

**Carbondale and Rural Fire Protection District
Carbondale, Colorado**

**Financial Statements
December 31, 2012**

**Carbondale and Rural Fire Protection District
Financial Report
December 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Carbondale and Rural Fire Protection District
Carbondale, Colorado**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Carbondale and Rural Fire Protection District (the "District"), as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Carbondale and Rural Fire Protection District as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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**To the Board of Directors
Carbondale and Rural Fire Protection District**

Other Matters

The District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements. Our opinions on the basic financial statements are not affected by the missing information.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The budgetary comparison information found in Section E is presented for purposes of additional analysis and is not a required part of the financial statements. The budgetary comparison information in Section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
May 15, 2013**

FINANCIAL STATEMENTS

Carbondale and Rural Fire Protection District
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2012

Governmental Funds Balance Sheet

	General Fund	Debt Service	Capital Projects I	Total	Adjustments	Statement of Net Position
Assets:						
Cash and cash equivalents	966,589	-	1,393,973	2,360,562	-	2,360,562
Investments	-	116,459	-	116,459	-	116,459
Due from County Treasurer	12,223	-	-	12,223	-	12,223
Assessed taxes receivable	2,761,733	623,533	-	3,385,266	-	3,385,266
Accounts receivable, net of allowance of \$209,285	48,086	-	-	48,086	-	48,086
Due to/from other fund	838,566	(10,100)	(833,139)	(4,673)	-	(4,673)
Issuance costs, net of accumulated amortization	-	-	-	-	181,097	181,097
Capital assets, net of accumulated depreciation	-	-	-	-	8,573,134	8,573,134
Total Assets	4,627,197	729,892	560,834	5,917,923	8,754,231	14,672,154
Liabilities:						
Accounts payable	34,673	-	-	34,673	-	34,673
Accrued interest payable	-	-	-	-	18,043	18,043
Compensated absences	-	-	-	-	153,964	153,964
Loan payable:						
Due within one year	-	-	-	-	81,250	81,250
Due in more than one year	-	-	-	-	771,603	771,603
Bonds payable:						
Due within one year	-	-	-	-	395,000	395,000
Due in more than one year	-	-	-	-	4,901,259	4,901,259
Total Liabilities	34,673	-	-	34,673	6,321,119	6,355,792
Deferred Inflows of Resources:						
Unavailable property tax revenues	2,761,733	623,533	-	3,385,266	-	3,385,266
Total Deferred Inflows of Resources	2,761,733	623,533	-	3,385,266	-	3,385,266
Fund Balances / Net Position:						
Fund Balances:						
Restricted for emergencies	88,035	-	-	88,035	(88,035)	-
Assigned	-	106,359	560,834	667,193	(667,193)	-
Unassigned	1,742,756	-	-	1,742,756	(1,742,756)	-
Total Fund Balances	1,830,791	106,359	560,834	2,497,984	(2,497,984)	-
Total Liabilities and Fund Balances	4,627,197	729,892	560,834	5,917,923	-	-
Net Position:						
Invested in capital assets, net of related debt	-	-	-	-	3,457,972	3,457,972
Restricted for emergencies	-	-	-	-	88,035	88,035
Unrestricted	-	-	-	-	1,385,089	1,385,089
Total Net Position	-	-	-	-	4,931,096	4,931,096

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

**Carbondale and Rural Fire Protection District
Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances/Statement of Activities
For the Year Ended December 31, 2012**

**Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances**

	General Fund	Debt Service	Capital Projects I	Total	Adjustments	Statement of Activities
Revenues:						
Property taxes	2,730,073	621,846	-	3,351,919	-	3,351,919
Abated taxes	11,626	2,442	-	14,068	-	14,068
Specific ownership taxes	159,322	-	-	159,322	-	159,322
Interest on delinquent taxes	12,746	-	-	12,746	-	12,746
Charges for services:						
Emergency medical services	392,075	-	-	392,075	-	392,075
Investment income	229	217	137	583	-	583
Grants and contributions	35,628	-	7,500	43,128	-	43,128
Wildfire contracts	43,368	-	-	43,368	-	43,368
Impact fees	-	-	5,840	5,840	-	5,840
Miscellaneous:						
Training tuitions	2,822	-	-	2,822	-	2,822
Building rentals	8,150	-	-	8,150	-	8,150
Other	22,878	-	630	23,508	-	23,508
Total Revenues	3,418,917	624,505	14,107	4,057,529	-	4,057,529
Expenditures/Expenses:						
Personal services	2,033,748	-	-	2,033,748	(3,770)	2,029,978
General and administrative	375,564	15,067	10,369	401,000	9,261	410,261
Firefighting	46,171	-	-	46,171	179,174	225,345
Emergency medical services	38,006	-	-	38,006	44,394	82,400
Communications	39,494	-	-	39,494	2,651	42,145
Training	70,162	-	-	70,162	-	70,162
Equipment	68,805	-	-	68,805	-	68,805
Other	13,792	-	-	13,792	-	13,792
Station	109,575	-	-	109,575	133,207	242,782
Capital outlay	-	-	991,762	991,762	(901,489)	90,273
Debt service:						
Principal	-	-	-	-	(427,147)	-
Interest	-	380,000	47,147	427,147	18,258	257,471
Total Expenditures/Expenses	2,795,317	621,905	1,061,653	4,478,875	(945,461)	3,533,414
Excess (Deficiency) of Revenues Over Expenditures	623,600	2,600	(1,047,546)	(421,346)	945,461	524,115
Other Financing Sources (Uses):						
Loan proceeds	-	-	900,000	900,000	(900,000)	-
Lawsuit settlement	-	33,989	-	33,989	-	33,989
Transfers in (out)	(300,000)	-	300,000	-	-	-
Total Other Financing Sources (Uses)	(300,000)	33,989	1,200,000	933,989	(900,000)	33,989
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	323,600	36,589	152,454	512,643	(512,643)	558,104
Changes in Net Position						
Fund Balances/Net Position:						
Beginning of Year	1,507,191	69,770	408,380	1,985,341		4,372,992
End of Year	1,830,791	106,359	560,834	2,497,984		4,931,096

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

Carbondale and Rural Fire Protection District
Statement of Fiduciary Net Position
Pension Fund
December 31, 2012

Assets:	
Investments	1,961,131
Due from general fund	4,673
Property taxes receivable	<u>62,828</u>
Total Assets	<u><u>2,028,632</u></u>
Deferred Inflows of Resources:	
Unavailable property tax revenues	<u>62,828</u>
Total Deferred Inflows of Resources	<u><u>62,828</u></u>
Net Position:	
Held in trust for pension benefits	<u><u>1,965,804</u></u>

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

**Carbondale and Rural Fire Protection District
Statement of Changes in Fiduciary Net Position
Pension Fund
For the Year Ended December 31, 2012**

Additions:

State matching contribution	70,948
Property taxes	51,060
Net investment gain	<u>218,487</u>
Total Additions	<u><u>340,495</u></u>

Deductions:

Administration	16,695
Treasurer's fees	1,183
Disability insurance	19,631
Pension payments	<u>174,600</u>
Total Deductions	<u><u>212,109</u></u>

Change in Net Position 128,386

Net Position - Beginning 1,837,418

Net Position - Ending 1,965,804

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

NOTES TO THE FINANCIAL STATEMENTS

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012

I. Summary of Significant Accounting Policies

The Carbondale and Rural Fire Protection District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within Carbondale and the surrounding area.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

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

The District has no component units, and it is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. However, the District does not have any business-type activities, only governmental activities.

1. Government-wide Financial Statements

In the Governmental Funds Balance Sheet/Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets; restricted net position; and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The effect of interfund activity has been eliminated from the government-wide financial statements.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements

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

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The *Debt Service Fund* accounts for property taxes levied for debt payment on general obligation bonds.

The *Capital Projects Fund I* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

The *Pension Fund* accounts for the volunteer pension investments.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide 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 funds financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to accrued compensated absences are recognized when due.

**Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

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

2. Investment

Investments are stated at fair market value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as "internal receivables" and "internal payables" in the fund financial statements and are eliminated in the government-wide financial statements.

6. Capital Assets

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$500 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

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

Assets	Years
Buildings	15 - 40
Equipment	5 - 20

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Compensated Absences

The District permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the government-wide financial statements.

8. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position column.

9. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenues from property taxes. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

10. Fund Balance

The District classifies governmental fund balances as follows:

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

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

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Fund Balance (continued)

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

11. Use of Estimates

The preparation of financial statements to conformity with U.S. GAAP 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.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The positive numbers below represent depreciation expense while negative number represents capital outlay.

General and administrative:		
Depreciation	\$	9,261
Firefighting:		
Depreciation		179,194
Emergency medical services:		
Depreciation		44,394
Communications:		
Depreciation		2,651
Station:		
Depreciation		133,207
Capital outlay:		
Assets capitalized		(901,489)

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

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

A. Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities (continued)

Some expenses reported in the Statement of Activities, including the change in accrued compensated absences, do not require the use of current financial resources and therefore are not recorded as expenditures in governmental funds.

Personal services (compensated absences) \$ 3,770

The issuance of long-term debt (e.g., leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The negative \$410,257 adjustment represents \$365,000 repayment of bond principal and \$45,257 repayment of principal on the capital lease.

Governmental funds report bond issue costs as expenditures when paid and bond premiums when received. However, in the Statement of Activities, the cost of those assets is allocated over the terms of the bonds as amortization expense and income. Also, governmental funds report bond interest when paid; while the Statement of Activities accrues interest expense as incurred. Below are the adjustments for amortization of issuance costs, premium, and accrued interest:

Accrued interest	\$ (860)
Amortization of bond issuance costs	31,374
Amortization of bond premium	<u>(12,256)</u>
Total adjustment	<u>\$ 18,258</u>

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. GAAP.

- (1) For the 2012 budget, prior to August 25, 2011, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2011 only once by a single notification to the District.
- (2) On or before October 15, 2011, the District's budget officer submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

- (3) For the 2012 budget, prior to December 15, 2011, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2011 were collected in 2012 and taxes certified in 2012 will be collected in 2013. 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 15th.

B. TABOR Amendment - Revenue and Spending Limitation 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.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's voters approved the following ballot question on May 7, 1996:

Shall Carbondale and Rural Fire Protection District's taxes be increased \$169,782 annually (maximum first full fiscal year dollar increase) beginning January 1, 1997, and by whatever additional amounts are raised annually thereafter by an ad valorem property tax levy of one and sixty-nine hundredths (1.69) mill, to be in excess of property tax revenues that would be provided by the District's operating mill levy otherwise permitted under state law without such increase (making the District's total maximum operating mill levy six and two hundred fifty-nine thousandths (6.259) mills), to constitute a voter-approved revenue and spending change?

The District's voters approved the following ballot question on November 5, 2002:

Shall the Carbondale and Rural Fire Protection District be authorized to collect, retain and expend the full revenues generated each year subsequent to 2002, to receive and expend state grants, and to receive and expend all property tax revenues for capital projects and general obligations without limiting in any year the amount of other revenue that may be collected and spent by the Carbondale and Rural Fire Protection District?

Nothing herein shall permit any increase in the property tax mill levy imposed by the Carbondale and Rural Fire Protection District without the express approval of the voters within the District's boundaries.

The District's voters approved the following ballot questions on May 4, 2004:

Shall Carbondale and Rural Fire Protection District taxes be increased up to \$415,000 annually (for collection in calendar year 2005) and by such additional amounts raised annually, thereafter by an ad valorem property tax mill levy imposed for District operations, training, and maintenance at a rate of 1.5 mills, which increase shall be in addition to the mill levy currently imposed by the District; and shall the revenue from such taxes constitute permanent voter-approved revenue changes within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes?

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment

Shall Carbondale and Rural Fire Protection District Debt be increased up to \$6,750,000, with a maximum repayment cost of up to \$11,500,000, and shall District taxes be increased up to \$625,000 annually for the purpose of financing the costs of providing fire protection and services, such debt to consist of the issuance and payment of general obligation bonds, which bonds shall bear interest at a maximum net effective interest rate not to exceed 5.5% per annum and be issued, dated and sold at such time or times, at such prices and in such manner and containing such terms, not inconsistent herewith, as the Board of Directors may determine; shall ad valorem property taxes be levied in any year, without limitation as to rate or amount, to pay the principal of, premium if any, and interest on such bonds as the same become due; and shall any earnings on the investment of the revenues from such taxes and on the proceeds of such bonds (regardless of amount) constitute a voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution?

The District's voters approved the following ballot questions on November 1, 2011:

Shall Carbondale and Rural Fire Protection District taxes be increased by \$775,236 annually for a limited two-year period, beginning in tax collection year 2012, continuing each year through tax collection year 2013 and terminating thereafter, with such increase to be deposited in the General Fund for the purpose of funding the costs of, among other things: maintaining current levels of essential fire fighting and paramedic services by an additional property tax to be levied at a rate sufficient to produce \$775,236 (such mill levy to be in addition to the mill levy currently imposed by the District) as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution and authorization to exceed the limitation contained in Section 29-1-301 of the Colorado Revised Statutes?

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$100,000 of the District's deposits at each financial institution. Deposit balances over \$100,000 are collateralized as required by PDPA.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At year end, the District had the following deposits and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Deposits	Not rated	\$ 2,360,562	2,360,562	
Investment pool	AAAm	116,459	116,459	
		<u>\$ 2,477,021</u>	<u>2,477,021</u>	<u>-</u>

The investment pool represents an investment in "CSAFE" which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. The District also has \$1,961,130 invested with the Fire and Police Pension Association of Colorado ("FPPA") on behalf of its volunteer firefighters. The District has no regulatory oversight for the unrated FPPA pool. The District's investment pools are not categorized by custodial credit risk, as these investments are not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

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

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Interfund Balances and Transfers

Interfund balances at December 31, 2012 were as follows:

<u>Due to:</u>	<u>Due from:</u>	<u>Amount</u>	<u>Purpose</u>
General	Debt Service	\$ 10,100	Short-term posting differences
General	Capital Projects I	833,139	
Pension	General	4,673	
Total		<u>\$ 847,912</u>	

Interfund transfers during the year ended December 31, 2012 were as follows:

<u>Transferred to:</u>	<u>Transferred from:</u>	<u>Amount</u>	<u>Purpose</u>
Capital Projects I	General Fund	\$ 300,000	To fund the District's capital projects

C. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 934,887	-	-	934,887
Total capital assets, not being depreciated	<u>934,887</u>	<u>-</u>	<u>-</u>	<u>934,887</u>
Capital assets, being depreciated:				
Fire stations and improvements	7,231,385	-	-	7,231,385
Vehicles and equipment	3,708,042	901,489	-	4,609,531
Total capital assets being depreciated	<u>10,939,427</u>	<u>901,489</u>	<u>-</u>	<u>11,840,916</u>
Less accumulated depreciation:				
Fire stations and improvements	(1,271,475)	(132,310)	-	(1,403,785)
Vehicles and equipment	(2,562,507)	(236,377)	-	(2,798,884)
Total accumulated depreciation	<u>(3,833,982)</u>	<u>(368,687)</u>	<u>-</u>	<u>(4,202,669)</u>
Total capital assets, being depreciated, net	<u>7,105,445</u>	<u>532,802</u>	<u>-</u>	<u>7,638,247</u>
Total Capital Assets, Net	<u>\$ 8,040,332</u>	<u>532,802</u>	<u>-</u>	<u>8,573,134</u>

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense was charged to functions of the District as follows:

General and administrative	\$ 9,261
Firefighting	179,174
Emergency medical services	44,394
Communications	2,651
Station	133,207
Total Depreciation Expense	<u>\$ 368,687</u>

D. Long-term Obligations

At December 31, 2012, the District had the following long-term obligations outstanding:

1. General Obligation Bonds, Series 2004

On June 24, 2004, the District issued \$6,750,000 in General Obligation Bonds, Series 2004, dated June 15, 2004. Interest with rates ranging from 3% to 5.25% is payable semi-annually on June 1 and December 1, with bond principal payable December 1. The bonds contain an optional redemption provision on December 12, 2014 at 100%.

On September 27, 2007, the District advance refunded \$4,700,000 of the remaining \$6,525,000 of the Series 2004 bonds by issuing Series 2007 bonds (see note below), leaving \$1,825,000 of the Series 2004 outstanding and payable by the District. The amount of defeased refunded bonds outstanding at December 31, 2012 was \$4,700,000.

2. General Obligation Bonds, Series 2007

On September 27, 2007, the District issued \$5,579,998 in General Obligation Refunding Bonds, Series 2007, dated September 27, 2007. The Bonds have an interest rate of 4% and consist of \$5,495,000 of Current Interest Bonds and \$84,998 of Capital Appreciation Bonds. The Bonds are payable semi-annually on June 1 and December 1, with bond principal payable December 1.

The Bonds were issued to refund all \$635,000 of the Series 1996 Bonds and \$4,700,000 of the Series 2004 Bonds, leaving \$1,825,000 of the Series 2004 Bonds outstanding and payable by the District. The difference in the cash flows between the old debt and the new debt resulted a present value savings to the District on the refunding of \$143,469.

The Bonds were sold with a reoffering premium of \$305,045, the proceeds of which were used to pay most of the \$319,177 difference between the reacquisition price and the lower net book value of the refunded Series 2004 Bonds. The remaining \$14,132 is being amortized with the bond issuance costs over the life of the bonds using the straight-line method.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Long-term Obligations (continued)

3. \$900,000 Loan Payable

On May 23, 2012, the District incurred a loan payable to Alpine Bank whereby the District received \$900,000 to purchase an aerial ladder truck and tender truck for \$701,877 and \$172,092, respectively. The District assigned \$1,120,500 cash held at Alpine Bank as collateral for the loan, which is payable in 120 monthly installments of \$8,503.18, including variable rate interest at 2.5% over the Alpine Bank Money Market Rate, with the final installment of all unpaid principal and interest due on May 23, 2022.

4. Schedule of Debt Service Requirements

	<u>GO Bonds</u>		<u>Loan Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 395,000	210,825	81,250	20,788
2014	415,000	194,175	83,343	18,695
2015	70,533	535,267	85,489	16,549
2016	334,465	271,335	87,692	14,346
2017	445,000	163,000	89,951	12,087
2018-2022	2,490,000	534,600	425,128	24,843
2023-2024	1,140,000	68,800	-	-
Total	<u>5,289,998</u>	<u>1,978,002</u>	<u>852,853</u>	<u>107,308</u>
	6,260 *			
	<u>\$ 5,296,258</u>			

* Unamortized premium on unrefunded 2004 bonds

5. Changes in Long-term Obligations

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GO Bonds:					
2004	\$ 1,020,000	-	(325,000)	695,000	340,000
Premium on 2004 bonds	18,516	-	(12,256)	6,260	6,260
2007	4,649,998	-	(55,000)	4,594,998	55,000
Loan Payable	-	900,000	(47,147)	852,853	81,250
Total Long Term Debt	<u>5,688,514</u>	<u>900,000</u>	<u>(439,403)</u>	<u>6,149,111</u>	<u>482,510</u>
Compensated absences	157,734	-	(3,770)	153,964	38,491
Total Long-term Obligations	<u>\$ 5,846,248</u>	<u>900,000</u>	<u>(443,173)</u>	<u>6,303,075</u>	<u>521,001</u>

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

Effective October 1, 2000, the District joined Western Slope Health Care Group, currently with 17 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

B. Retirement Plans

1. Volunteer Firefighters

Plan Description: The District is trustee of a single-employer defined benefit pension plan available to provide retirement income for volunteer fire fighters in recognition of their service to the District. The plan is administered by a Board of Trustees composed of the Board of Directors and volunteer firefighters selected in accordance with Colorado State Statues. The plan provides for a monthly pension for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. As of January 1, 2011, the latest actuarial valuation date, there were 54 active members, 37 service retirees, 2 beneficiaries, 3 terminated vested members, and 1 terminated member active in another fund.

Funding Policy: The funding of the plan by the District and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of : (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

V. Other Information (continued)

B. Retirement Plans (continued)

1. Volunteer Firefighters (continued)

Actuarial Information: An actuarial firm determined the "annual required contribution" as of the January 1, 2011 study (the most recent prepared) using the "entry age" and "aggregate" actuarial cost methods. The significant actuarial assumptions used in the valuation as of January 1, 2011 were:

- a. Investment rate of return – 8%
- b. Inflation – 3.5%
- c. Amortization method – level dollar – open
- d. Asset valuation method – 3-year smoothed fair market value

The following is information based on the most recent actuarial studies available.

Schedule of Funding Progress

	<u>2011</u>	<u>2009</u>	<u>2007</u>	<u>2005</u>	<u>2003</u>
Actuarial value of plan assets	\$ 1,942,858	\$ 1,887,642	\$ 2,109,809	\$ 1,661,203	1,252,062
Actuarial accrued liability	(2,357,823)	(2,207,846)	(1,793,337)	(1,528,243)	(1,406,038)
Actuarial Accrued Surplus (Liability)	(414,965)	(320,204)	316,472	132,960	(153,976)
Actuarial value of plan assets as a percentage of the actuarial accrued liability	82%	85%	118%	109%	89%
Covered payroll	-	-	-	-	-
Ratio of unfunded actuarial liability as a percentage of covered payroll	-	-	-	-	-
Net pension obligation, beginning of year	-	-	-	-	-
Estimated annual required contribution	136,597	76,000	75,652	131,110	193,334
Estimated contribution:					
From District	(78,831)	(40,000)	(40,103)	(47,579)	(112,802)
From State Matching Funds	(57,719)	(36,068)	(35,652)	(83,803)	(80,532)
Net pension obligation, end of year	<u>\$ 47</u>	<u>\$ (68)</u>	<u>\$ (103)</u>	<u>\$ (272)</u>	<u>-</u>
Percentage contributed	100%	100%	100%	100%	100%

2. Full-time Employees

Effective June 30, 2006, the District elected coverage under the Fire and Police Pension Association of Colorado ("FPPA") Statewide Hybrid Plan. The Hybrid Plan has a Defined Benefit Component and a Money Purchase Component. The District transferred all full-time employee balances from the previous ICMA Money Purchase Plan to the Money Purchase Component of the Hybrid Plan.

Members who were active full-time employees on July 1, 2006 shall participate in the plan at a contribution rate of 20% of base salary that shall be split 10% member and 10% employer.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2012
(Continued)

V. Other Information (continued)

B. Retirement Plans (continued)

2. Full-time Employees (continued)

Members hired after July 1, 2006 shall participate in the plan at a contribution rate of 16% of base salary that shall be split 8% member and 8% employer.

Contributions to the FPPA plan during 2012 were \$118,279 from members and \$118,279 from the District.

3. Section 457 Deferred Compensation Plan

On December 21, 2005, the District adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). Participants may defer up to the lesser of \$11,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute more than the \$11,000 limit due to a catch up provision in the plan. The District is neither the trustee nor the administrator and has no liability under the plan.

REQUIRED SUPPLEMENTARY INFORMATION

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2012
With Comparative Actual Amounts for 2011

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Property taxes	2,740,710	2,740,710	2,730,073	(10,637)	2,714,434
Abated taxes	11,626	11,626	11,626	-	11,356
Specific ownership taxes	150,000	150,000	159,322	9,322	170,902
Interest on delinquent taxes	5,000	5,000	12,746	7,746	15,932
Charges for services:					
Emergency medical services	170,000	170,000	392,075	222,075	321,503
Investment income	500	500	229	(271)	591
Grants and contributions	7,000	7,000	35,628	28,628	944
Wildfire contracts	1,000	1,000	43,368	42,368	95,498
Miscellaneous:					
Training tuitions	1,000	1,000	2,822	1,822	9,456
Building rentals	15,000	15,000	8,150	(6,850)	16,925
Other	10,000	10,000	22,878	12,878	26,168
Total Revenues	3,111,836	3,111,836	3,418,917	307,081	3,383,709
Expenditures:					
Personal Services:					
Salaries and wages	1,500,000	1,500,000	1,458,733	41,267	1,267,948
Health benefits	310,000	310,000	282,583	27,417	299,012
Pension benefits	165,000	165,000	135,110	29,890	133,495
Workmen's compensation	70,000	70,000	58,380	11,620	71,354
Volunteer incentive	20,000	20,000	17,087	2,913	11,850
Volunteer dinner program	3,000	9,000	9,321	(321)	9,022
Payroll taxes	25,000	25,000	29,062	(4,062)	20,621
Board members	8,000	8,000	7,800	200	7,900
Death and disability	35,000	35,000	31,861	3,139	34,401
Unemployment insurance	4,000	4,000	3,811	189	3,380
Total Personal Services	2,140,000	2,146,000	2,033,748	112,252	1,858,983
General and Administrative:					
Insurance	50,000	50,000	46,937	3,063	43,693
Abated taxes	2,000	2,000	8,463	(6,463)	1,724
Treasurer's fees	63,000	63,000	63,556	(556)	62,144
Legal	18,000	23,000	21,527	1,473	26,329
Accounting	12,000	12,000	10,900	1,100	11,700
Bad debt expense	-	-	154,634	(154,634)	143,299
Dues and subscriptions	6,000	6,000	6,036	(36)	5,888
Freight and postage	2,000	2,000	2,030	(30)	2,233
Computer supplies and expenses	1,000	1,000	2,880	(1,880)	362
Board meetings	2,000	6,000	5,032	968	4,479
Election	20,000	20,000	10,426	9,574	3,458
Supplies and expenses	14,000	14,000	14,075	(75)	18,273
Fuel	21,000	26,000	25,690	310	22,214
Fireworks	7,000	7,000	2,075	4,925	-
Fire prevention	1,000	1,000	1,303	(303)	340
Emergency reserves	84,000	84,000	-	84,000	-
Total General and Administrative	303,000	317,000	375,564	(58,564)	346,136
Firefighting:					
Supplies and expenses	20,000	30,000	30,457	(457)	26,273
Fuel	6,000	13,000	11,836	1,164	5,617
Incident response	1,000	1,000	1,706	(706)	1,687
Wildfire expenses	1,000	1,000	2,172	(1,172)	8,357
Total Firefighting	28,000	45,000	46,171	(1,171)	41,934

(continued)

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2012
With Comparative Actual Amounts for 2011
(Continued)

	2012			Variance Positive (Negative)	2011
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Emergency Medical Services:					
Supplies and expenses	24,000	29,000	28,022	978	22,038
Infection control	3,000	3,000	-	3,000	2,836
Physician advisor	4,000	4,000	3,500	500	3,500
Fuel	6,000	9,000	6,484	2,516	5,677
Total Emergency Medical Services	37,000	45,000	38,006	6,994	34,051
Communications:					
Telephone	13,000	13,000	13,782	(782)	13,731
Communications center	10,000	10,000	4,398	5,602	3,783
Supplies and expenses	7,000	7,000	8,122	(1,122)	9,012
Cell phones	13,000	13,000	13,192	(192)	15,488
Total Communications	43,000	43,000	39,494	3,506	42,014
Training:					
Medical	12,000	12,000	7,856	4,144	11,355
Firefighting	10,000	10,000	10,665	(665)	6,755
Paramedic program	17,000	33,000	30,811	2,189	16,374
EMT tuitions	8,000	15,000	11,493	3,507	7,352
Rescue	1,000	1,000	-	1,000	388
Supplies and expenses	2,000	2,000	4,268	(2,268)	2,673
Administration	6,000	6,000	5,069	931	13,009
Total Training	56,000	79,000	70,162	8,838	57,906
Equipment:					
Vehicle repairs	5,000	12,000	10,260	1,740	51
Equipment testing	12,000	12,000	9,035	2,965	11,172
Vehicles supplies, parts, and tires	24,000	24,000	24,141	(141)	25,100
Maintenance contracts	15,000	15,000	16,267	(1,267)	14,986
Communications equipment	5,000	5,000	1,883	3,117	7,605
Computers	10,000	10,000	7,219	2,781	10,539
Portable equipment	3,000	3,000	-	3,000	1,171
Total Equipment	74,000	81,000	68,805	12,195	70,624
Other:					
Miscellaneous	3,625	3,625	13,792	(10,167)	6,017
Total Other	3,625	3,625	13,792	(10,167)	6,017
Station:					
Maintenance	10,000	25,000	20,092	4,908	12,298
Supplies	9,000	19,000	18,277	723	10,672
Utilities	68,000	68,000	71,206	(3,206)	76,197
Total Station	87,000	112,000	109,575	2,425	99,167
Total Expenditures	2,771,625	2,871,625	2,795,317	76,308	2,437,066
Excess (Deficiency) of Revenues Over Expenditures	340,211	240,211	623,600	383,389	826,877
Other Financing Sources (Uses):					
Transfer to Capital Projects Fund	(300,000)	(300,000)	(300,000)	-	(300,000)
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(300,000)	-	(300,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	40,211	(59,789)	323,600	383,389	526,877
Fund Balances - Beginning	1,375,120	1,375,120	1,507,191	132,071	980,314
Fund Balances - Ending	1,415,331	1,315,331	1,830,791	515,460	1,507,191

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2012
With Comparative Actual Amounts for 2011

	<u>2012</u>		<u>Variance Positive (Negative)</u>	<u>2011</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Property tax	623,896	621,846	(2,050)	622,155
Abated property tax	2,442	2,442	-	1,934
Investment income	100	217	117	96
Total Revenues	<u>626,438</u>	<u>624,505</u>	<u>(1,933)</u>	<u>624,185</u>
Expenditures:				
Principal	380,000	380,000	-	365,000
Interest	226,838	226,838	-	241,438
Paying agent fees	1,000	600	400	600
County Treasurer's fees	18,500	14,467	4,033	14,231
Total Expenditures	<u>626,338</u>	<u>621,905</u>	<u>4,433</u>	<u>621,269</u>
Excess (Deficiency) of Revenues Over Expenditures	100	2,600	2,500	2,916
Other Financing Sources:				
Lawsuit settlement	-	33,989	33,989	-
Total Other Financing Sources	<u>-</u>	<u>33,989</u>	<u>33,989</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	100	36,589	36,489	2,916
Fund Balances - Beginning	<u>67,854</u>	<u>69,770</u>	<u>1,916</u>	<u>66,854</u>
Fund Balances - Ending	<u>67,954</u>	<u>106,359</u>	<u>38,405</u>	<u>69,770</u>

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2012
With Comparative Actual Amounts for 2011

	<u>2012</u>			Variance Positive (Negative)	<u>2011</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Impact fees	1,000	1,000	5,840	4,840	49,640
Grants	7,500	7,500	7,500	-	29,265
Net investment income	1,000	1,000	137	(863)	332
Miscellaneous income	-	-	630	630	-
Total Revenues	<u>9,500</u>	<u>9,500</u>	<u>14,107</u>	<u>4,607</u>	<u>79,237</u>
Expenditures:					
Fire equipment	35,900	843,700	934,963	(91,263)	12,200
Station improvements	47,500	47,500	2,678	44,822	49,493
Communication equipment	37,300	37,300	33,891	3,409	5,650
Training equipment	26,000	26,000	-	26,000	5,000
Medical equipment	10,000	10,000	630	9,370	68,401
Office equipment	2,500	2,500	18,651	(16,151)	1,962
Station equipment	-	-	949	(949)	9,834
Vehicles	60,000	60,000	-	60,000	37,235
Loans and leases:					
Copier	8,000	8,000	10,369	(2,369)	8,912
Aerial and tender	-	65,000	59,522	5,478	-
Redstone station	-	-	-	-	47,520
Total Expenditures	<u>227,200</u>	<u>1,100,000</u>	<u>1,061,653</u>	<u>38,347</u>	<u>246,207</u>
(Deficiency) of Revenues Over Expenditures	(217,700)	(1,090,500)	(1,047,546)	42,954	(166,970)
Other Financing Sources:					
Loan proceeds	-	900,000	900,000	-	-
Operating transfers in	300,000	300,000	300,000	-	300,000
Total Other Financing Sources	<u>300,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>300,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	82,300	109,500	152,454	42,954	133,030
Fund Balances - Beginning	<u>442,832</u>	<u>442,832</u>	<u>408,380</u>	<u>(34,452)</u>	<u>275,350</u>
Fund Balances - Ending	<u>525,132</u>	<u>552,332</u>	<u>560,834</u>	<u>8,502</u>	<u>408,380</u>

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Net Position
Budget and Actual
Pension Fund
For the Year Ended December 31, 2012
With Comparative Actual Amounts for 2011

	2012		Variance Positive (Negative)	2011
	Original and Final Budget	Actual		Actual
Additions:				
Property taxes	51,090	51,060	(30)	78,831
State grant	57,719	70,948	13,229	57,719
Net investment income	-	218,487	218,487	27,307
Total Additions	108,809	340,495	231,686	163,857
Deductions:				
Benefits	250,000	174,600	75,400	174,600
Disability insurance	20,000	19,631	369	19,179
Treasurer's fees	2,500	1,183	1,317	1,796
Administration	13,000	16,695	(3,695)	14,057
Total Deductions	285,500	212,109	73,391	209,632
Change in Net Position	(176,691)	128,386	305,077	(45,775)
Net Position - Beginning	1,770,365	1,837,418	67,053	1,883,193
Net Position - Ending	1,593,674	1,965,804	372,130	1,837,418