

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

**Financial Statements
December 31, 2008**



**City of Glenwood Springs, Colorado
Financial Report
December 31, 2008**

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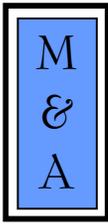
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INDEPENDENT AUDITOR'S REPORT

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, 2008, 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, 2008, 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 May 28, 2009 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.

Performing services for local governments throughout Colorado

D. Jerry McMahan, C.P.A.
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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**

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
May 28, 2009**

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Glenwood Springs, Colorado

Management's Discussion and Analysis
December 31, 2008

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, 2008.

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, Acquisition and Improvement Fund, and the Downtown Development Authority. The City also reports a number of minor 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 services 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, Cathy Carney Scholarship Trust 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	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	22,370,330	21,446,343	24,495,755	21,982,172	46,866,085	43,428,515
Capital assets, net	66,045,312	63,309,224	47,512,998	45,698,796	113,558,310	109,008,020
Total Assets	88,415,642	84,755,567	72,008,753	67,680,968	160,424,395	152,436,535
Liabilities:						
Other liabilities	5,377,580	5,431,019	1,826,201	1,941,942	7,203,781	7,372,961
Long-term liabilities	17,663,972	19,563,132	2,098,040	2,572,328	19,762,012	22,135,460
Total Liabilities	23,041,552	24,994,151	3,924,241	4,514,270	26,965,793	29,508,421
Net Assets:						
Invested in capital assets, net of related debt	47,040,335	42,137,245	45,090,415	42,786,587	92,130,750	84,923,832
Restricted	3,067,860	4,057,777	-	2,815,394	3,067,860	6,873,171
Unrestricted	15,265,895	13,566,394	22,994,097	17,564,717	38,259,992	31,131,111
Total Net Assets	65,374,090	59,761,416	68,084,512	63,166,698	133,458,602	122,928,114

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 71% of its total assets; these assets are not an available source for payment of future spending. Of the remaining \$46,866,085 in assets, \$6,230,928 is restricted for the following purposes:

	Governmental Activities	Business-type Activities
Emergency Reserve	\$ 742,302	-
Prepaid expenses and inventory	839	-
Other items	2,324,719	-
Debt service	-	461,500
	\$ 3,067,860	461,500

At the end of the 2008 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 \$10,530,490 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 increase in business-type activities is due to net income in the water and sewer fund, electric fund and landfill fund. The business-type activities have increased because the sale of services has exceeded operating costs.

Government-wide Financial Analysis (continued):

Governmental Activities: Governmental activities increased the City's net assets by \$5,612,674. Key elements of this increase are as follows:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	4,191,175	3,907,968	19,293,485	18,382,769	23,484,660	22,290,737
Grants and contributions	2,578,903	2,077,634	1,011,941	1,386,224	3,590,844	3,463,858
General revenue:						
Sales and use taxes	17,174,926	17,254,575	-	-	17,174,926	17,254,575
Property taxes	1,214,423	1,185,481	-	-	1,214,423	1,185,481
Other taxes	1,129,564	1,112,963	-	-	1,129,564	1,112,963
Interest and other revenues	1,132,441	661,304	719,010	946,776	1,851,451	1,608,080
Total Revenues	27,421,432	26,199,925	21,024,436	20,715,769	48,445,868	46,915,694
Expenses:						
General government	4,139,417	3,880,775	-	-	4,139,417	3,880,775
Transportation	1,255,604	1,137,237	-	-	1,255,604	1,137,237
Public Safety	6,536,066	6,131,865	-	-	6,536,066	6,131,865
Community development	1,730,766	1,380,891	-	-	1,730,766	1,380,891
Public works	4,485,437	3,971,886	-	-	4,485,437	3,971,886
Culture and recreation	3,857,589	3,680,035	-	-	3,857,589	3,680,035
Interest on long-term debt	897,451	954,355	-	-	897,451	954,355
Water and sewer	-	-	3,386,300	3,239,452	3,386,300	3,239,452
Electric system	-	-	9,113,869	8,729,742	9,113,869	8,729,742
Airport operations	-	-	168,615	171,345	168,615	171,345
Landfill	-	-	2,344,264	1,833,601	2,344,264	1,833,601
Total Expenses	22,902,330	21,137,044	15,013,048	13,974,140	37,915,378	35,111,184
Change in Net Assets						
Before Transfers	4,519,102	5,062,881	6,011,388	6,741,629	10,530,490	11,804,510
Transfers	1,093,572	1,695,812	(1,093,572)	(1,695,812)	-	-
Change in Net Assets	5,612,674	6,758,693	4,917,816	5,045,817	10,530,490	11,804,510
Net Assets - Beginning	59,761,416	53,002,723	63,166,696	58,120,881	122,928,112	111,123,604
Net Assets - Ending	65,374,090	59,761,416	68,084,512	63,166,698	133,458,602	122,928,114

Significant events impacting 2008 are:

- Governmental Activities revenues increased \$1,221,507 over the prior year. Grants and contributions increased \$501,268 over the prior year due to funding received for South Bridge planning and environmental assessment. Expenditures increased slightly over 8%.
- 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.

Government-wide Financial Analysis (continued):

- 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.

Business-type Activities: Business-type activities increased the City's net assets by \$4,917,816. Key elements of this increase are as follows:

- The Water and Sewer Fund's net assets increased \$1,771,589. User fees increased \$239,270 over the prior year. The collection and distribution system incurred capital outlay in the amount of \$629,056, for both the water and sewer system. The cash decreased by \$154,918 for this fund.
- The Electric Fund's net assets increased \$714,395. This increase is due to several factors including an increase in user fees of \$132,117. Additionally, the fund received \$102,623 in developer contributions. The Fund's available cash increased by \$654,951.
- The Landfill Fund's net assets increased \$2,440,924. This increase is largely due to operating revenues exceeding operating expenditures; as disposal fees continue to exceed budget estimates. Transfers out to other funds totaled \$950,322. 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 increased \$2,070,838.

Financial Analysis of the City's Funds

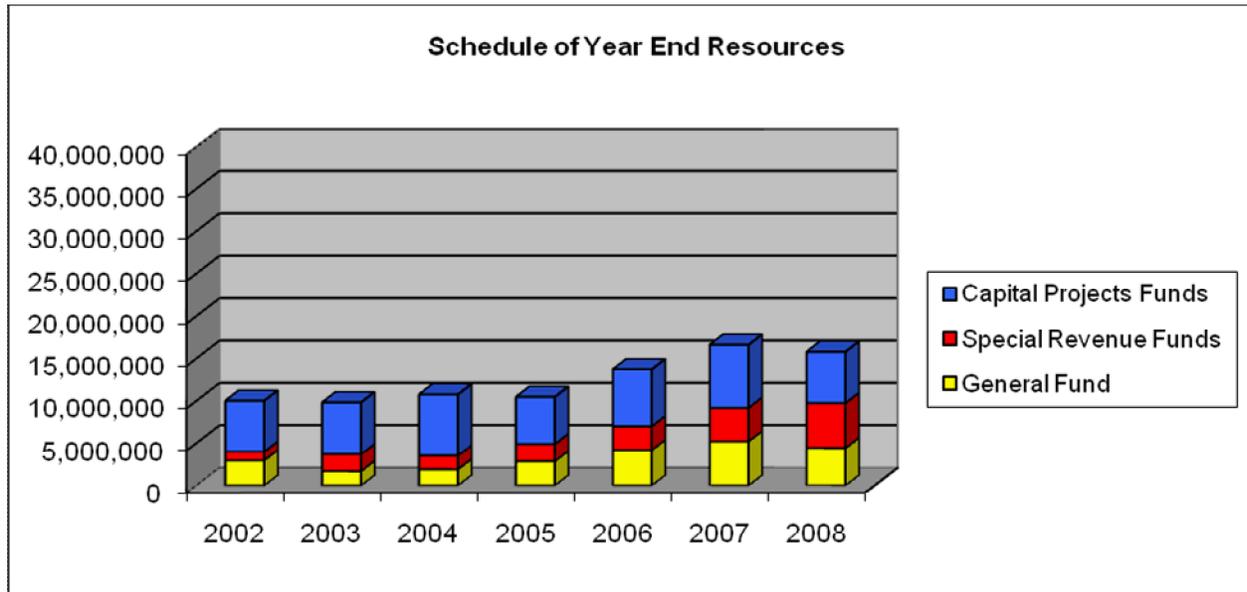
As mentioned earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

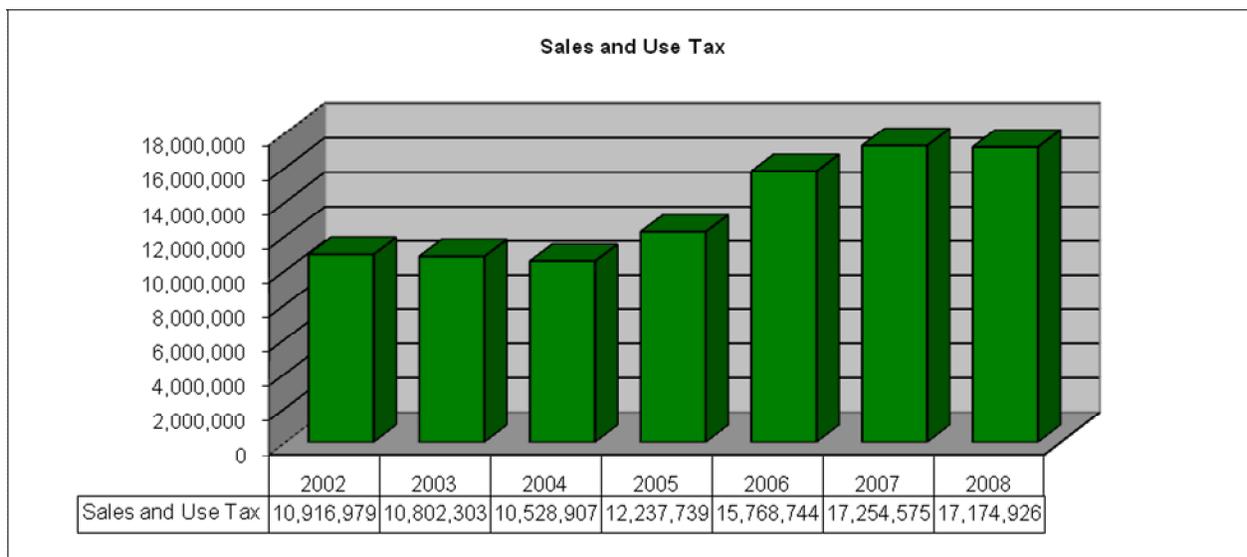
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,772,373, an decrease of (\$803,662) from the prior year ending fund balances. This decrease can be attributable to decreased investment earnings, as well as undertaking new transportation projects within the Street Tax Fund. Approximately 19% of the total fund balance, or \$3,067,860, 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 slight decrease in 2008 is a result of the current economic times felt nationally. Governmental funds received a total of \$1,093,572 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 \$68,084,512 broken down by fund as follows: Water and Sewer - \$30,665,571, Electric - \$26,769,093, Airport - \$117,932 and Landfill - \$10,531,916. The net assets listed previously include fixed assets. Unrestricted net assets available at year-end broken down by fund is: Water and Sewer - \$6,622,555, Electric System - \$6,672,986, Airport - \$45,599, and Landfill Operations - \$8,999,373.

The approved budget for 2009 decreases transfers from the Enterprise funds; only debt requirements are budgeted.

Budget Variances in the General Fund: The City amended the General Fund budget during the year increasing appropriations by \$574,145. Actual expenditures for the fund were \$115,696 more than the amended budget. The following significant variances were noted in the General Fund:

Account	Variance Positive (Negative)	Reason
Revenues:		
Grants	\$ (313,738)	Decreased funding overall as projects undertaken were not subsidized by granting agencies.
Sales tax	253,454	Higher than budgeted, although less than in prior year due to conservative budgeting.
Expenses:		
Community center	(105,294)	Additional staffing was required to cover all programs offered.
Emergency services	(96,725)	Unforeseen repairs to building and vehicles were required.
Police department	58,187	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 \$22,984,247. 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 2008 totaled \$4,427,638. The original 2009 budget anticipates decreasing this balance by \$338,879.

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, 2008

Assets:	Governmental Activities	Business Type Activities	Total
Cash and cash equivalents - unrestricted	18,542,295	17,789,485	36,331,780
Cash and cash equivalents - restricted	-	3,163,558	3,163,558
Accounts, taxes, and interest receivable	3,606,895	2,582,230	6,189,125
Due from other governments	621,481	-	621,481
Prepaid expenses	839	-	839
Internal Balances	(423,806)	423,806	-
Inventory	22,626	493,519	516,145
Total current assets	<u>22,370,330</u>	<u>24,452,598</u>	<u>46,822,928</u>
Other assets:			
Deferred charges	-	43,157	43,157
Capital assets:			
Land and water rights	10,037,776	134,441	10,172,217
Buildings and improvements	76,158,054	65,129,333	141,287,387
Equipment	2,047,043	3,004,611	5,051,654
Vehicles	4,845,530	105,375	4,950,905
Construction in Progress	2,680,674	3,591,456	6,272,130
Less accumulated depreciation	<u>(29,723,765)</u>	<u>(24,452,218)</u>	<u>(54,175,983)</u>
Total capital assets (net of accumulated depr.)	<u>66,045,312</u>	<u>47,512,998</u>	<u>113,558,310</u>
Total assets	<u>88,415,642</u>	<u>72,008,753</u>	<u>160,424,395</u>
Liabilities:			
Current Liabilities:			
Accounts, retainage, arbitrage & deposits payable	985,572	980,192	1,965,764
Accrued compensation	343,866	69,208	413,074
Interest payable	227,070	9,675	236,745
Deferred revenue	1,356,013	9,950	1,365,963
Compensated absences - Due within one year	449,621	292,176	741,797
Long-term debt - Due within one year	<u>2,015,438</u>	<u>465,000</u>	<u>2,480,438</u>
Total current liabilities:	<u>5,377,580</u>	<u>1,826,201</u>	<u>7,203,781</u>
Noncurrent liabilities:			
Compensated absences	674,433	140,457	814,890
Long-term debt	<u>16,989,539</u>	<u>1,957,583</u>	<u>18,947,122</u>
Total noncurrent liabilities	<u>17,663,972</u>	<u>2,098,040</u>	<u>19,762,012</u>
Total Liabilities	<u>23,041,552</u>	<u>3,924,241</u>	<u>26,965,793</u>
Net Assets:			
Invested in capital assets, net of related debt	47,040,335	45,090,415	92,130,750
Restricted for:			
Other purposes	2,325,558	-	2,325,558
Emergencies	742,302	-	742,302
Unrestricted	<u>15,265,895</u>	<u>22,994,097</u>	<u>38,259,992</u>
Net Assets	<u>65,374,090</u>	<u>68,084,512</u>	<u>133,458,602</u>

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, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
Functions/Programs:							
Governmental Activities:							
General government	4,139,417	1,698,671	319,580	-	(2,121,166)	-	(2,121,166)
Public transportation	1,255,604	10,412	201,654	-	(1,043,538)	-	(1,043,538)
Public safety	6,536,066	711,791	694,975	-	(5,129,300)	-	(5,129,300)
Community and economic development	1,730,766	244,770	357	-	(1,485,639)	-	(1,485,639)
Public works	4,485,437	92,166	1,219,870	-	(3,173,401)	-	(3,173,401)
Culture and recreation	3,857,589	1,433,365	50,000	92,467	(2,281,757)	-	(2,281,757)
Interest on long-term debt	897,451	-	-	-	(897,451)	-	(897,451)
Total Governmental Activities	22,902,330	4,191,175	2,486,436	92,467	(16,132,252)	-	(16,132,252)
Business-type activities:							
Water and sewer	3,386,300	3,871,533	370,552	9,069	-	864,854	864,854
Electric system	9,113,869	9,835,551	525,705	102,623	-	1,350,010	1,350,010
Airport operations	168,615	156,470	3,992	-	-	(8,153)	(8,153)
Landfill operations	2,344,264	5,429,931	-	-	-	3,085,667	3,085,667
Total Business-type Activities	15,013,048	19,293,485	900,249	111,692	-	5,292,378	5,292,378
Total	37,915,378	23,484,660	3,386,685	204,159	(16,132,252)	5,292,378	(10,839,874)
General Revenues:							
Taxes:							
Property tax, levied for general purposes					1,214,423	-	1,214,423
Specific ownership tax					95,562	-	95,562
Sales and use tax					17,174,926	-	17,174,926
Franchise tax					179,601	-	179,601
Accommodations tax					815,517	-	815,517
Other miscellaneous taxes					38,884	-	38,884
Unrestricted investment earnings					541,099	711,297	1,252,396
Grants, contributions and miscellaneous income not restricted for specific purposes					257,817	900	258,717
Gain (loss) on asset disposal					333,525	6,813	340,338
Transfers					1,093,572	(1,093,572)	-
Total General Revenues and Transfers					21,744,926	(374,562)	21,370,364
Change in Net Assets					5,612,674	4,917,816	10,530,490
Net Assets - Beginning					59,761,416	63,166,696	122,928,112
Net Assets - Ending					65,374,090	68,084,512	133,458,602

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, 2008

	<u>General</u>	<u>Street Tax Fund</u>	<u>Acquisition and Improvement</u>	<u>Downtown Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets:						
Cash and investments	3,768,674	2,234,807	3,451,689	1,537,471	3,637,578	14,630,219
Taxes receivable	1,941,907	232,866	465,732	272,931	410,392	3,323,828
Accounts receivable	149,529	-	3,206	-	2,633	155,368
Interest receivable	35,293	3,809	16,803	-	15,185	71,090
Due from other governments	-	621,481	-	-	-	621,481
Due (to) from other funds	271,269	-	-	(723,441)	28,366	(423,806)
Prepaid expenses	-	-	-	-	839	839
Total Assets	<u><u>6,166,672</u></u>	<u><u>3,092,963</u></u>	<u><u>3,937,430</u></u>	<u><u>1,086,961</u></u>	<u><u>4,094,993</u></u>	<u><u>18,379,019</u></u>
Liabilities and Fund Equity:						
Liabilities:						
Accounts/vouchers payable	218,648	87,541	149,930	6,809	300,112	763,040
Other liabilities	181,495	-	-	272,931	-	454,426
Accrued payroll and related liabilities	301,015	-	-	-	5,083	306,098
Deferred property taxes not collectible until subsequent year	1,037,876	-	-	-	45,206	1,083,082
Total Liabilities	<u><u>1,739,034</u></u>	<u><u>87,541</u></u>	<u><u>149,930</u></u>	<u><u>279,740</u></u>	<u><u>350,401</u></u>	<u><u>2,606,646</u></u>
Fund Balance:						
Reserved:						
Other	281,267	133,533	1,629,929	-	279,990	2,324,719
Emergencies	432,977	83,456	77,779	19,317	128,773	742,302
Inventory and prepaids	-	-	-	-	839	839
Unreserved, reported in:						
General	3,713,394	-	-	-	-	3,713,394
Special revenue	-	-	-	787,904	754,062	1,541,966
Capital projects	-	2,788,433	2,079,792	-	2,580,928	7,449,153
Total Fund Balance	<u><u>4,427,638</u></u>	<u><u>3,005,422</u></u>	<u><u>3,787,500</u></u>	<u><u>807,221</u></u>	<u><u>3,744,592</u></u>	<u><u>15,772,373</u></u>
Total Liabilities and Fund Balance	<u><u>6,166,672</u></u>	<u><u>3,092,963</u></u>	<u><u>3,937,430</u></u>	<u><u>1,086,961</u></u>	<u><u>4,094,993</u></u>	<u><u>18,379,019</u></u>

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, 2008

Governmental Funds Total Fund Balance	15,772,373
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	64,490,201
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.	5,467,620
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.	(20,356,101)
Governmental Activities Net Assets	<u><u>65,374,093</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, 2008

	<u>General</u>	<u>Street Tax Fund</u>	<u>Acquisition and Improvement</u>	<u>Downtown Development Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	8,111,988	2,274,967	4,549,935	611,305	4,046,741	19,594,936
Permits and licenses	162,674	-	-	-	-	162,674
Intergovernmental revenue	1,684,972	683,236	3,706	-	346,682	2,718,596
Charges for services	2,062,220	-	-	-	138,017	2,200,237
Investment income	132,939	48,471	126,295	32,597	99,964	440,266
Miscellaneous	1,903,426	410,442	275,142	-	82,780	2,671,790
Total Revenues	<u>14,058,219</u>	<u>3,417,116</u>	<u>4,955,078</u>	<u>643,902</u>	<u>4,714,184</u>	<u>27,788,499</u>
Expenditures:						
General government	3,172,221	-	552,279	238,840	71,383	4,034,723
Transportation	-	3,644,796	-	-	1,147,751	4,792,547
Public safety	6,022,148	-	-	-	293,130	6,315,278
Community and economic development	761,893	-	-	-	964,383	1,726,276
Public works	1,541,663	-	771,837	-	451,415	2,764,915
Culture and recreation	3,153,735	-	1,786,546	-	84,757	5,025,038
Debt service:						
Principal	160,000	218,031	1,587,061	-	178,375	2,143,467
Interest	130,893	48,590	685,133	25,754	44,370	934,740
Total Expenditures	<u>14,942,553</u>	<u>3,911,417</u>	<u>5,382,856</u>	<u>264,594</u>	<u>3,235,564</u>	<u>27,736,984</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(884,334)</u>	<u>(494,301)</u>	<u>(427,778)</u>	<u>379,308</u>	<u>1,478,620</u>	<u>51,515</u>
Other Financing Sources (Uses):						
Transfers in	818,828	1,480,000	449,686	50,000	191,173	2,989,687
Transfers (out)	(711,556)	(6,757)	(1,493,514)	(3,667)	(1,629,370)	(3,844,864)
Total Other Financing Sources (Uses)	<u>107,272</u>	<u>1,473,243</u>	<u>(1,043,828)</u>	<u>46,333</u>	<u>(1,438,197)</u>	<u>(855,177)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(777,062)</u>	<u>978,942</u>	<u>(1,471,606)</u>	<u>425,641</u>	<u>40,423</u>	<u>(803,662)</u>
Fund Balance - Beginning of Year	<u>5,204,700</u>	<u>2,026,480</u>	<u>5,259,106</u>	<u>381,580</u>	<u>3,704,169</u>	<u>16,576,035</u>
Fund Balance - End of Year	<u>4,427,638</u>	<u>3,005,422</u>	<u>3,787,500</u>	<u>807,221</u>	<u>3,744,592</u>	<u>15,772,373</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, 2008

Net Change in Fund Balances of Governmental Funds	(803,662)
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 depreciation exceeded capital outlay for the year.	2,239,706
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.	2,204,291
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.	(193,797)
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.	2,238,879
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.	(72,740)
Governmental Activities Change in Net Assets	5,612,677

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, 2008

	<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	3,586,943	5,513,856	28,786	8,659,901	17,789,486	3,912,075
Cash in bank - Restricted	2,879,058	284,500	-	-	3,163,558	-
Accounts receivable - Trade (net of allowance for doubtful accounts)	365,340	1,318,083	3,110	630,680	2,317,213	541
Interest receivable	77,281	76,791	-	109,037	263,109	56,069
Other receivables	1,909	-	-	-	1,909	-
Inventory	180,431	285,386	27,702	-	493,519	22,626
Due (to) other funds	-	-	-	423,806	423,806	-
Total Current Assets	<u>7,090,962</u>	<u>7,478,616</u>	<u>59,598</u>	<u>9,823,424</u>	<u>24,452,600</u>	<u>3,991,311</u>
Other Assets:						
Deferred charge - Bond issuance cost, net of amortization	37,018	6,139	-	-	43,157	-
Property and Equipment:						
Land	-	104,641	-	-	104,641	-
Construction in progress	1,262,069	2,329,387	-	-	3,591,456	-
Building, plant and system	36,178,945	28,701,242	53,205	195,940	65,129,332	-
Water rights	29,800	-	-	-	29,800	-
Equipment	706,609	184,049	84,293	2,029,660	3,004,611	870,599
Vehicles	-	31,867	4,005	69,503	105,375	1,098,755
Total	<u>38,177,423</u>	<u>31,351,186</u>	<u>141,503</u>	<u>2,295,103</u>	<u>71,965,215</u>	<u>1,969,354</u>
Less accumulated depreciation	<u>(13,254,407)</u>	<u>(10,365,079)</u>	<u>(70,170)</u>	<u>(762,562)</u>	<u>(24,452,218)</u>	<u>(414,243)</u>
Net Property and Equipment	<u>24,923,016</u>	<u>20,986,107</u>	<u>71,333</u>	<u>1,532,541</u>	<u>47,512,997</u>	<u>1,555,111</u>
 Total Assets	 <u>32,050,996</u>	 <u>28,470,862</u>	 <u>130,931</u>	 <u>11,355,965</u>	 <u>72,008,754</u>	 <u>5,546,422</u>
Liabilities and Fund Equity:						
Current Liabilities:						
Accounts payable	183,447	582,629	2,000	129,524	897,600	35,951
Deposits	-	82,597	-	-	82,597	-
Accrued interest	2,181	7,493	-	-	9,674	-
Accrued payroll and taxes	27,621	29,804	1,049	10,734	69,208	42,851
Accrued vacation and sick pay	292,176	109,246	-	31,210	432,632	-
Other liabilities	-	-	9,950	652,583	662,533	-
Current portion of long-term debt	180,000	285,000	-	-	465,000	-
Total Current Liabilities	<u>685,425</u>	<u>1,096,769</u>	<u>12,999</u>	<u>824,051</u>	<u>2,619,244</u>	<u>78,802</u>
Long-term Liabilities:						
Long-term debt - Bonds payable, net of current portion	700,000	605,000	-	-	1,305,000	-
Total Liabilities	<u>1,385,425</u>	<u>1,701,769</u>	<u>12,999</u>	<u>824,051</u>	<u>3,924,244</u>	<u>78,802</u>
Net Assets:						
Invested in capital assets, net of related debt	24,043,016	20,096,107	71,333	1,532,541	45,742,997	1,555,111
Unrestricted	6,622,555	6,672,986	46,599	8,999,373	22,341,513	3,912,509
Total Net Assets	<u>30,665,571</u>	<u>26,769,093</u>	<u>117,932</u>	<u>10,531,914</u>	<u>68,084,510</u>	<u>5,467,620</u>
 Total Liabilities and Fund Equity	 <u>32,050,996</u>	 <u>28,470,862</u>	 <u>130,931</u>	 <u>11,355,965</u>	 <u>72,008,754</u>	 <u>5,546,422</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, 2008

	<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	-	-	22,551	-	22,551	-
Charges and fees	3,876,586	9,845,497	132,205	5,369,249	19,223,537	942,222
Other	<u>5,575</u>	<u>512,972</u>	<u>3,979</u>	<u>60,682</u>	<u>583,208</u>	<u>736</u>
Total Operating Revenues	<u>3,882,161</u>	<u>10,358,469</u>	<u>158,735</u>	<u>5,429,931</u>	<u>19,829,296</u>	<u>942,958</u>
Operating Expenses:						
Purchased power	-	5,667,715	-	-	5,667,715	-
Operations and maintenance	1,730,860	1,539,470	121,851	1,505,329	4,897,510	770,436
General and administrative	660,106	981,101	31,715	482,757	2,155,679	-
Improvements	-	-	3,284	-	3,284	-
Depreciation	<u>951,801</u>	<u>851,372</u>	<u>11,765</u>	<u>169,074</u>	<u>1,984,012</u>	<u>235,027</u>
Total Operating Expenses	<u>3,342,767</u>	<u>9,039,658</u>	<u>168,615</u>	<u>2,157,160</u>	<u>14,708,200</u>	<u>1,005,463</u>
Operating Income (Loss)	<u>539,394</u>	<u>1,318,811</u>	<u>(9,880)</u>	<u>3,272,771</u>	<u>5,121,096</u>	<u>(62,505)</u>
Non-Operating Revenues (Expenses):						
Sale of assets	1,802	(18,342)	-	(187,103)	(203,643)	31,452
Investment income	211,069	193,790	859	305,578	711,296	103,457
Intergovernmental awards	367,190	9,600	2,627	-	379,417	-
Interest expense	(29,888)	(51,992)	-	-	(81,880)	-
Amortization - bond issuance cost	<u>(13,645)</u>	<u>(3,878)</u>	<u>-</u>	<u>-</u>	<u>(17,523)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>536,528</u>	<u>129,178</u>	<u>3,486</u>	<u>118,475</u>	<u>787,667</u>	<u>134,909</u>
Income (Loss) Before Transfers and Capital Contributions	1,075,922	1,447,989	(6,394)	3,391,246	5,908,763	72,404
Transfer (out)	(717,258)	(836,217)	(2,700)	(950,322)	(2,506,497)	-
Transfer in	1,195,200	-	-	-	1,195,200	2,140,506
Capital contributions	<u>217,725</u>	<u>102,623</u>	<u>-</u>	<u>-</u>	<u>320,348</u>	<u>25,969</u>
Change in Net Assets	1,771,589	714,395	(9,094)	2,440,924	4,917,814	2,238,879
Net Assets - Beginning of Year	<u>28,893,982</u>	<u>26,054,698</u>	<u>127,026</u>	<u>8,090,990</u>	<u>63,166,696</u>	<u>3,228,741</u>
Net Assets - End of Year	<u>30,665,571</u>	<u>26,769,093</u>	<u>117,932</u>	<u>10,531,914</u>	<u>68,084,510</u>	<u>5,467,620</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, 2008

	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	3,942,514	9,904,075	162,249	5,365,892	19,374,730	892,979
Cash paid to suppliers and employees	(2,458,008)	(8,163,361)	(174,334)	(2,014,280)	(12,809,983)	(736,935)
Other operating revenues	5,575	512,972	3,979	60,682	583,208	736
Interfund transfers	477,942	(836,217)	(2,700)	(950,322)	(1,311,297)	2,140,506
Net Cash Provided (Used) by Operating Activities	1,968,023	1,417,469	(10,806)	2,461,972	5,836,658	2,297,286
Cash Flows From Non-Capital Financing Activities:						
Net refunds of customer deposits	-	(60,965)	-	-	(60,965)	-
Net Cash (Used) by Non-Capital Financing Activities	-	(60,965)	-	-	(60,965)	-
Cash Flows From Capital and Related Financing Activities:						
Sale of assets	1,802	-	-	-	1,802	36,631
Grant received	367,190	9,600	2,627	-	379,417	-
Advance to other funds	-	-	-	11,961	11,961	-
Interest paid on bonds and equipment contracts	(30,226)	(52,518)	-	-	(82,744)	-
Principal paid on bonds and equipment contracts	(180,000)	(275,000)	-	-	(455,000)	-
Acquisition and construction of capital assets	(2,460,083)	(544,773)	-	(678,454)	(3,683,310)	(783,360)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,301,317)	(862,691)	2,627	(666,493)	(3,827,874)	(746,729)
Cash Flows From Investing Activities:						
Interest on investments	178,376	161,138	859	275,358	615,731	103,457
Net Cash Provided by Investing Activities	178,376	161,138	859	275,358	615,731	103,457
Net Change in Cash and Cash Equivalents	(154,918)	654,951	(7,320)	2,070,837	2,563,550	1,654,014
Cash and Cash Equivalents - Beginning of Year	6,620,919	5,143,405	36,106	6,589,063	18,389,493	2,258,062
Cash and Cash Equivalents - End of Year	6,466,001	5,798,356	28,786	8,659,900	20,953,043	3,912,076
Cash and Cash Equivalents Consists of the Following:						
Cash in bank - Unrestricted	3,586,943	5,513,856	28,786	8,659,901	17,789,486	3,912,075
Cash in bank - Restricted	2,879,058	284,500	-	-	3,163,558	-
Total	6,466,001	5,798,356	28,786	8,659,901	20,953,044	3,912,075
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	539,394	1,318,811	(9,880)	3,272,771	5,121,096	(62,505)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	951,801	851,372	11,765	169,074	1,984,012	235,027
(Increase) decrease in accounts receivable	65,928	58,578	(2,457)	(3,357)	118,692	(49,243)
(Increase) decrease in inventories	2,826	12,332	(17,803)	-	(2,645)	-
(Increase) decrease in prepaid items/other assets	-	-	-	-	-	(15,838)
Increase (decrease) in accounts payable	(99,049)	(5,801)	780	(33,017)	(137,087)	26,686
Increase (decrease) in other liabilities	-	-	9,950	-	9,950	-
Increase (decrease) in payroll liabilities	29,181	18,394	(461)	6,823	53,937	22,653
Net change in interfund transfers	477,942	(836,217)	(2,700)	(950,322)	(1,311,297)	2,140,506
Total Adjustments	1,428,629	98,658	(926)	(810,799)	715,562	2,359,791
Net Cash Provided (Used) by Operating Activities	1,968,023	1,417,469	(10,806)	2,461,972	5,836,658	2,297,286
Schedule of Non-Cash Investing, Capital and Financing Activities:						
Assets donated	217,725	102,623	-	-	320,348	25,969

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

City of Glenwood Springs, Colorado
Statement of Fiduciary Net Assets
December 31, 2008

	<u>Cathy Carney Scholarship Fund</u>	<u>Cemetery Reserve Fund</u>	<u>Firemen's Pension Fund</u>	<u>Totals</u>
Assets:				
Cash and investments	-	24,612	681,285	705,897
Total Assets	-	24,612	681,285	705,897
Net Assets:				
Held in Trust	-	24,612	681,285	705,897

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, 2008

	Cathy Carney Scholarship Fund	Cemetery Reserve Fund	Fireman's Pension Fund	Totals
Additions:				
Charges and fees	-	5,750	-	5,750
Pension contributions	-	-	39,900	39,900
Investment income, net	2	255	(286,418)	(286,161)
Total Additions	<u>2</u>	<u>6,005</u>	<u>(246,518)</u>	<u>(240,511)</u>
Deductions:				
Scholarships	251	-	-	251
Pension payments	-	-	93,000	93,000
Total Reductions	<u>251</u>	<u>-</u>	<u>93,000</u>	<u>93,251</u>
Change in Net Assets	(249)	6,005	(339,518)	(333,762)
Net Assets - Beginning of Year	<u>249</u>	<u>18,607</u>	<u>1,020,803</u>	<u>1,039,659</u>
Net Assets - End of Year	<u><u>-</u></u>	<u><u>24,612</u></u>	<u><u>681,285</u></u>	<u><u>705,897</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, 2008

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, 2008
(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, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

- (c) *Acquisitions and Improvements Fund* - accounts for revenues and expenditures received from a 1.00% sales tax and special assessments levied for capital improvements purposes.
- (d) *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.
- (e) *Capital Projects Fund* - accounts for major City Projects which are financed by one-half (1/2) cent sales tax.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

- (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 *Cathy Carney Trust Fund* accounts for funds received and restricted for use in the award of scholarships as memorials to a former city employee.
- (c) 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, 2008
(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, 2008
(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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. 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:

	Years
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

9. 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 \$64,490,201 reconciling item represents the book value of capital assets at December 31, 2008.

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 \$20,356,101 difference represent long-term bonds and loans of \$18,444,829, property and capital leases of \$560,148, accrued interest of \$227,070 and \$1,124,054 of compensated absences.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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 \$5,467,620 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 \$2,239,706 are net capital outlay of \$5,085,017 less depreciation expense of \$2,845,311.

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 2008 budget year:

- (1) For the 2008 budget year, prior to December 10, 2007, 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, 2007, 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, 2007.
- (4) For the 2008 budget, prior to December 15, 2007, 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, 2007. 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, 2008
(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 2007 were collected in 2008 and taxes certified in 2008 will be collected in 2009. 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 and Landfill Operations 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, \$12,718,860 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	14,920,262	15,494,407
Fleet Service Fund	740,165	2,000,195
Capital Projects	2,220,553	2,682,480
Acquisition and Improvements	4,775,635	9,127,113
Tourism	672,256	1,030,372
GID Improvement District No.1980	9,540	49,540
Downtown Development Authority	3,922	282,589
Emergency Services Equipment	255,000	275,000
Water and Sewer	7,708,221	11,267,394
Electric System	21,309,433	21,851,754
Airport Operations	234,218	236,918
Landfill Operations	4,224,248	5,215,884
Downtown Development Authority	3,922	282,589

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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, 2008.

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. Possible Violation of State Statutes

The following funds had expenditures in excess of appropriations:

The General Fund expenditures exceeded appropriations by \$135,966, and the Emergency Services Equipment Replacement Fund expenditures exceeded appropriations by \$10,471. This may be a violation of state statutes.

D. Budgetary Information

	<u>Water and Sewer Fund</u>	<u>Electric System Fund</u>	<u>Airport Operations Fund</u>	<u>Landfill Operations Fund</u>
Excess (deficiency) of revenues over expenditures - budget basis	\$ (1,469,139)	(189,661)	\$ (9,094)	1,762,469
Capital contributions	217,725	-	-	-
Debt service - Principal	180,000	275,000	-	-
Capital outlay	2,843,002	629,056	-	678,455
Total Adjustments	<u>3,240,727</u>	<u>904,056</u>	<u>-</u>	<u>678,455</u>
Net Income - GAAP Basis	<u>\$ 1,771,588</u>	<u>714,395</u>	<u>\$ (9,094)</u>	<u>2,440,924</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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	515,061	515,061	
Savings and money market	Not Rated	5,489,199	5,489,199	
Investments:				
Certificates of Deposit	Not Rated	17,210,632	17,210,632	
United States Treasuries	Not Rated	2,068,860	-	2,068,860
Investment pools	AAAm	14,233,187	14,233,187	
Cash held by Trustee	Not Rated	681,285	681,285	
		\$ 40,201,234		

The City also has \$1,020,803 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, 2008
(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>Acquisition and Improvement</u>	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Non-major and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 1,941,907	232,866	465,732	-	-	683,323	3,323,828
Accounts	201,529	-	3,206	366,839	1,343,082	669,464	2,584,120
Interest	35,293	3,809	16,803	77,281	76,791	180,291	390,268
Other	-	-	-	1,909	-	-	1,909
Intergovernmental	-	621,481	-	-	-	-	621,481
Gross receivables	<u>2,178,729</u>	<u>858,156</u>	<u>485,741</u>	<u>446,029</u>	<u>1,419,873</u>	<u>1,533,078</u>	<u>6,921,606</u>
Less: allowance for uncollectible	<u>(52,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(25,000)</u>	<u>(32,500)</u>	<u>(111,000)</u>
Net receivables	<u><u>2,126,729</u></u>	<u><u>858,156</u></u>	<u><u>485,741</u></u>	<u><u>444,529</u></u>	<u><u>1,394,873</u></u>	<u><u>1,500,578</u></u>	<u><u>6,810,606</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 \$1,083,082 of deferred revenue for property taxes levied in 2008 but not available until 2009.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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	\$ 9,697,864	339,912	-	10,037,776
Construction in progress	1,248,165	1,893,796	(461,287)	2,680,674
Total capital assets, not being depreciated	<u>10,946,029</u>	<u>2,233,708</u>	<u>(461,287)</u>	<u>12,718,450</u>
Capital assets, being depreciated:				
Buildings	27,864,270	20,622	-	27,884,892
Other improvements	1,807,261	1,159,971	(13,697)	2,953,535
Machinery and equipment	1,602,225	482,939	(38,120)	2,047,044
Streets and trails	43,480,139	1,839,488	-	45,319,627
Vehicles	4,378,673	632,425	(165,567)	4,845,531
Total capital assets, being depreciated	<u>79,132,568</u>	<u>4,135,445</u>	<u>(217,384)</u>	<u>83,050,629</u>
Less accumulated depreciation for:				
Buildings	(5,594,684)	(929,273)	-	(6,523,957)
Other improvements	(335,638)	(87,077)	5,980	(416,735)
Machinery and equipment	(754,217)	(95,170)	-	(849,387)
Streets and trails	(17,579,041)	(1,400,227)	-	(18,979,268)
Vehicles	(2,505,793)	(568,591)	119,967	(2,954,417)
Total accumulated depreciation	<u>(26,769,373)</u>	<u>(3,080,338)</u>	<u>125,947</u>	<u>(29,723,764)</u>
Total capital assets, being depreciated, net	<u>52,363,195</u>	<u>1,055,107</u>	<u>(91,437)</u>	<u>53,326,865</u>
Governmental Activities - Capital Assets, Net	<u>\$ 63,309,224</u>	<u>3,288,815</u>	<u>(552,724)</u>	<u>66,045,315</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 104,641	-	-	104,641
Water rights	29,800	-	-	29,800
Construction in progress	2,492,820	1,126,235	(27,600)	3,591,455
Total capital assets, not being depreciated	<u>2,627,261</u>	<u>1,126,235</u>	<u>(27,600)</u>	<u>3,725,896</u>
Capital assets, being depreciated:				
Buildings and plant	39,075,480	619,859	(17,414)	39,677,925
Distribution and collection system	23,832,411	1,658,346	(39,349)	25,451,408
Machinery and equipment	2,891,750	633,957	(521,095)	3,004,612
Vehicles	118,375	-	(13,000)	105,375
Total capital assets, being depreciated	<u>65,918,016</u>	<u>2,912,162</u>	<u>(590,858)</u>	<u>68,239,320</u>
Less accumulated depreciation for:				
Buildings and plant	(5,858,980)	(279,355)	10,177	(6,128,158)
Distribution and collection system	(15,230,666)	(1,315,110)	21,364	(16,524,412)
Machinery and equipment	(1,638,461)	(389,548)	333,735	(1,694,274)
Vehicles	(118,374)	-	13,000	(105,374)
Total accumulated depreciation	<u>(22,846,481)</u>	<u>(1,984,013)</u>	<u>378,276</u>	<u>(24,452,218)</u>
Total capital assets, being depreciated, net	<u>43,071,535</u>	<u>928,149</u>	<u>(212,582)</u>	<u>43,787,102</u>
Business-type Activities - Capital Assets, Net	<u>\$ 45,698,796</u>	<u>2,054,384</u>	<u>(240,182)</u>	<u>47,512,998</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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	\$ 340,280	257,406
Transportation	-	364,543
Public safety	239,361	328,606
Community development	-	-
Public works	1,632,083	1,502,418
Culture and recreation	1,394,632	627,365
Total Governmental Activities	<u>\$ 3,606,356</u>	<u>3,080,338</u>
Business-type Activities:		
Water and sewer	\$ 2,843,002	951,801
Electric	629,056	851,372
Airport	-	11,765
Landfill	678,455	169,074
Total Business-type Activities	<u>\$ 4,150,513</u>	<u>1,984,012</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, 2008, principal amount outstanding on this loan was \$423,806. Interest payments made by the Downtown Development Authority to Landfill Operations during 2008 totaled \$25,754.

The City had the following interfund receivables or payables as of December 31, 2008:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 271,269	-
Landfill Operations	423,806	-
General Improvement District No. 1980	28,366	
Downtown Development	-	723,441
	<u>\$ 723,441</u>	<u>723,441</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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	\$ 223,932		Allocated organizational costs and franchise fees.
Water and Sewer		223,932	
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	594,896		Allocated organizational costs and franchise fees.
Electric Fund		594,896	
Fleet Service Fund	2,166,475		Funding required in Fleet Service Fund from other funds in accordance with the City's capital replacement plan.
General Fund		500,114	
Water and Sewer		493,326	
Electric Fund		241,321	
Airport		2,700	
Landfill Fund		500,636	
Capital Projects Fund		424,711	
Downtown Development Authority		3,667	
Emergency Services Equipment and Replacement Fund	191,173		City share of capital improvement mill levy.
General Fund		191,173	
Street Tax Fund	1,480,000		Infrastructure needs
Acquisition and Improvement Fund		1,480,000	
Acquisition and Improvement Fund	449,686		Community pool debt payment
Landfill Fund		449,686	
Water Sewer and Sanitation Fund	1,195,200		Water and sewer infrastructure needs
Capital Projects Fund		1,195,200	
	<u>\$ 6,351,362</u>	<u>6,351,362</u>	

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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, 2008
(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:

<u>Year</u>	<u>2006 Ford Expedition</u>	<u>2005 Ford Expedition</u>	<u>Total</u>
2009	\$ 4,210	4,817	9,027
2010	4,210	-	4,210
Sub total	8,420	4,817	13,237
Less: interest	(537)	(185)	(722)
Total	\$ 7,883	4,632	12,515

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.

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, 2008
(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
2009	\$ 1,475,810	225,215	384,301	294,332	99,631
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	99,631
2013	1,473,575	-	384,983	293,197	-
2014-2018	7,379,480	-	1,736,273	1,464,728	-
2019-2021	-	-	-	586,662	-
Total	14,755,843	894,721	3,658,538	3,512,527	398,524
Less: Interest	(3,190,843)	(92,260)	(827,023)	(902,527)	(70,933)
Total	\$ 11,565,000	802,461	2,831,515	2,610,000	327,591

Year Ended December 31,	SIB Loan	Capital Leases	Pool Lease	Grand Total
2009	\$ 166,990	9,027	224,843	2,880,149
2010	166,990	4,210	-	2,648,299
2011	166,990	-	-	2,637,126
2012	166,990	-	-	2,641,721
2013	-	-	-	2,151,755
2014-2018	-	-	-	10,580,481
2019-2021	-	-	-	586,662
Total	667,960	13,237	224,843	24,126,193
Less: Interest	(32,108)	(722)	(4,813)	(5,121,229)
Total	\$ 635,852	12,515	220,030	\$ 19,004,964

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, 2008
(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
2009	206,175	323,969	530,144
2010	186,675	321,856	508,531
2011	186,725	323,950	510,675
2012	191,412	-	191,412
2013	191,013	-	191,013
2014	-	-	-
Total	962,000	969,775	1,931,775
Less: Interest	(82,000)	(79,775)	(161,775)
Total	\$ 880,000	890,000	1,770,000

The following is a summary of changes in long-term debt for the year ended December 31, 2008:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Governmental Activities:					
2001 Limited Tax General Obligation	2,770,000	-	(160,000)	2,610,000	170,000
1999 Sales and Use Tax					
Revenue Bonds	12,475,000	-	(910,000)	11,565,000	945,000
1999 Governmental Agency Bonds	3,082,545	-	(251,030)	2,831,515	256,429
1998 Governmental Agency Bonds	980,837	-	(178,375)	802,462	188,872
Colorado SIB Loan	787,100	-	(151,248)	635,852	154,273
Land Lease Payable	394,374	-	(66,783)	327,591	72,346
Pool Lease	646,060	-	(426,030)	220,030	220,030
Capital Leases	36,063	-	(23,536)	12,527	8,488
Compensated Absences	930,257	193,797	-	1,124,054	449,621
Business-type Activities:					
Water and Sewer Revenue					
Refunding Bonds, Series 2003	1,060,000	-	(180,000)	880,000	180,000
Electric Revenue Bonds	1,165,000	-	(275,000)	890,000	285,000
Landfill closure and post closure	687,209	-	(34,626)	652,583	-
Compensated Absences	376,179	56,454	-	432,633	292,176
Total	\$ 25,390,624	250,251	(2,656,628)	22,984,247	3,222,235

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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 \$1,028,385 and \$603,073, respectively. As of December 31, 2008, the liability for closure and postclosure is \$411,354 and \$241,229. The December 31, 2008 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 \$978,875 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, \$652,583 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, 2008.

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, 2008 cannot be readily determined.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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, 2008:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Emergency Reserve	\$ 742,302	-
Prepaid expenses and inventory	839	-
Other items	2,324,719	-
Debt service	-	461,500
	<u>\$ 3,067,860</u>	<u>461,500</u>

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, 2008, were \$43,157.

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 \$10,500,609 and current year payroll for employees covered under the plan was \$8,697,860. The City's contributions were \$588,018.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2008
(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 \$10,500,609 and current year payroll for employees covered under the plan was \$3,123,163. The City's contributions were \$234,237.

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 2008. There were no contributions from participants.

Annual Pension Costs: For the fiscal year ended December 31, 2008, the annual pension costs were \$93,000. 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, 2008
(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%

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, 2008
(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, 2008.

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. Comparative Information

Certain balances in the comparative information for the fiscal year ended December 31, 2007 have been reclassified to conform to the presentation used for the year ended December 31, 2008.

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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	2008			Final Budget	2007
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	965,665	965,665	977,096	11,431	958,261
Specific ownership	83,000	83,000	91,420	8,420	84,342
Special assessment	37,000	37,000	38,884	1,884	35,514
General sales tax	6,387,293	6,387,293	6,640,747	253,454	6,698,493
Use tax	197,435	197,435	184,240	(13,195)	194,799
Franchise tax	172,000	172,000	179,601	7,601	157,458
Total Taxes	7,842,393	7,842,393	8,111,988	269,595	8,128,867
Permits and Licenses:					
Contractors licenses	33,000	33,000	28,652	(4,348)	26,620
Liquor licenses	13,000	13,000	12,803	(197)	20,222
Dog licenses	700	700	799	99	480
Building permits	146,562	146,562	100,057	(46,505)	96,939
Sales tax license	19,000	19,000	20,363	1,363	27,913
Total Permits and Licenses	212,262	212,262	162,674	(49,588)	172,174
Intergovernmental:					
Cigarette tax	90,000	90,000	114,225	24,225	112,004
County road and bridge	70,000	70,000	254,692	184,692	354,444
County sales tax	260,505	260,505	350,585	90,080	251,315
Highway use tax	235,000	235,000	246,313	11,313	259,383
Severance tax	40,000	40,000	74,100	34,100	25,356
Grants	502,852	502,852	189,474	(313,378)	261,723
Glenwood Springs Rural Fire District	455,583	455,583	455,583	-	439,496
Total Intergovernmental	1,653,940	1,653,940	1,684,972	31,032	1,703,721
Charges and Fees:					
Plan check and record fee	126,908	126,908	125,733	(1,175)	102,772
Ambulance	400,000	400,000	387,125	(12,875)	428,362
Cemetery fees	15,000	15,000	16,781	1,781	19,625
Police fines and court fees	161,050	161,050	236,915	75,865	199,395
Parking fees and fines	40,000	40,000	30,515	(9,485)	42,260
Fire impact fee	11,000	11,000	15,330	4,330	18,632
Impoundment fees	9,000	9,000	7,255	(1,745)	6,589
Recreation fees	1,303,000	1,303,000	1,184,614	(118,386)	1,078,148
Park and rafting fees	29,600	29,600	31,970	2,370	39,161
Affordable housing fees	10,000	10,000	25,982	15,982	19,694
Total Charges and Fees	2,105,558	2,105,558	2,062,220	(43,338)	1,954,638
Other Revenues:					
Contributions	200	200	-	(200)	-
Interest	26,000	26,000	132,939	106,939	199,280
Police confiscated assets	11,000	11,000	1,882	(9,118)	7,624
Miscellaneous	42,200	42,200	42,353	153	31,495
Other lease revenue	123,600	123,600	146,702	23,102	133,454
Overhead reimbursement	1,506,213	1,506,213	1,511,125	4,912	1,454,812
Other reimbursements	192,227	192,227	201,364	9,137	218,297
Total Other Revenues	1,901,440	1,901,440	2,036,365	134,925	2,044,962
Total Revenues	13,715,593	13,715,593	14,058,219	342,626	14,004,362

(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, 2008
(With Comparative Actual Amounts for December 31, 2007)
(Continued)

	2008			2007	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Administration	526,424	548,624	544,354	4,270	518,949
Personnel/purchasing	214,445	245,445	228,574	16,871	191,457
City Clerk and elections	463,943	373,943	387,222	(13,279)	390,135
Finance	732,707	770,707	770,870	(163)	718,421
Data processing	322,668	340,668	329,703	10,965	293,841
Judicial	197,968	189,268	186,235	3,033	168,114
Legal	312,847	312,847	299,280	13,567	283,558
Annexation costs and rebates	564,231	422,961	425,983	(3,022)	378,004
Total General Government	<u>3,335,233</u>	<u>3,204,463</u>	<u>3,172,221</u>	<u>32,242</u>	<u>2,942,479</u>
Public Safety:					
Police Department	3,311,478	3,261,478	3,203,291	58,187	3,002,514
Emergency services	2,672,132	2,722,132	2,818,857	(96,725)	2,646,685
Total Public Safety	<u>5,983,610</u>	<u>5,983,610</u>	<u>6,022,148</u>	<u>(38,538)</u>	<u>5,649,199</u>
Community Development:					
Administration/planning	467,719	481,219	478,961	2,258	383,349
Building inspector	302,322	302,322	282,932	19,390	264,104
Total Community Development	<u>770,041</u>	<u>783,541</u>	<u>761,893</u>	<u>21,648</u>	<u>647,453</u>
Public Works:					
Administration/engineering	408,372	448,372	441,106	7,266	406,432
Streets, alleys, snow removal	924,311	1,056,311	1,100,557	(44,246)	934,333
Total Public Works	<u>1,332,683</u>	<u>1,504,683</u>	<u>1,541,663</u>	<u>(36,980)</u>	<u>1,340,765</u>
Culture and Recreation:					
Recreation	627,671	567,671	543,576	24,095	507,482
Community Center	1,598,071	1,598,071	1,703,365	(105,294)	1,454,257
Parks and cemetery	788,655	873,655	906,794	(33,139)	812,856
Total Culture and Recreation	<u>3,014,397</u>	<u>3,039,397</u>	<u>3,153,735</u>	<u>(114,338)</u>	<u>2,774,595</u>
Debt Service:					
Principal on bonded debt	160,000	160,000	160,000	-	155,000
Interest on bonded debt	130,893	130,893	130,893	-	137,093
Total Debt Service	<u>290,893</u>	<u>290,893</u>	<u>290,893</u>	<u>-</u>	<u>292,093</u>
Total Expenditures	<u>14,726,857</u>	<u>14,806,587</u>	<u>14,942,553</u>	<u>(135,966)</u>	<u>13,646,584</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,011,264)	(1,090,994)	(884,334)	478,592	357,778
Other Financing Sources (Uses):					
Transfers in	818,828	818,828	818,828	-	1,096,532
Transfers (out)	(193,405)	(687,820)	(711,556)	(23,736)	(433,557)
Total Other Financing Sources (Uses)	<u>625,423</u>	<u>131,008</u>	<u>107,272</u>	<u>(23,736)</u>	<u>662,975</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(385,841)	(959,986)	(777,062)	454,856	1,020,753
Fund Balance - Beginning of Year	<u>3,352,938</u>	<u>5,204,700</u>	<u>5,204,700</u>	<u>-</u>	<u>4,183,947</u>
Fund Balance - End of Year	<u>2,967,097</u>	<u>4,244,714</u>	<u>4,427,638</u>	<u>182,924</u>	<u>5,204,700</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	2008		Variance Positive (Negative)	2007
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
General sales tax	2,129,072	2,213,555	84,483	2,232,803
Use tax	65,811	61,412	(4,399)	64,932
Other:				
Miscellaneous income	50,000	410,442	360,442	95,693
Interest income	1,700	48,471	46,771	64,545
Total Revenues	2,246,583	2,733,880	487,297	2,457,973
Expenditures:				
Transportation:				
TDM contract	42,000	40,630	1,370	57,231
Transit program	4,277,040	3,347,504	929,536	1,290,180
Other expenses	305,253	256,662	48,591	241,859
Total Transportation	4,624,293	3,644,796	979,497	1,589,270
Debt Service:				
Principal payment	66,783	66,783	-	61,647
Interest payment	32,848	32,848	-	37,984
Principal payment - SIB loan	151,248	151,248	-	148,282
Interest payment - SIB loan	15,742	15,742	-	18,708
Total Expenditures	4,890,914	3,911,417	979,497	1,855,891
Excess (Deficiency) of Revenues Over Expenditures	(2,644,331)	(1,177,537)	1,466,794	602,082
Other Financing Sources (Uses):				
Intergovernmental awards	1,138,433	683,236	(455,197)	28,601
Transfers in	1,480,000	1,480,000	-	
Transfers (out)	(6,757)	(6,757)	-	(6,757)
Total Other Financing Sources (Uses)	2,611,676	2,156,479	(455,197)	21,844
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(32,655)	978,942	1,011,597	623,926
Fund Balance - Beginning of Year	36,469	2,026,480	1,990,011	1,402,553
Fund Balance - End of Year	3,814	3,005,422	3,001,608	2,026,479

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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	2008			Final Budget Variance	2007
	Original Budget	Final Budget	Actual	Positive (Negative)	Actual
Revenues:					
Taxes:					
General sales tax	4,258,143	4,258,143	4,427,110	168,967	4,465,607
Use tax	131,621	131,621	122,825	(8,796)	129,864
Total Taxes	<u>4,389,764</u>	<u>4,389,764</u>	<u>4,549,935</u>	<u>160,171</u>	<u>4,595,471</u>
Intergovernmental:					
Grants	1,138,433	1,138,433	3,706	(1,134,727)	24,000
Other:					
Interest income	110,000	110,000	126,295	16,295	210,629
Donations	-	-	50,000	50,000	351
Cost reimbursement	50,000	50,000	200,000	150,000	8,125
Other income	-	-	25,142	25,142	5,697
Total Other	<u>160,000</u>	<u>160,000</u>	<u>401,437</u>	<u>241,437</u>	<u>224,802</u>
Total Revenues	<u>5,688,197</u>	<u>5,688,197</u>	<u>4,955,078</u>	<u>(733,119)</u>	<u>4,844,273</u>
Expenditures:					
General Government:					
General and administrative	468,303	506,226	512,137	(5,911)	514,433
Bond fees	39,992	40,142	40,142	-	40,142
Total General Government	<u>508,295</u>	<u>546,368</u>	<u>552,279</u>	<u>(5,911)</u>	<u>554,575</u>
Culture and Recreation:					
Frontier Historical Museum	9,000	9,000	7,914	1,086	9,587
River trail system	455,685	983,993	259,338	724,655	178,866
Arts Center	-	115,150	30,500	84,650	63,850
Other projects	-	1,923,363	1,488,794	434,569	509,907
Total Culture and Recreation	<u>464,685</u>	<u>3,031,506</u>	<u>1,786,546</u>	<u>1,244,960</u>	<u>762,210</u>
Public Works:					
Streets and sidewalks	-	161,414	-	161,414	46
Glenwood Meadows project	-	381,604	85,344	296,260	35,658
Other projects	36,947	1,240,513	686,493	554,020	464,873
Total Public Works	<u>36,947</u>	<u>1,783,531</u>	<u>771,837</u>	<u>1,011,694</u>	<u>500,577</u>
Debt Service:					
Principal - 1999 Sales and Use Tax bonds	910,000	910,000	910,000	-	875,000
Interest - 1999 Sales and Use Tax bonds	567,665	567,665	567,665	-	602,665
Principal - 1999 Government Agency bonds	251,031	251,031	251,031	-	245,632
Interest - 1999 Government Agency bonds	93,812	93,812	93,812	-	99,475
Principal - Pool lease	426,030	426,030	426,030	-	407,985
Interest - Pool lease	23,656	23,656	23,656	-	41,700
Total Debt Service	<u>2,272,194</u>	<u>2,272,194</u>	<u>2,272,194</u>	<u>-</u>	<u>2,272,457</u>
Total Expenditures	<u>3,282,121</u>	<u>7,633,599</u>	<u>5,382,856</u>	<u>1,011,694</u>	<u>4,089,819</u>
Excess (Deficiency) of Revenues Over Expenditures	2,406,076	(1,945,402)	(427,778)	278,575	754,454
Other Financing Sources (Uses):					
Sale of assets	-	-	-	-	167,818
Transfers in	449,686	449,686	449,686	-	489,121
Transfers (out)	(1,493,514)	(1,493,514)	(1,493,514)	-	(13,514)
Total Other Financing Sources (Uses)	<u>(1,043,828)</u>	<u>(1,043,828)</u>	<u>(1,043,828)</u>	<u>-</u>	<u>643,425</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	1,362,248	(2,989,230)	(1,471,606)	278,575	1,397,879
Fund Balance - Beginning of Year	<u>3,142,002</u>	<u>5,259,106</u>	<u>5,259,106</u>	<u>-</u>	<u>3,861,227</u>
Fund Balance - End of Year	<u>4,504,250</u>	<u>2,269,876</u>	<u>3,787,500</u>	<u>278,575</u>	<u>5,259,106</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property taxes	196,107	196,107	195,133	(974)	188,121
Sales taxes	95,716	415,716	416,172	456	274,344
Interest income	1,000	1,000	32,597	31,597	48,472
Other	50,000	50,000	-	(50,000)	-
Total Revenues	<u>342,823</u>	<u>662,823</u>	<u>643,902</u>	<u>(18,921)</u>	<u>510,937</u>
Expenditures:					
General Government:					
Capital outlay	-	-	-	-	435,767
Other	3,922	252,922	238,840	14,082	147,834
Debt service:					
Interest	-	26,000	25,754	246	-
Total Expenditures	<u>3,922</u>	<u>278,922</u>	<u>264,594</u>	<u>14,328</u>	<u>583,601</u>
Excess of Revenues Over Expenditures	338,901	383,901	379,308	(4,593)	(72,664)
Other Financing Sources (Uses):					
Transfer in	-	-	50,000	50,000	50,000
Transfer (out)	-	(3,667)	(3,667)	-	(20,042)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,667)</u>	<u>46,333</u>	<u>50,000</u>	<u>29,958</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	338,901	380,234	425,641	45,407	(42,706)
Fund Balance - Beginning of Year	<u>50,000</u>	<u>381,580</u>	<u>381,580</u>	<u>-</u>	<u>424,286</u>
Fund Balance - End of Year	<u>388,901</u>	<u>761,814</u>	<u>807,221</u>	<u>45,407</u>	<u>381,580</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, 2008

	<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>Capital Projects Fund</u>	<u>General Improvement District No. 1980</u>	<u>Emergency Services Equipment Replacement</u>	
Assets:								
Cash and investments - Unrestricted	428,585	96,441	86,275	362,679	2,013,081	8,453	642,064	3,637,578
Taxes receivable	38,856	-	-	93,139	232,907	45,490	-	410,392
Accounts receivable	-	-	-	2,632	6,243	-	8,943	17,818
Due from other funds	-	-	-	-	-	28,366	-	28,366
Prepaid expenses	-	-	-	839	-	-	-	839
Total Assets	<u>467,441</u>	<u>96,441</u>	<u>86,275</u>	<u>459,289</u>	<u>2,252,231</u>	<u>82,309</u>	<u>651,007</u>	<u>4,094,993</u>
Liabilities and Fund Balance:								
Liabilities:								
Accounts payable	33,055	4,579	5,721	253,429	3,328	-	-	300,112
Accrued payroll and related	-	-	-	-	5,083	-	-	5,083
Due to other funds	-	-	-	-	-	-	-	-
Deferred property taxes	-	-	-	-	-	45,206	-	45,206
Total Liabilities	<u>33,055</u>	<u>4,579</u>	<u>5,721</u>	<u>253,429</u>	<u>8,411</u>	<u>45,206</u>	<u>-</u>	<u>350,401</u>
Fund Balance:								
Reserved:								
Emergency	25,622	1,578	2,723	27,838	65,809	1,401	3,802	128,773
Other	-	-	-	839	279,990	-	-	280,829
Unreserved	408,764	90,284	77,831	177,183	1,898,021	35,702	647,205	3,334,990
Total Fund Balance	<u>434,386</u>	<u>91,862</u>	<u>80,554</u>	<u>205,860</u>	<u>2,243,820</u>	<u>37,103</u>	<u>651,007</u>	<u>3,744,592</u>
Total Liabilities and Fund Balance	<u>467,441</u>	<u>96,441</u>	<u>86,275</u>	<u>459,289</u>	<u>2,252,231</u>	<u>82,309</u>	<u>651,007</u>	<u>4,094,993</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, 2008

	Special Revenue Funds				Capital Projects Funds			Totals
	Tourism Fund	V.A.L.E. Fund	Conservation Trust Fund	Bus Tax Fund	Capital Projects Fund	General Improvement District No. 1980	Emergency Services Equipment Replacement	
Revenues:								
Taxes	815,517	-	-	909,920	2,274,967	46,337	-	4,046,741
Intergovernmental	-	-	88,761	201,496	-	-	56,425	346,682
Charges for services	-	50,769	-	10,412	76,836	-	-	138,017
Interest income	4,422	1,840	1,991	4,949	64,570	376	21,816	99,964
Other	34,144	-	-	158	-	-	48,478	82,780
Total Revenues	854,083	52,609	90,752	1,126,935	2,416,373	46,713	126,719	4,714,184
Expenditures:								
General governmental	-	30,017	-	-	-	41,366	-	71,383
Transportation	-	-	-	1,147,751	-	-	-	1,147,751
Public safety	-	7,659	-	-	-	-	285,471	293,130
Public works	-	-	-	-	451,415	-	-	451,415
Community and economic development	964,383	-	-	-	-	-	-	964,383
Culture and recreation	-	-	84,757	-	-	-	-	84,757
Debt Service:								
Principal	-	-	-	-	178,375	-	-	178,375
Interest	-	-	-	-	44,370	-	-	44,370
Total Expenditures	964,383	37,676	84,757	1,147,751	674,160	41,366	285,471	3,235,564
Excess (Deficiency) of Revenues Over Expenditures	(110,300)	14,933	5,995	(20,816)	1,742,213	5,347	(158,752)	1,478,620
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	191,173	191,173
Transfers (out)	-	-	-	(2,702)	(1,626,668)	-	-	(1,629,370)
Total Other Financing Sources (Uses)	-	-	-	(2,702)	(1,626,668)	-	191,173	(1,438,197)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(110,300)	14,933	5,995	(23,518)	115,545	5,347	32,421	40,423
Fund Balance - Beginning of Year	544,686	76,929	74,559	229,378	2,128,275	31,756	618,586	3,704,169
Fund Balance - End of Year	434,386	91,862	80,554	205,860	2,243,820	37,103	651,007	3,744,592

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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</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	684,121	725,000	815,517	90,517	831,994
Other:					
Interest income	2,700	2,700	4,422	1,722	9,982
Other income	15,000	63,000	34,144	(28,856)	31,821
Total Revenues	<u>701,821</u>	<u>790,700</u>	<u>854,083</u>	<u>63,383</u>	<u>873,797</u>
Expenditures:					
Economic Development:					
Salary and benefits	121,250	121,250	121,250	-	113,849
Administrative	33,827	33,827	33,827	-	24,492
Visitor services	57,322	57,322	57,322	-	47,400
Central reservations/watts line	16,630	21,050	14,923	6,127	3,955
Public relations	25,280	32,000	27,660	4,340	26,546
Printing and distribution (brochures, postcards, etc.)	79,709	276,346	227,113	49,233	181,668
Database and internet marketing	71,424	90,410	90,399	11	97,001
Advertising and promotion	225,106	343,372	338,172	5,200	194,286
Travel and booth expenses	35,743	45,245	39,445	5,800	16,676
Research and tracking	4,385	7,550	10,839	(3,289)	100
Special event	1,580	2,000	3,433	(1,433)	24,323
Total Expenditures	<u>672,256</u>	<u>1,030,372</u>	<u>964,383</u>	<u>65,989</u>	<u>730,296</u>
Excess (Deficiency) of Revenues Over Expenditures	29,565	(239,672)	(110,300)	129,372	143,501
Fund Balance - Beginning of Year	<u>171,647</u>	<u>544,686</u>	<u>544,686</u>	<u>-</u>	<u>401,184</u>
Fund Balance - End of Year	<u>201,212</u>	<u>305,014</u>	<u>434,386</u>	<u>129,372</u>	<u>544,685</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Charges for Services:				
Assessments	44,500	50,769	6,269	44,244
Other:				
Other income	-	-	-	20
Interest income	20	1,840	1,820	2,738
Total Revenues	<u>44,520</u>	<u>52,609</u>	<u>8,089</u>	<u>47,002</u>
Expenditures:				
General Government:				
Victim/witness assistance	34,000	28,828	5,172	19,425
Professional fees	-	1,104	(1,104)	962
Office supplies	1,000	85	915	80
Capital Outlay:				
Police equipment	10,000	7,659	2,341	-
Total Expenditures	<u>45,000</u>	<u>37,676</u>	<u>7,324</u>	<u>20,467</u>
Excess (Deficiency) of Revenues Over Expenditures	(480)	14,933	15,413	26,535
Fund Balance - Beginning of Year	<u>739</u>	<u>76,929</u>	<u>76,190</u>	<u>50,394</u>
Fund Balance - End of Year	<u><u>259</u></u>	<u><u>91,862</u></u>	<u><u>91,603</u></u>	<u><u>76,929</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Intergovernmental:				
Colorado Lottery	100,000	88,761	(11,239)	87,727
Other:				
Interest income	5,700	1,991	(3,709)	5,418
Total Other	<u>5,700</u>	<u>1,991</u>	<u>(3,709)</u>	<u>5,418</u>
Total Revenues	<u>105,700</u>	<u>90,752</u>	<u>(14,948)</u>	<u>93,145</u>
Expenditures:				
Culture and Recreation:				
Bear proof trash cans	-	-	-	13,040
Brush Creek Lane playground equipment	-	-	-	37,745
Park improvement and equipment	13,256	7,613	5,643	3,333
Park mowers	41,507	41,507	-	-
Sayre tennis improvements	3,152	3,152	-	-
Skateboard ramp replacement	-	-	-	60,010
Veltus tennis courts	32,485	32,485	-	-
Total Expenditures	<u>90,400</u>	<u>84,757</u>	<u>5,643</u>	<u>114,128</u>
Other Financing (Uses):				
Transfer (out)	-	-	-	(146)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146)</u>
Excess (Deficiency) of Revenues Over Expenditures	15,300	5,995	(9,305)	(21,129)
Fund Balance - Beginning of Year	<u>137,439</u>	<u>74,559</u>	<u>(62,880)</u>	<u>95,688</u>
Fund Balance - End of Year	<u><u>152,739</u></u>	<u><u>80,554</u></u>	<u><u>(72,185)</u></u>	<u><u>74,559</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
General sales tax	851,566	885,357	33,791	893,055
Use tax	26,322	24,563	(1,759)	25,971
Intergovernmental:				
Grants and awards	150,000	201,496	51,496	198,864
Charges for Services:				
Bus fares	-	1,636	1,636	810
Advertising fees	15,000	8,776	(6,224)	10,001
Other:				
Interest income	9,000	4,949	(4,051)	24,322
Miscellaneous	-	158	158	117
Total Revenues	<u>1,051,888</u>	<u>1,126,935</u>	<u>75,047</u>	<u>1,153,140</u>
Expenditures:				
Transportation:				
Fixed labor	224,600	245,205	(20,605)	233,649
Direct labor	329,400	358,906	(29,506)	345,193
Employee bus pass	2,300	2,296	4	1,872
Direct mileage cost	200,000	215,816	(15,816)	190,904
Training	26,400	28,719	(2,319)	28,898
Capital costs	160,824	30,611	130,213	310,034
Other	264,832	266,198	(1,366)	192,645
Total Expenditures	<u>1,208,356</u>	<u>1,147,751</u>	<u>60,605</u>	<u>1,303,195</u>
Excess (Deficiency) of Revenues Over Expenditures	(156,468)	(20,816)	135,652	(150,055)
Other Financing Sources (Uses):				
Sale of assets	-	-	-	1,250
Transfer (out)	(2,702)	(2,702)	-	(2,702)
Total Other Financing Sources (Uses)	<u>(2,702)</u>	<u>(2,702)</u>	<u>-</u>	<u>(1,452)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(159,170)	(23,518)	135,652	(151,507)
Fund Balance - Beginning of Year	<u>673,812</u>	<u>229,378</u>	<u>(444,434)</u>	<u>380,886</u>
Fund Balance - End of Year	<u>514,642</u>	<u>205,860</u>	<u>(308,782)</u>	<u>229,379</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Revenues:				
Taxes:				
Sales tax	2,129,072	2,129,072	2,213,555	84,483
Use tax	65,811	65,811	61,412	(4,399)
Total Taxes	<u>2,194,883</u>	<u>2,194,883</u>	<u>2,274,967</u>	<u>80,084</u>
Fees and Charges:				
Park land fees	-	-	76,836	76,836
Other:				
Interest income	41,000	41,000	64,570	23,570
Other income	-	-	-	-
Total Other	<u>41,000</u>	<u>41,000</u>	<u>64,570</u>	<u>23,570</u>
Total Revenues	<u>2,235,883</u>	<u>2,235,883</u>	<u>2,416,373</u>	<u>180,490</u>
Expenditures:				
Public Works:				
Water projects	-	-	7,084	(7,084)
Work activities team	331,571	768,787	377,354	391,433
Sewer improvements	-	-	546	(546)
Other expenditures	64,279	64,279	66,431	(2,152)
Total Public Works	<u>395,850</u>	<u>833,066</u>	<u>451,415</u>	<u>381,651</u>
Debt Service:				
Principal - 1998 Government Agency Bond	178,376	178,376	178,375	1
Interest - 1998 Government Agency Bond	44,370	44,370	44,370	-
Total Debt Service	<u>222,746</u>	<u>222,746</u>	<u>222,745</u>	<u>1</u>
Total Expenditures	<u>618,596</u>	<u>1,055,812</u>	<u>674,160</u>	<u>381,652</u>
Excess (Deficiency) of Revenues Over Expenditures	1,617,287	1,180,071	1,742,213	562,142
Other Financing Sources (Uses):				
Transfers (out)	(1,601,957)	(1,626,668)	(1,626,668)	-
Total Other Financing Sources (Uses)	<u>(1,601,957)</u>	<u>(1,626,668)</u>	<u>(1,626,668)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	15,330	(446,597)	115,545	562,142
Fund Balance - Beginning of Year	<u>971,131</u>	<u>2,128,275</u>	<u>2,128,275</u>	<u>-</u>
Fund Balance - End of Year	<u>986,461</u>	<u>1,681,678</u>	<u>2,243,820</u>	<u>562,142</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>				<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)	<u>Actual</u>
Revenues:					
Taxes:					
Property taxes	40,718	40,718	42,195	1,477	39,099
Specific ownership taxes	3,800	3,800	4,142	342	3,655
Total Taxes	<u>44,518</u>	<u>44,518</u>	<u>46,337</u>	<u>1,819</u>	<u>42,754</u>
Other:					
Interest income	100	100	376	276	329
Total Revenues	<u>44,618</u>	<u>44,618</u>	<u>46,713</u>	<u>2,095</u>	<u>43,083</u>
Expenditures:					
General Government:					
Miscellaneous and Treasurer's fees	815	815	849	(34)	787
Other	8,725	48,725	40,517	8,208	37,808
Total Expenditures	<u>9,540</u>	<u>49,540</u>	<u>41,366</u>	<u>8,174</u>	<u>38,595</u>
Excess (Deficiency) of Revenues Over Expenditures	35,078	(4,922)	5,347	10,269	4,488
Other Financing Sources:					
Transfer in	-	16,375	-	(16,375)	16,375
Total Other Financing Sources	<u>-</u>	<u>16,375</u>	<u>-</u>	<u>(16,375)</u>	<u>16,375</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	35,078	11,453	5,347	(6,106)	20,863
Fund Balance - Beginning of Year	<u>40,166</u>	<u>31,756</u>	<u>31,756</u>	<u>-</u>	<u>10,893</u>
Fund Balance - End of Year	<u><u>75,244</u></u>	<u><u>43,209</u></u>	<u><u>37,103</u></u>	<u><u>(6,106)</u></u>	<u><u>31,756</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Rural Fire District contribution	56,515	56,515	56,425	(90)	55,404
Interest income	23,000	23,000	21,816	(1,184)	31,741
Impact fees	30,000	30,000	48,478	18,478	48,041
Other	-	-	-	-	32
Total Revenues	<u>109,515</u>	<u>109,515</u>	<u>126,719</u>	<u>17,204</u>	<u>135,218</u>
Expenditures:					
Public Safety:					
Equipment purchases	255,000	275,000	285,471	(10,471)	280,357
Total Expenditures	<u>255,000</u>	<u>275,000</u>	<u>285,471</u>	<u>(10,471)</u>	<u>280,357</u>
Excess of Revenues Over Expenditures	(145,485)	(165,485)	(158,752)	6,733	(145,139)
Other Financing Sources (Uses):					
Transfer in	193,405	193,405	191,173	(2,232)	193,230
Transfer (out)	-	-	-	-	(14,435)
Total Other Financing Sources	<u>193,405</u>	<u>193,405</u>	<u>191,173</u>	<u>(2,232)</u>	<u>178,795</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	47,920	27,920	32,421	4,501	33,656
Fund Balance - Beginning of Year	<u>508,411</u>	<u>618,586</u>	<u>618,586</u>	<u>-</u>	<u>584,931</u>
Fund Balance - End of Year	<u>556,331</u>	<u>646,506</u>	<u>651,007</u>	<u>4,501</u>	<u>618,587</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>Final Budget</u>	<u>2007</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	2,292,800	2,292,800	2,069,159	(223,641)	1,961,687
Sewer user fees	1,439,400	1,439,400	1,444,754	5,354	1,239,786
Water connection fees	1,000	1,000	8,068	7,068	2,844
Sewer connection fees	300	300	1,001	701	232
Meter sales	7,000	7,000	5,440	(1,560)	8,442
Other	11,500	11,500	5,575	(5,925)	14,490
Water improvement fees	162,900	162,900	130,668	(32,232)	268,833
Sewer improvement fees	97,100	97,100	217,496	120,396	155,492
Total Operating Revenues	<u>4,012,000</u>	<u>4,012,000</u>	<u>3,882,161</u>	<u>(129,839)</u>	<u>3,651,806</u>
Operating Expenses:					
Administration	484,801	503,801	501,358	2,443	457,563
Water plant operation	572,406	652,406	593,191	59,215	637,959
Water transmission and distribution	363,898	400,598	410,155	(9,557)	314,771
Wastewater plant operation	485,656	486,406	467,398	19,008	506,469
Wastewater collection and transmission	220,492	247,542	260,117	(12,575)	229,633
Customer service	159,516	162,516	158,748	3,768	153,210
Depreciation	1,015,150	955,150	951,801	3,349	875,465
Capital outlay	3,958,500	6,917,847	2,843,002	4,074,845	2,777,134
Debt service - Principal	180,000	180,000	180,000	-	175,000
Total Operating Expenses	<u>7,440,419</u>	<u>10,506,266</u>	<u>6,365,770</u>	<u>4,140,496</u>	<u>6,127,204</u>
Operating Income (Loss) - Budget Basis	<u>(3,428,419)</u>	<u>(6,494,266)</u>	<u>(2,483,609)</u>	<u>4,010,657</u>	<u>(2,475,398)</u>
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	(3,000)	-	1,802	1,802	4,656
Investment income	3,000	138,000	211,069	73,069	359,561
Intergovernmental awards	-	312,000	367,190	55,190	182,810
Amortization of bond costs	(13,645)	(13,645)	(13,645)	-	(15,225)
Interest expense	(30,225)	(30,225)	(29,888)	337	(33,433)
Total Non-Operating Revenues (Expenses):	<u>(43,870)</u>	<u>406,130</u>	<u>536,528</u>	<u>130,398</u>	<u>498,369</u>
Transfers in	1,195,200	1,195,200	1,195,200	-	461,560
Transfers (out)	(223,932)	(717,258)	(717,258)	-	(961,671)
Change in Net Assets - Budget Basis	<u>(2,501,021)</u>	<u>(5,610,194)</u>	<u>(1,469,139)</u>	<u>4,141,055</u>	<u>(2,477,140)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital contributions			217,725		1,345,695
Debt service - Principal			180,000		175,000
Capital outlay			2,843,002		2,777,134
Total Adjustments			<u>3,240,727</u>		<u>4,297,829</u>
Net Income - GAAP Basis			<u>1,771,588</u>		<u>1,820,689</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Charges and fees:					
Commercial	6,691,559	6,691,559	6,824,369	132,810	6,796,400
Residential	2,716,349	2,716,349	2,911,549	195,200	2,800,640
Municipal	85,248	85,248	83,342	(1,906)	83,602
Security lights	16,785	16,785	12,107	(4,678)	15,084
Service connect fees	-	-	14,130	14,130	17,654
Other	439,975	439,975	512,972	72,997	441,164
Total Operating Revenues	<u>9,949,916</u>	<u>9,949,916</u>	<u>10,358,469</u>	<u>408,553</u>	<u>10,154,544</u>
Expenses:					
Purchased power	6,225,126	5,991,126	5,667,715	323,411	5,498,282
Maintenance - Distribution	1,440,467	1,671,467	1,539,470	131,997	1,369,075
Customer accounts	378,853	391,853	378,101	13,752	363,209
General and administrative	631,943	631,943	603,000	28,943	571,390
Capital improvements	10,780,610	11,071,610	629,056	10,442,554	1,418,260
Depreciation	926,278	926,278	851,372	74,906	837,129
Debt service - Principal	275,000	275,000	275,000	-	260,000
Total Operating Expenses	<u>20,658,277</u>	<u>20,959,277</u>	<u>9,943,714</u>	<u>11,015,563</u>	<u>10,317,345</u>
Operating Income (Loss) Budget Basis	(10,708,361)	(11,009,361)	414,755	11,424,116	(162,801)
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	(5,000)	(5,000)	(18,342)	(13,342)	(15,803)
Investment income	67,000	67,000	193,790	126,790	262,858
Intergovernmental awards	-	-	9,600	9,600	-
Amortization of bond costs	(3,878)	(3,878)	(3,878)	-	(4,698)
Interest expense	(52,382)	(52,382)	(51,992)	390	(62,792)
Total Non-Operating Revenues (Expenses):	<u>5,740</u>	<u>5,740</u>	<u>129,178</u>	<u>123,438</u>	<u>179,565</u>
Capital contributions	400,000	400,000	102,623	(297,377)	189,057
Transfers (out)	(594,896)	(836,217)	(836,217)	-	(951,665)
Change in Net Assets - Budget Basis	<u>(10,897,517)</u>	<u>(11,439,838)</u>	<u>(189,661)</u>	<u>11,250,177</u>	<u>(745,844)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Debt service - Principal			275,000		260,000
Capital outlay			629,056		1,418,260
Total Adjustments			<u>904,056</u>		<u>1,678,260</u>
Net Income - GAAP Basis			<u>714,395</u>		<u>932,416</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Rentals:					
Airport/land lease	22,060	22,060	21,651	(409)	21,743
Hanger lease	-	-	900	900	800
Charges and fees:					
Annual user fees	2,200	2,200	3,340	1,140	4,525
Long-term tie downs	8,920	8,920	7,391	(1,529)	6,585
Transient tie downs	1,000	1,000	1,349	349	2,290
Fuel sales	110,345	110,345	118,848	8,503	122,425
State fuel tax refund	1,000	1,000	1,277	277	904
Other income	-	-	3,979	3,979	4,880
Total Operating Revenues	<u>145,525</u>	<u>145,525</u>	<u>158,735</u>	<u>13,210</u>	<u>164,152</u>
Operating Expenses:					
Administration	30,723	30,723	31,715	(992)	31,914
Operations	144,438	144,438	121,851	22,587	122,695
Improvements	-	-	3,284	(3,284)	4,077
Capital Outlay	50,000	50,000	-	50,000	25,875
Depreciation	9,057	9,057	11,765	(2,708)	9,465
Total Expenses	<u>234,218</u>	<u>234,218</u>	<u>168,615</u>	<u>65,603</u>	<u>194,026</u>
Operating Income (Loss) - Budget Basis	(88,693)	(88,693)	(9,880)	78,813	(29,874)
Non-Operating Revenues (Expenses):					
Investment income	1,300	1,300	859	(441)	1,801
Intergovernmental awards	50,000	50,000	2,627	(47,373)	21,444
Total Non-Operating Revenues	<u>51,300</u>	<u>51,300</u>	<u>3,486</u>	<u>(47,814)</u>	<u>23,245</u>
Transfer (out)	-	(2,700)	(2,700)	-	(2,700)
Change in Net Assets - Budget Basis	<u>(37,393)</u>	<u>(40,093)</u>	<u>(9,094)</u>	<u>30,999</u>	<u>(9,329)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			-		23,000
Total Adjustments			<u>-</u>		<u>23,000</u>
Net Income - GAAP Basis			<u>(9,094)</u>		<u>13,671</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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Operating Revenues:				
Disposal fees	2,743,000	4,048,000	4,477,460	429,460
Composting fees	370,000	865,000	891,789	26,789
Other Income	13,000	43,000	60,682	17,682
Total Operating Revenues	<u>3,126,000</u>	<u>4,956,000</u>	<u>5,429,931</u>	<u>473,931</u>
Operating Expenses:				
Personnel costs	388,781	393,981	404,879	(10,898)
Operating costs	459,759	681,559	480,682	200,877
Composting fees	750,000	990,000	955,304	34,696
Utilities	5,500	5,500	5,043	457
Insurance	100,994	100,994	72,835	28,159
Allocated costs	103,969	103,969	103,969	-
Landfill compliance costs	149,778	149,778	(34,626)	184,404
Depreciation	145,031	169,031	169,074	(43)
Capital outlay	1,670,750	1,670,750	678,455	992,295
Total Operating Expenses	<u>3,774,562</u>	<u>4,265,562</u>	<u>2,835,615</u>	<u>1,429,947</u>
Operating Income (Loss) Budget Basis	(648,562)	690,438	2,594,316	1,903,878
Non-Operating Revenues (Expenses):				
Interest income	125,000	140,000	305,578	165,578
Gain (loss) on disposition of asset	(5,000)	(5,000)	(187,103)	(182,103)
Transfers (out)	(449,686)	(950,322)	(950,322)	-
Total Non-Operating Revenues	<u>(329,686)</u>	<u>(815,322)</u>	<u>(831,847)</u>	<u>(16,525)</u>
Change in Net Assets - Budget Basis	<u>(978,248)</u>	<u>(124,884)</u>	<u>1,762,469</u>	<u>1,887,353</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay			678,455	424,193
Total Adjustments			<u>678,455</u>	<u>424,193</u>
Net Income - GAAP Basis			<u>2,440,924</u>	<u>2,279,041</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>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Charges and fees	340,165	840,165	942,222	102,057	537,232
Other operating revenue	-	-	736	736	467
Investment income	500	40,500	103,457	62,957	37,044
Sale of asset	-	-	31,452	31,452	-
Transfers in	400,000	2,140,506	2,140,506	-	2,781,263
Total Revenues	<u>740,665</u>	<u>3,021,171</u>	<u>3,218,373</u>	<u>197,202</u>	<u>3,356,006</u>
Expenses:					
General government:					
Operations	325,865	965,165	770,436	194,729	388,658
Capital outlay	414,300	800,000	780,097	19,903	455,322
Total Expenses	<u>740,165</u>	<u>1,765,165</u>	<u>1,550,533</u>	<u>214,632</u>	<u>843,980</u>
Operating Income (Loss) - Budget Basis	<u>500</u>	<u>1,256,006</u>	1,667,840	<u>411,834</u>	<u>2,512,026</u>
Reconciliation to GAAP Basis:					
Capital Contributions			25,969		473,921
Capital outlay			780,097		455,322
Depreciation and amortization			(235,027)		(212,528)
Operating Income (Loss) - GAAP Basis			<u>2,238,879</u>		<u>3,228,741</u>
Net Assets - Beginning of Year			<u>3,228,741</u>		<u>-</u>
Net Assets - End of Year			<u>5,467,620</u>		<u>3,228,741</u>

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Cathy Carney Scholarship Fund
Schedule of Changes in Fiduciary Net Assets
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for December 31, 2007)

	<u>2008</u>			<u>2007</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Additions:				
Interest income	10	2	(8)	27
Total Additions	<u>10</u>	<u>2</u>	<u>(8)</u>	<u>27</u>
Deductions				
Scholarships	255	251	4	1,000
Change in Net Assets	(245)	(249)	(4)	(973)
Net Assets - Beginning of Year	<u>220</u>	<u>249</u>	<u>29</u>	<u>1,222</u>
Net Asset - End of Year	<u><u>(25)</u></u>	<u><u>-</u></u>	<u><u>25</u></u>	<u><u>249</u></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, 2008
(With Comparative Actual Amounts for December 31, 2007)

	2008		Variance Positive (Negative)	2007
	Original and Final Budget	Actual		Actual
Additions:				
Perpetual care fees	2,500	5,750	3,250	10,000
Interest income	200	255	55	385
Total Additions	2,700	6,005	3,305	10,385
Change in Net Assets	2,700	6,005	3,305	10,385
Net Assets - Beginning of Year	-	18,607	18,607	8,222
Net Assets - End of Year	2,700	24,612	21,912	18,607

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, 2008
(With Comparative Totals For the Year Ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
Additions:		
Pension contributions:		
State of Colorado	18,900	18,900
City of Glenwood Springs	21,000	21,000
Investment gain (loss)	<u>(286,418)</u>	<u>86,438</u>
Total Additions	<u>(246,518)</u>	<u>126,338</u>
Deductions:		
Pension payments	<u>93,000</u>	<u>93,000</u>
Total Deductions	<u>93,000</u>	<u>93,000</u>
Change in Net Assets	(339,518)	33,338
Net Assets - Beginning of Year	<u>1,020,803</u>	<u>987,465</u>
Net Assets - End of Year	<u><u>681,285</u></u>	<u><u>1,020,803</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 2008

This Information From The Records Of (example - City of _ or County of _) City 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)	2,646,602
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,205,355
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	61,497
2. General fund appropriations	1,108,472	b. Snow and ice removal	295,308
3. Other local imposts (from page 2)	2,945,942	c. Other	
4. Miscellaneous local receipts (from page 2)	355,838	d. Total (a. through c.)	356,805
5. Transfers from toll facilities		4. General administration & miscellaneous	110,276
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	972,723
a. Bonds - Original Issues		6. Total (1 through 5)	5,291,761
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	78,503
7. Total (1 through 6)	4,410,252	b. Redemption	125,845
B. Private Contributions		c. Total (a. + b.)	204,348
C. Receipts from State government (from page 2)	594,183	2. Notes:	
D. Receipts from Federal Government (from page 2)	491,674	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,496,109	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	204,348
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,496,109

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,750,120		127,553	1,622,567
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
		5,496,109	5,496,109		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

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		a. Interest on investments	132,939
b. Other local imposts:		b. Traffic Fines & Penalties	192,384
1. Sales Taxes	2,850,950	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	3,572	d. Parking Meter Fees	30,515
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	91,420	g. Other Misc. Receipts	
6. Total (1. through 5.)	2,945,942	h. Other	
c. Total (a. + b.)	2,945,942	i. Total (a. through h.)	355,838
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	246,313	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	38,884	d. Federal Transit Admin	
d. Other (Specify) EIAF Grant	308,986	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Feder See Note Below	491,674
f. Total (a. through e.)	347,870	g. Total (a. through f.)	491,674
4. Total (1. + 2. + 3.f)	594,183	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

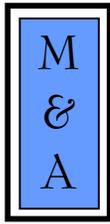
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	90,222	1,097,783	1,188,005
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,420,925	1,420,925
(3). System Preservation			0
(4). System Enhancement & Operation		37,672	37,672
(5). Total Construction (1) + (2) + (3) + (4)	0	1,458,597	1,458,597
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	90,222	2,556,380	2,646,602
			(Carry forward to page 1)

Notes and Comments:

Line II.D.2.f.: Mineral Lease	\$123,572
HPP M535-003 Grant	<u>368,102</u>
Total	491,674

SINGLE AUDIT REPORTS AND SCHEDULES





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 28, 2009. 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.

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.*

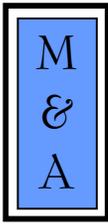
Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

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

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.
May 28, 2009**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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, 2008. 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, 2008.

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, 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.

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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
December 31, 2008**

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be 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.
May 28, 2009**

City of Glenwood Springs, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2008

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 – Highway Planning and Construction	CFDA #20.205
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	No

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, 2008
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2007.

**City of Glenwood Springs
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008**

<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	12,000
Passed through Colorado State Historical Society:			
Department of the Interior			
Historic Preservation Fund Grants in Aid	15.904	No	7,683
Passed through Colorado Department of Transportation:			
Federal Transportation Agency			
Highway Planning and Construction	20.205	Yes	368,102
Administrative and Operating Costs Section 5311	20.509	No	199,015
State Planning and Research Section 5304	20.509	No	520
Total - Federal Transportation Agency			<u>567,637</u>
Department of Justice:			
Office of Nation Drug Control - HIDTA program	16	No	75,008
Edward Byrne Memorial Justice Assistance Program	16.738	No	38,462
Total - Department of Justice			<u>113,470</u>
Total			<u><u>700,790</u></u>

Notes to the Schedule of Expenditures of Federal Awards for the year ended December 31, 2008

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.