	590	590	1,180
<b>Total Adjustments</b>	<u>44,171</u>	<u>43,033</u>	<u>87,204</u>
<b>Net Cash (Used) by Operating Activities</b>	<u>\$ (20,292)</u>	<u>\$ (40,423)</u>	<u>\$ (60,715)</u>

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

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**

**I. Summary of Significant Accounting Policies**

The Town of Collbran, Colorado (the "Town") was incorporated under Colorado statutes in 1908. An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include public safety, public works, and culture and recreation.

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

**A. Reporting Entity**

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

Based on the criteria above, the Town is not financially accountable for any other entity nor is the Town a component unit of any other government.

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, public works, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

**C. Fund Financial Statements**

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

The fund focus is on current available resources and budget compliance.

The Town reports the following governmental funds:

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

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Capital Projects Fund* accounts for the construction or acquisition of capital facilities. Receipts for these purposes arise from the sale of bonds, grants from other governments, and transfers from other funds.

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

The *Water Fund* accounts for the delivery of water to the citizens of the Town.

The *Sewer Fund* accounts for sewer service to the citizens of the Town.

**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.

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

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

The Town's policy is to first use restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

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

**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 (60 days) 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.

**1. Financial Statement Presentation**

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

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

**F. 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 market value.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2007, as all accounts are considered to be collectible.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

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

4. **Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit 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. **Interfund Receivables and Payables**

Balances at year-end between funds are reported as "due to / from 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.

6. **Capital Assets**

Capital assets, which include land, treatment plants, reservoirs, distribution systems, buildings and improvements, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2003), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of \$750 or more (\$3,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Infrastructure assets are being capitalized prospectively beginning in 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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.

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

<b>Assets</b>	<b>Years</b>
Reservoirs and treatment plants	40
Land Improvements	10-20
Distribution systems	15-40
Buildings and improvements	30
Equipment and vehicles	3-15
Street improvements	5-12

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

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

**7. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as 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 reported in the governmental activities in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund 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 estimated to be paid upon termination.

**8. Tap Fees**

Accounting and Financial Reporting for Non-exchange Transactions, GASB 33, requires that government entities that receives tap fees record the tap fees as revenue for accounting periods beginning after June 15, 2000. Accordingly, the Town has reported tap fees for the year ended December 31, 2007 as revenue in the accompanying financial statements.

**9. Use of Estimates**

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

**10. Legal Provisions and Authorization for Deposits**

The Town pools deposits and investments of all funds. Each fund's share of the pool is readily identified by the Town's internal records. The Town is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

**11. Proprietary Funds**

As required by GASB 20, the Town has elected to follow for its proprietary funds, all (1) GASB pronouncements and (2) FASB Statements and Interpretations, APE? Opinions, and Accounting Research Bulletins (ARBS) issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.



**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Government Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund Balance Sheet includes 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 "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." This \$706,455 difference is related to revenue bonds payable of \$680,000, interest payable of \$10,313 and long term portion of compensated absences of \$16,142.

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes 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 "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 this \$6,286 difference are depreciation expense of \$87,820 less capital outlay of \$87,820.

Another element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this \$2,644 difference are a decrease in accrued interest expense of \$8,695 and an increase in compensated absences of \$6,523.

**III. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

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

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2007.

1. For the 2007 budget year, prior to August 25, 2006, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Administrator, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2006, a recommended budget which detailed the necessary property taxes along with other available revenues to meet the Town's operating requirements.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

**A. Budgetary information (continued)**

3. Prior to December 15, 2006, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2006 were collected in 2007 and taxes certified in 2007 will be collected in 2008. 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.

The Capital Projects Fund exceeded appropriations during 2007 by \$83,813. This may be in violation of Colorado Statutes.

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$34,725 which is the approximate required reserve at December 31, 2007.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

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

**B. TABOR Amendment (continued)**

The Town's voters approved the following ballot question which will allow the Town to collect, retain, and expend the full proceeds of the Town's sales tax, use tax, property tax, state grants, and other revenues from the date of November 8, 1994 and thereafter:

Shall the Town of Collbran, Mesa County, Colorado, without any increase in the property tax mill levy and sales and use tax rates, be authorized to increase its revenue and expenditure limitations established under Article X, Section 20 of the Colorado Constitution (commonly known as Amendment 1 and/or the TABOR Amendment) during 1994 and each subsequent year; to receive and expend state grants; and to receive and expend all sales tax, use tax and property tax revenues for capital projects and other basic municipal services without limiting in any year the amount of other revenues that may be collected and spent by the Town of Collbran.

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

**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 on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the 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 the collateral must be at least equal to the aggregate uninsured deposits.

Colorado statutes specify instruments that local governments may invest, and include:

- Obligations of the U.S. and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

**Interest Rate Risk**

The Town limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the Town avoids interest rate risk.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

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

**Concentration of Credit Risk.** The Town invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

**Pools.** The Town has invested in Colorado Local Government Liquid Asset Trust and Colorado Surplus Asset Fund Trust ("C-SAFE"). The trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The trusts operate similarly to a money market fund and 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. A designated custodial bank provides safekeeping and depository services to the trusts in connection with their direct investment and withdrawal functions. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the trusts.

A summary of the Town's cash and investments at December 31, 2007, is shown below:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking		\$ 61,366	\$ 61,366	\$ -
<i>Investments:</i>				
C-Safe	AAAm	407,631	407,631	-
ColoTrust	AAAm	583,477	583,477	-
		<u>1,052,474</u>	<u>1,052,474</u>	<u>-</u>

**B. Receivables**

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. The \$24,776 of deferred revenue is property taxes levied in 2007 but not available until 2008.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2007 was as follows:

	Balance 12/31/2006	Additions	Deletions	Balance 12/31/2007
<b>Governmental funds:</b>				
Equipment	\$ 209,393	\$ 68,617	\$ -	\$ 278,010
Buildings	537,070	-	-	537,070
Improvements	338,485	-	-	338,485
Infrastructure	154,077	-	-	154,077
Bond Issue costs	-	19,440	-	19,440
Total	1,239,025	88,057	-	1,327,082
Less depreciation and amortization	(668,461)	(81,534)	-	(749,995)
Net	570,564	6,523	-	577,087
Land	133,647	-	-	133,647
Total - Governmental Funds	704,211	6,523	-	710,734
<b>Proprietary Funds:</b>				
<b>Water</b>				
Equipment	41,257	44,265	-	85,522
Water system	766,569	-	-	766,569
Reservoirs	84,363	-	-	84,363
Water Treatment Plant	476,299	-	-	476,299
Total	1,368,488	44,265	-	1,412,753
Less depreciation	(612,388)	(38,697)	-	(651,085)
Net - Water Fund	756,100	5,568	-	761,670
<b>Sewer</b>				
Equipment	56,756	-	-	56,756
Sewer System	1,442,521	-	-	1,442,521
Total	1,499,277	-	-	1,499,277
Less Depreciation	(939,575)	(40,731)	-	(980,306)
Net	559,702	(40,731)	-	518,971
Land	43,585	-	-	43,585
Total - Sewer Fund	603,287	(40,731)	-	562,556
Total Proprietary Funds	1,359,387	(35,163)	-	1,324,227
<b>Total fixed assets - net - all funds</b>	<b>\$ 2,063,598</b>	<b>\$ (28,640)</b>	<b>\$ -</b>	<b>\$ 2,034,961</b>

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

Interfund receivables and payables as of December 31, 2006 were as follows:

	Receivable	Payable
General Fund	\$ 391,218	\$ -
Conservation Trust Fund	26,872	-
Water Fund	-	320,697
Sewer Fund	20,230	
Capital Projects Fund		117,623
<b>Total</b>	<b>\$ 438,320</b>	<b>\$ 438,320</b>

The interfund balances stated above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are not expected to be collected in the subsequent year as the funds owing the money are not expecting to net enough revenue to repay the owed balances in the near future.

**E. Long-term Liabilities – Governmental Activities**

1. Sales tax revenue bonds

In March, 2007 the Town issued sales tax revenue bonds in the amount of \$720,000 at an interest rate of 4.55%. The proceeds of the bonds were used to retire Series 1996 sales tax revenue bonds.

The bonds were issued for the purpose of constructing paved streets, curbs, gutters, sidewalks, storm drainage improvements and related improvements in the area of the Town between Plateau Creek and High Street, and the east and west Town limits. The proceeds from the bond issuance were deposited into the Town's Capital Projects Fund.

Bond principal and interest payments are made from the Town's share of Mesa County sales and use taxes. The net present value savings of the transaction to the Town of Collbran was \$38,968. Future payments on the bonds are as follows:

Year	Principal	Interest	Total Payment
2008	\$ 85,000	\$ 30,030	\$ 115,030
2009	85,000	26,163	111,163
2010	95,000	22,181	117,181
2011	95,000	17,859	112,859
2012	95,000	13,536	108,536
2013	105,000	9,100	114,100
2014	100,000	4,323	104,323
2015	20,000	455	20,455
<b>Total</b>	<b>\$ 680,000</b>	<b>\$ 123,647</b>	<b>\$ 803,647</b>

D11  
**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**2. Compensated Absences**

The Town has a policy for the accumulation of sick pay up to certain limits. Vacation pay is accumulated from commencement of employment and may be used after six months of employment. Sick pay may be accumulated to a maximum of 120 days. Vacation pay may be accumulated up to 15 days.

The Town also accumulates compensatory leave which must be used or paid within 30 days. The estimated liability for accrued leave for Water Fund employees is recorded on the proprietary funds; the estimated liability for General Fund employees is recorded in the governmental activities column in the government-wide financial statements.

**V. Other information**

**A. Pension Plans**

**1. Defined Contribution Plan – IRC Section 401 (a)**

The Town offers a defined contribution pension plan which covers all permanent paid employees and elected officials of the Town. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate in the Plan from the date of employment. The Plan provides for contributions to be made by the Town and the employee of 8% each.

The Plan is administered by ICMA Retirement Corporation for one former employee and by the Colorado County Officials and Employees' Retirement Association (CCOERA) for all other employees and council members.

The total amount of the Town employees' covered payroll for the year ended December 31, 2007 was \$273,800, with a total payroll of \$290,125. The Town's required and actual contributions to the Plan for the year ended December 31, 2007 were \$21,903. The Town's contributions represent 8% of covered payroll.

The Town has no liability for losses under the Plan but does have the duty of care that would be required of an ordinary prudent investor.

**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**V. Other Information (continued)**

**A. Pension Plans (continued)**

**2. Deferred Compensation Plan – IRC Section 457**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the Plan participants and their beneficiaries.

The accrual basis of accounting is used for the Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the Plan participant and therefore, the Plan's investment concentration varies between participants.

The Town has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Plan is administered by ICMA Retirement Corporation.

**B. Risk Management**

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

**C. Contingencies - Claim**

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives feel that these claims or assertions are inconsequential and/or not susceptible to reasonable estimation. Therefore no liabilities have been recorded for these possible claims or assertions.

**D. Land Lease and Indemnity Agreement**

The Town entered into an agreement with Grand Valley National Bank (the "Bank") on April 23, 2003, whereby the Town has leased certain real property to the Bank, paid for the demolition and removal of a structure on the property, and agreed to indemnify the Bank for any and all future costs associated with any environmental hazards which may exist on or beneath the property. The Bank has paid the Town \$60,000 for the lease for a term of 60 years, unless terminated sooner by purchase or otherwise. The Bank has paid the Town an additional \$90,000 for the indemnity agreement. The Bank has an option to purchase the property anytime during the term of the lease for an additional \$60,000.



**Town of Collbran, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2007**  
**(Continued)**

**V. Other Information (continued)**

**E. Easement Dispute Award**

In 2007 a case in which Town residents sued the Town in regard to an easement dispute was tried in Mesa County District Court. The jury in that case awarded the plaintiffs a judgment in the amount of \$124,891. The Town did not appeal that judgment and paid the full amount in 2008.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Collbran, Colorado**  
**Schedule of Revenues**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2007**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Taxes:</b>			
General property	\$ 30,000	\$ 23,317	\$ (6,683)
County sales	542,525	568,975	26,450
Cigarette	900	730	(170)
Franchise	5,600	6,571	971
Severance	28,000	26,443	(1,557)
Specific ownership	5,000	4,698	(302)
Mineral Lease	15,000	14,836	(164)
<b>Total Taxes</b>	<u>627,025</u>	<u>645,570</u>	<u>18,709</u>
<b>Intergovernmental:</b>			
Highway users	11,000	12,061	1,061
County road and bridge	900	545	(355)
Motor vehicle registration	1,800	888	(912)
Library reimbursement	1,200	-	(1,200)
Grants	-	196	196
Motor vehicle use tax	-	4,334	4,334
Payment in lieu of taxes	-	-	-
<b>Total Intergovernmental</b>	<u>14,900</u>	<u>18,024</u>	<u>3,124</u>
<b>Earnings on Investments</b>	<u>29,000</u>	<u>46,586</u>	<u>17,586</u>
<b>Other Revenues:</b>			
Fines and penalties	18,000	15,184	(2,816)
Land use/development fees	5,000	-	(5,000)
Miscellaneous	1,575	8,519	6,944
Rodeo grounds	1,500	2,510	1,010
Summer recreation	3,000	3,455	455
Transfers in	-	-	-
Donations	-	60,075	60,075
<b>Total Other Revenues</b>	<u>29,075</u>	<u>89,743</u>	<u>60,668</u>
<b>Total Revenues</b>	<u>\$ 700,000</u>	<u>\$ 799,923</u>	<u>\$ 100,087</u>

**Town of Collbran, Colorado**  
**Schedule of Expenditures**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2007**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>General Government:</b>			
Personnel services	\$ 91,000	\$ 87,659	\$ 3,341
Supplies	8,800	14,465	(5,665)
Other services and charges	177,300	107,051	70,249
Capital outlay	-	10,970	(10,970)
<b>Total General Government</b>	<u>277,100</u>	<u>220,145</u>	<u>56,955</u>
<b>Public Safety:</b>			
Personnel services	98,700	96,185	2,515
Supplies	9,000	10,208	(1,208)
Other services and charges	21,900	20,802	1,098
Capital outlay	5,350	57,410	(52,060)
<b>Total Public Safety</b>	<u>134,950</u>	<u>184,605</u>	<u>(49,655)</u>
<b>Public Works:</b>			
Personnel services	55,000	76,479	(21,479)
Supplies	15,000	12,098	2,902
Other services and charges	104,250	20,219	84,031
Capital outlay	-	-	-
<b>Total Public Works</b>	<u>174,250</u>	<u>108,796</u>	<u>65,454</u>
<b>Municipal Court:</b>			
Personnel services	9,600	9,295	305
Supplies	250	9	241
Other services and charges	15,200	17,764	(2,564)
<b>Total Municipal Court</b>	<u>25,050</u>	<u>27,068</u>	<u>(2,018)</u>
<b>Culture and Recreation:</b>			
Personnel services	19,500	19,692	(192)
Supplies	2,000	12,443	(10,443)
Other services and charges	18,150	15,286	2,864
Capital outlay	-	-	-
<b>Total Culture and Recreation</b>	<u>39,650</u>	<u>47,421</u>	<u>(7,771)</u>
 <b>Total Expenditures</b>	 <u>\$ 651,000</u>	 <u>\$ 588,035</u>	 <u>\$ 62,965</u>

**Town of Collbran, Colorado**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2007**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Sales tax	\$ 116,259	\$ 101,987	\$ (14,272)
Earnings on investments	-	-	-
<b>Total Revenues</b>	116,259	101,987	(14,272)
<b>Expenditures:</b>			
Professional fees	-	-	-
Debt service:			
Bond fees	300	350	(50)
Bond interest	50,959	44,722	6,237
Bond principal	65,000	155,000	(90,000)
<b>Total Expenditures</b>	116,259	200,072	(83,813)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ -	\$ (98,085)	\$ (98,085)

## **SUPPLEMENTARY INFORMATION**

**Town of Collbran, Colorado**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**Special Revenue Fund - Conservation Trust Fund**  
**For the Year Ended December 31, 2007**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Intergovernmental:</b>			
State lottery	\$ 5,600	\$ 6,559	\$ 959
Earnings on investments	-	0	-
<b>Total Revenues</b>	<u>5,600</u>	<u>6,559</u>	<u>959</u>
<b>Expenditures:</b>			
<b>Culture and recreation:</b>			
Recreation expenditures	15,000	2,925	12,075
<b>Total Expenditures</b>	<u>15,000</u>	<u>2,925</u>	<u>12,075</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources(Uses)</b>	<u>\$ (9,400)</u>	<u>\$ 3,634</u>	<u>\$ 13,034</u>

**Town of Collbran, Colorado**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Proprietary Funds - Water Fund**  
**For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
<b>Operating Revenues:</b>				
User charges	\$ 110,000	\$ 110,000	\$ 109,051	\$ (949)
Other operating	15,000	15,000	12,500	(2,500)
<b>Total Operating Revenues</b>	<u>125,000</u>	<u>125,000</u>	<u>121,551</u>	<u>(3,449)</u>
<b>Operating Expenses:</b>				
Salaries and benefits	54,100	54,100	66,462	(12,362)
Professional services	11,000	11,000	14,178	(3,178)
Supplies and chemicals	27,100	27,100	14,429	12,671
Utilities	18,000	18,000	14,588	3,412
Repairs and maintenance	-	-	7,654	(7,654)
Other	8,666	8,666	30,006	(21,340)
Capital outlay	2,500	2,500	-	2,500
Supplemental appropriation	-	80,000	-	80,000
<b>Total Operating Expenses</b>	<u>121,366</u>	<u>201,366</u>	<u>147,317</u>	<u>54,049</u>
<b>Non-operating (Expenses):</b>				
Interest on note payable	459	459	516	(57)
Principal on note payable	9,175	9,175	9,175	-
<b>Total Non-operating (Expenses)</b>	<u>9,634</u>	<u>9,634</u>	<u>9,691</u>	<u>(57)</u>
<b>Net Income (Loss) - Non-GAAP Basis Before Capital Contributions</b>	(6,000)	(86,000)	(35,457)	50,543
<b>Capital Contributions - Tap Fees</b>	6,000	6,000	19,061	13,061
<b>Net Income (Loss) - Non-GAAP Basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(16,396)</u>	<u>\$ 63,604</u>
<b>Reconciliation to GAAP Basis:</b>				
Debt retirement			9,175	
Depreciation			(38,697)	
<b>Total GAAP Basis Adjustments</b>			<u>(29,522)</u>	
<b>Net (Loss) - GAAP Basis</b>			<u>\$ (45,918)</u>	



**Town of Collbran, Colorado**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Proprietary Funds - Sewer Fund**  
**For the Year Ended December 31, 2007**

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
<b>Operating Revenues:</b>			
User charges	\$ 117,900	\$ 79,514	\$ (38,386)
Other operating	21,000	12,500	8,500
<b>Total Operating Revenues</b>	138,900	92,014	(29,886)
 <b>Operating Expenses:</b>			
Salaries and benefits	61,900	55,698	6,202
Professional services	11,000	21,644	(10,644)
Supplies and chemicals	18,100	3,510	14,590
Utilities	24,500	24,009	491
Repairs and maintenance	-	1,326	(1,326)
Other	6,500	28,552	(22,052)
Capital outlay	16,900	-	16,900
<b>Total Operating Expenses</b>	138,900	134,739	4,161
 <b>Net Income (Loss) - Non-GAAP Basis</b>			
<b>Before Capital Contributions</b>	-	(42,725)	(34,047)
 <b>Capital Contributions - Tap Fees</b>	-	19,535	19,535
 <b>Net Income (Loss) - Non-GAAP Basis</b>	\$ -	(23,190)	\$ (14,512)
 <b>Reconciliation to GAAP Basis:</b>			
Debt retirement		-	
Capital outlay		-	
Depreciation		(40,731)	
<b>Total GAAP Basis Adjustments</b>		(40,731)	
 <b>Net (Loss) - GAAP Basis</b>		\$ (63,921)	