

Town of Lake City
Financial Statements and
Independent Auditor's Report
as of
December 31, 2010

Town of Lake City
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Independent Auditors' Report

September 16, 2011

To the Town Council
Town of Lake City, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lake City, Colorado, as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Lake City, Colorado, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the major Special Revenue Funds, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages i through viii is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and supplementary schedules which include the Local Highway Finance Report on pages 30-35 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary information, other than management's discussion and analysis, and the combining and individual nonmajor fund financial statements and supplementary schedules which include Local Highway Finance Report 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.

Blair and Associates, P.C.

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TOWN OF LAKE CITY
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2010

As management of the Town of Lake City (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$ 3,469,276 (i.e. net assets) as of December 31, 2010, an increase of \$ 7,612 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$ 366,627, a decrease of \$ 13,896 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$ 289,811, a decrease of \$ 14,598 in comparison to the prior year.
- Total long-term liabilities decreased by \$ 7,907 during the 2010 fiscal year with compensated absences of \$17,594.
- General property tax, sales tax, and other tax totaled \$ 367,195, or 83% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

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

The **statement of activities** presents information showing how the Town'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 reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government, culture and recreation, and highway and streets. The Business-type Activities of the Town include the following utilities: water and sewer.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-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 short-term financing requirements. The accounting method is called *modified accrual* accounting.

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 activities in the *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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains two major government funds, the General Fund and Streets and Alleys Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for Water and Sewer Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted previously, net assets may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2010, the Town's combined assets exceeded liabilities by \$ 3,469,276. Of this amount, \$ 1,041,474 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net assets is the investment in capital assets (net of related debt) of \$ 2,407,002 (69% of net assets). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net assets for 2010:

	Governmental Activities 2009	Governmental Activities 2010	Business Type Activities 2009	Business Type Activities 2010	Totals 2009	Totals 2010
Assets						
Current and other assets	\$ 467,718	\$ 418,156	\$ 684,666	\$ 730,981	\$ 1,152,384	\$ 1,149,137
Capital assets	709,716	682,343	1,752,993	1,756,164	2,462,709	2,438,507
Total assets	\$ 1,177,434	\$ 1,100,499	\$ 2,437,659	\$ 2,487,145	\$ 3,615,093	\$ 3,587,644
Current Liabilities	\$ 87,195	\$ 51,529	\$ 33,284	\$ 42,120	\$ 120,479	\$ 93,649
Non-current liabilities						
Compensated absences	11,494	9,525	7,547	8,069	19,041	17,594
Loans payable	-	-	13,909	7,125	13,909	7,125
Total liabilities	98,689	61,054	54,740	57,314	153,429	118,368
Net Assets						
Investment in capital assets, net of related debt	709,716	672,818	1,732,622	1,734,184	2,442,338	2,407,002
Restricted	21,842	20,800	-	-	21,842	20,800
Unrestricted	347,187	345,827	650,297	695,647	997,484	1,041,474
Total net assets	\$ 1,078,745	\$ 1,039,445	\$ 2,382,919	\$ 2,429,831	\$ 3,461,664	\$ 3,469,276

An additional portion of net assets, \$ 20,800, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$ 1,041,474 (30% of net assets), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Assets

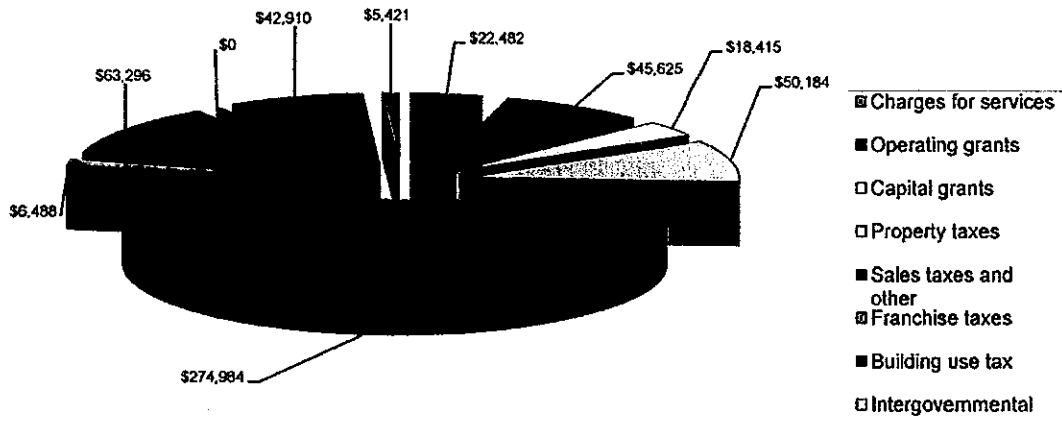
Governmental and business-type activities increase the Town's net assets by \$ 7,612 in 2010.

	Governmental Activities 2009	Governmental Activities 2010	Business Type Activities 2009	Business Type Activities 2010	Total 2009	Total 2010
Revenues						
Program revenues						
Charges for services	\$ 24,079	\$ 22,482	\$ 425,194	\$ 454,915	\$ 449,273	\$ 477,397
Operating grants	40,160	45,625	-	-	40,160	45,625
Capital grants	39,720	18,415	-	11,000	39,720	29,415
General Revenues						
Property taxes	46,058	50,184	-	-	46,058	50,184
Sales taxes and other	276,998	274,984	-	-	276,998	274,984
Franchise taxes	6,041	6,488	-	-	6,041	6,488
Interest income	10,057	5,421	1,110	1,413	11,167	6,834
Building use tax	50,500	63,296	-	-	50,500	63,296
Intergovernmental	42,098	-	-	-	42,098	-
Miscellaneous	67,058	42,910	-	-	67,058	42,910
Totals	<u>602,769</u>	<u>529,805</u>	<u>426,304</u>	<u>467,328</u>	<u>1,029,073</u>	<u>997,133</u>
Expenses						
General government	277,445	316,329	-	-	277,445	316,329
Culture and recreation	173,348	143,130	-	-	173,348	143,130
Highway and streets	84,980	109,646	-	-	84,980	109,646
Water and sewer	-	-	381,825	420,416	381,825	420,416
Total expenses	<u>535,773</u>	<u>569,105</u>	<u>381,825</u>	<u>420,416</u>	<u>917,598</u>	<u>989,521</u>
Increase in net assets	66,996	(39,300)	44,479	46,912	111,475	7,612
Beginning	<u>1,011,749</u>	<u>1,078,745</u>	<u>2,338,440</u>	<u>2,382,919</u>	<u>3,350,189</u>	<u>3,461,664</u>
Ending	<u>\$ 1,078,745</u>	<u>\$ 1,039,445</u>	<u>\$ 2,382,919</u>	<u>\$ 2,429,831</u>	<u>\$ 3,461,664</u>	<u>\$ 3,469,276</u>

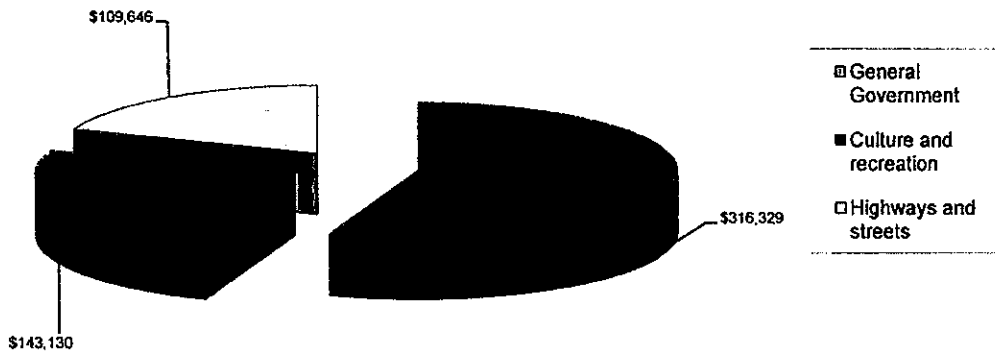
Governmental Activities

Governmental activities decreased the Town's net assets by \$ 39,300.

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



Business-type Activities

Business-type activities for the year resulted an increase in net assets of \$ 46,912. Charges for services accounted for 82% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of the end of 2010, the Town's governmental funds reported combined ending fund balances of \$ 366,627, a decrease of \$ 13,896 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 94% of this total amount, \$345,827, constitutes unreserved fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meet a State constitution mandated emergency reserve, \$ 20,800.

The Town has two major governmental funds, the General Fund, which is the primary operating fund for the Town, and the Streets and Alleys Fund. At the end of 2010, unreserved fund balance of the General Fund was \$ 269,011, while the total fund balance was \$ 289,811. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund decrease by \$ 14,598 during 2010.

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

The Town has one enterprise fund: Water and Sewer Fund. At the end of 2010, the fund represented the following amounts:

Fund:	Water and Sewer
Unrestricted net assets	695,647
Total net assets	2,429,831
Increase (decrease) in net assets	46,912

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$ 528,142 for 2010 expenditures. Actual expenditures were \$435,804. There was no amendment to the original budget for General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2010, was \$ 2,462,709. As required for this year by GASB34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 44,784	\$ -	\$ -	\$ 44,784
Land	284,078	-	-	284,078
Total capital assets not being depreciated	<u>328,862</u>	<u>-</u>	<u>-</u>	<u>328,862</u>
Capital assets being depreciated				
Buildings and improvements	322,810	-	-	322,810
Equipment	179,393	-	-	179,393
Improvements	230,540	-	-	230,540
Total capital assets being depreciated	<u>732,743</u>	<u>-</u>	<u>-</u>	<u>732,743</u>
Less accumulated depreciation for:				
Buildings and improvements	(189,775)	(3,177)	-	(192,952)
Equipment	(105,892)	(11,010)	-	(116,902)
Improvements	(56,222)	(13,186)	-	(69,408)
Total accumulated depreciation	<u>(351,889)</u>	<u>(27,373)</u>	<u>-</u>	<u>(379,262)</u>
Total capital assets being depreciated, net	<u>380,854</u>	<u>(27,373)</u>	<u>-</u>	<u>353,481</u>
Governmental activities				
Capital assets, net	<u>\$ 709,716</u>	<u>\$ (27,373)</u>	<u>-</u>	<u>\$ 682,343</u>

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Business-type activities				
Capital assets not being depreciated				
Land and water rights	\$ 81,461	\$ -	\$ -	\$ 81,461
Construction in progress	75,488	77,172	-	152,660
Total capital assets not being depreciated	<u>156,949</u>	<u>77,172</u>	<u>-</u>	<u>234,121</u>
Capital assets being depreciated				
Property, plant and equipment	3,205,802	-	-	3,205,802
Total capital assets being depreciated	<u>3,205,802</u>	<u>-</u>	<u>-</u>	<u>3,205,802</u>
Less accumulated depreciation for:				
Accumulated depreciation	(1,609,758)	(74,001)	-	(1,683,759)
Total accumulated depreciation	<u>(1,609,758)</u>	<u>(74,001)</u>	<u>-</u>	<u>(1,683,759)</u>
Total capital assets being depreciated, net	<u>1,596,044</u>	<u>(74,001)</u>	<u>-</u>	<u>1,522,043</u>
Business-type activities				
Capital assets, net	<u>\$ 1,752,993</u>	<u>\$ 3,171</u>	<u>-</u>	<u>\$ 1,756,164</u>

Long-term Debt

As of December 31, 2010, the Town had long-term debt as follows:

	Ending Balance <u>12/31/2009</u>	Additions	Deletions	Ending Balance <u>12/31/2010</u>	Due Within <u>One Year</u>
Governmental					
Compensated absences	\$ 11,494	\$ -	\$ 1,969	\$ 9,525	\$ -
Enterprise Fund					
Note payable	\$ 20,371	\$ -	\$ 6,460	\$ 13,911	\$ 6,462
Compensated absences	7,547	522	-	8,069	-
Total	<u>\$ 27,918</u>	<u>\$ -</u>	<u>\$ 6,460</u>	<u>\$ 21,980</u>	<u>\$ 6,462</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Town of Lake City is in good financial condition.
- The Town's General fund has a fund balance that will cover at least six months of normal expenditures.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Manager
Town of Lake City
Lake City, Co

Town of Lake City
Statement of Net Assets
December 31, 2010

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 277,196	\$ 580,508	\$ 857,704
Receivables:			
Customer	-	106,062	106,062
Property taxes	46,536	-	46,536
Accrued interest receivable	308	10	318
Due from other governments	87,090	-	87,090
Materials and supplies	-	43,554	43,554
Prepaid expenses	693	847	1,540
Total current assets	<u>418,156</u>	<u>730,981</u>	<u>1,149,137</u>
Capital assets			
Land and water rights	284,078	81,461	365,539
Improvements	230,540	-	230,540
Buildings	322,810	-	322,810
Utility plant and systems	-	3,033,751	3,033,751
General and transportation equipment	179,393	172,051	351,444
Construction in progress	44,784	152,660	197,444
Less accumulated depreciation	(379,262)	(1,683,759)	(2,063,021)
Total capital assets	<u>682,343</u>	<u>1,756,164</u>	<u>2,438,507</u>
Total assets	<u>1,100,499</u>	<u>2,487,145</u>	<u>3,587,644</u>
Liabilities			
Current liabilities			
Accounts payable	4,993	35,334	40,327
Unearned revenues	46,536	-	46,536
Notes payable	-	6,786	6,786
Total current liabilities	<u>51,529</u>	<u>42,120</u>	<u>93,649</u>
Long-term liabilities			
Compensated Absences	9,525	8,069	17,594
Notes payable	-	7,125	7,125
Total long-term liabilities	<u>9,525</u>	<u>15,194</u>	<u>24,719</u>
Total liabilities	<u>61,054</u>	<u>57,314</u>	<u>118,368</u>
Nets assets			
Invested in capital assets, net of related debt	672,818	1,734,184	2,407,002
Restricted for:			
Tabor	20,800	-	20,800
Unrestricted	345,827	695,647	1,041,474
Total net assets	<u>\$ 1,039,445</u>	<u>\$ 2,429,831</u>	<u>\$ 3,469,276</u>

See notes to the financial statements

Town of Lake City
Statement of Activities
For the Year Ended December 31, 2010

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 316,329	\$ 15,971	\$ -	\$ 18,415
Culture and recreation	143,130	5,874	3,525	-
Highways and streets	109,646	637	42,100	-
Total governmental activities	569,105	22,482	45,625	18,415
Business-type activities				
Water and sewer	420,416	454,915	-	11,000
Total business-type activities	420,416	454,915	-	11,000
Total primary government	\$ 989,521	\$ 477,397	\$ 45,625	\$ 29,415

General revenues:

Taxes:

General property taxes

Sales taxes

Building use tax

Franchise taxes

Lodging taxes

Other taxes

Interest on investments

Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expenses) Revenues and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (281,943)	\$ -	\$ (281,943)
(133,731)	-	(133,731)
(66,909)	-	(66,909)
(482,583)	-	(482,583)
-	45,499	45,499
-	45,499	45,499
(482,583)	45,499	(437,084)
50,184	-	50,184
253,715	-	253,715
63,296	-	63,296
6,488	-	6,488
16,632	-	16,632
4,637	-	4,637
5,421	1,413	6,834
42,910	-	42,910
443,283	1,413	444,696
(39,300)	46,912	7,612
1,078,745	2,382,919	3,461,664
\$ 1,039,445	\$ 2,429,831	\$ 3,469,276

See notes to the financial statements

Town of Lake City
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	Streets and Alleys	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 206,811	\$ 46,252	\$ 24,133	\$ 277,196
Property taxes receivable	-	46,536	-	46,536
Accounts receivables	294	6,039	-	6,333
Interest receivable	307	-	1	308
Due from other governments	86,280	-	810	87,090
Due from other funds	-	-	-	-
Prepaid expense	693	-	-	693
Total assets	\$ 294,385	\$ 98,827	\$ 24,944	\$ 418,156
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 4,574	\$ 419	\$ -	\$ 4,993
Unearned revenues	-	46,536	-	46,536
Total liabilities	4,574	46,955	-	51,529
Fund Balance				
Tabor reserve	20,800	-	-	20,800
Designated for subsequent years	180,430	14,139	11,190	205,759
Undesignated	88,581	37,733	13,754	140,068
Total Fund Balance	289,811	51,872	24,944	366,627
Total Liabilities and Fund Balance	\$ 294,385	\$ 98,827	\$ 24,944	\$ 418,156

See notes to the financial statements

Town of Lake City
Reconciliation of Total Governmental Fund Balances
To The Statement of Net Assets
December 31, 2010

Total governmental fund balances	\$ 366,627
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>682,343</u>
Long-term liabilities such as compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,525)</u>
Net assets governmental activities	<u><u>\$ 1,039,445</u></u>

See notes to the basic financial statements

Town of Lake City
Statement of Revenues, Expenditures and Changes in
Fund Balance - Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Streets and Alleys Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 333,222	\$ 55,492	\$ 6,238	\$ 394,952
Licenses	15,437	175	-	15,612
Intergovernmental revenues	18,415	42,100	3,525	64,040
Charges for services	6,408	-	-	6,408
Fines and forfeits	-	362	-	362
Interest	5,406	-	15	5,421
TV special assessments	-	-	592	592
Miscellaneous	42,318	100	-	42,418
Total revenues	<u>421,206</u>	<u>98,229</u>	<u>10,370</u>	<u>529,805</u>
Expenditures				
General government	259,880	-	-	259,880
Culture and recreation	121,286	-	2,138	123,424
Highways and streets	-	105,759	-	105,759
Intergovernmental cooperation outlay	54,638	-	-	54,638
Capital outlay	-	-	-	-
Total expenditures	<u>435,804</u>	<u>105,759</u>	<u>2,138</u>	<u>543,701</u>
Excess (deficiency) of revenues over expenditures	(14,598)	(7,530)	8,232	(13,896)
Other financing sources (uses) Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(14,598)	(7,530)	8,232	(13,896)
Fund balance at beginning of year	<u>304,409</u>	<u>59,402</u>	<u>16,712</u>	<u>380,523</u>
Fund balance at end of year	<u>\$ 289,811</u>	<u>\$ 51,872</u>	<u>\$ 24,944</u>	<u>\$ 366,627</u>

See notes to the basic financial statements

Town of Lake City
 Reconciliation of the Statement of Revenues, Expenditures
 And Changes in Fund Balances of Governmental Funds
 To The Statement of Activities
 For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds \$ (13,896)

Amounts reported for governmental activities in the statements of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed asset additions	\$	-	
Depreciation expense		(27,373)	
Excess of capital outlay over depreciation		<u>(27,373)</u>	<u>(27,373)</u>

Some expenses reported in the Statement of Activities that do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>1,969</u>

Change in net assets of governmental funds \$ (39,300)

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2010

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Taxes				
Sales tax	\$ 210,000	\$ 210,000	\$ 251,682	\$ 41,682
Cigarette tax	1,500	1,500	1,362	(138)
Building use tax	25,000	25,000	63,296	38,296
Lodging tax	19,680	19,680	16,632	(3,048)
Franchise tax	250	250	250	-
Total taxes	256,430	256,430	333,222	76,792
Licenses and Permits				
Liquor licenses	750	750	712	(38)
Liquor licenses application fee	2,500	2,500	1,750	(750)
CATV fees	1,500	1,500	1,200	(300)
Building permits	8,000	8,000	10,527	2,527
Sign permits	100	100	148	48
Dog licenses	50	50	-	(50)
Lodging permits	1,000	1,000	1,000	-
Special use permits	100	100	100	-
Total licenses and permits	14,000	14,000	15,437	1,437
Intergovernmental Revenue				
Grant revenue	30,750	30,750	13,415	(17,335)
State of Colorado	15,000	15,000	5,000	(10,000)
Total intergovernmental revenue	45,750	45,750	18,415	(27,335)
Charges for Services				
Court fees	25	25	-	(25)
Zoning and subdivision fees	15	15	8	(7)
Sale of publications	25	25	5	(20)
Copies	15	15	521	506
Recreation program fees	2,000	2,000	405	(1,595)
Recreation ski hill fees	6,000	6,000	5,469	(531)
Total charges for services	8,080	8,080	6,408	(1,672)
Fines and forfeits				
Court fines	200	200	-	(200)
Total fines and forfeits	200	200	-	(200)
Interest				
Earnings on deposits	12,000	12,000	5,406	(6,594)
Total Interest	12,000	12,000	5,406	(6,594)

See notes to the basic financial statements

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual - continued
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Miscellaneous				
Rent from buildings	200	200	400	200
Refunds	100	100	17,417	17,317
Ski hill donations	-	-	10,740	10,740
Recreation program donations	-	-	1,281	1,281
Other donations	-	-	4,610	4,610
Bear proof cans	-	-	160	160
Miscellaneous	500	500	7,710	7,210
Total miscellaneous	<u>800</u>	<u>800</u>	<u>42,318</u>	<u>41,518</u>
Total Revenues	<u>337,260</u>	<u>337,260</u>	<u>421,206</u>	<u>83,946</u>
Expenditures				
General Government				
Board of trustees				
Salaries	7,200	7,200	5,600	1,600
FICA	105	105	81	24
Retirement	986	986	767	219
Publicity, dues and subscriptions	1,000	1,000	850	150
Professional services	30,750	30,750	8,689	22,061
Travel and meetings	2,250	2,250	2,889	(639)
Miscellaneous	7,000	7,000	21,236	(14,236)
Total board of trustees	<u>49,291</u>	<u>49,291</u>	<u>40,112</u>	<u>9,179</u>
Town Manager				
Salaries	36,120	36,120	36,118	2
Health insurance	4,200	4,200	3,472	728
Retirement	4,948	4,948	4,948	-
Office supplies	1,250	1,250	2,845	(1,595)
Operating supplies	1,000	1,000	398	602
Postage	800	800	664	136
Printing	100	100	20	80
Publicity, dues, and subscriptions	150	150	105	45
Telephone	2,350	2,350	1,910	440
Travel and meetings	3,750	3,750	2,749	1,001
Recording documents expense	150	150	88	62
Total Town Manager	<u>54,818</u>	<u>54,818</u>	<u>53,317</u>	<u>1,501</u>

See notes to the basic financial statements

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual - continued
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Municipal Court				
Salaries	1,500	1,500	1,334	166
FICA	22	22	19	3
Retirement	206	206	183	23
Publicity, dues and subscriptions	70	70	20	50
Travel and meetings	500	500	537	(37)
Total municipal court	2,298	2,298	2,093	205
Mayor				
Salaries	1,800	1,800	1,800	-
FICA	27	27	26	1
Retirement	247	247	247	-
Travel and meeting	500	500	-	500
Total mayor	2,574	2,574	2,073	501
Elections				
Operating Supplies	1,000	1,000	777	
Miscellaneous Expenses	500	500	488	
Total Elections	1,500	1,500	1,265	-
Town Clerk/Treasurer				
Salaries	20,010	20,010	20,004	6
FICA	290	290	290	-
Workman's compensation	2,500	2,500	1,701	799
Retirement	2,400	2,400	2,741	(341)
Health insurance	2,741	2,741	2,203	538
Repair and maintenance Supplies	300	300	-	300
Publicity, dues and subscriptions	200	200	281	(81)
Travel	2,000	2,000	1,534	466
Professional services	2,000	2,000	1,352	648
Legal notices	2,500	2,500	1,953	547
Auditing	3,000	3,000	3,250	(250)
Repair and maintenance services	500	500	-	500
Miscellaneous	100	100	-	100
Insurance and bonds	4,000	4,000	4,046	(46)
Total Town Clerk/Treasurer	42,541	42,541	39,355	3,186

See notes to the basic financial statements

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual - continued
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Building and Plant				
Salaries	4,250	4,250	4,017	233
FICA	62	62	58	4
Retirement	582	582	550	32
Janitorial supplies	750	750	670	80
Other operating supplies	1,000	1,000	1,195	(195)
Repair and maintenance supplies	2,000	2,000	3,016	(1,016)
Electricity	3,000	3,000	3,356	(356)
Propane	9,000	9,000	2,467	6,533
Repair and maintenance services	10,000	10,000	12,778	(2,778)
Trash collection	4,250	4,250	5,679	(1,429)
Professional Fee-Bldg & Plant	-	-	20,103	(20,103)
Teen center- Bldg & Plant	-	-	135	(135)
Miscellaneous special fees	100	100	-	100
Total building and plant	34,994	34,994	54,024	(19,030)
Law				
Legal services	5,000	5,000	9,553	(4,553)
Total law	5,000	5,000	9,553	(4,553)
Economic development				
Publicity, dues and subscriptions	600	600	589	11
Contract payments	15,000	15,000	15,000	-
Total economic development	15,600	15,600	15,589	11
Marketing				
Office supplies	3,500	3,500	670	2,830
Publicity, dues and subscriptions	3,500	3,500	3,722	(222)
Professional services	36,000	36,000	36,332	(332)
Miscellaneous expense	3,680	3,680	1,775	1,905
Total marketing	46,680	46,680	42,499	4,181
Total general government	253,796	253,796	259,880	(4,819)

See notes to the basic financial statements

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual - continued
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Culture and Recreation				
Recreation				
Salaries	31,605	31,605	30,879	726
FICA	460	460	448	12
Retirement	4,330	4,330	4,230	100
Health insurance	4,150	4,150	3,959	191
Contract instruction	1,850	1,850	246	1,604
Office supplies	250	250	139	111
Recreation supplies	6,000	6,000	11,753	(5,753)
Telephone	1,900	1,900	1,132	768
Printing	790	790	-	790
Publicity, dues and subscriptions	500	500	30	470
Travel and meetings	150	150	20	130
Miscellaneous	50	50	585	(535)
Total recreation	<u>52,035</u>	<u>52,035</u>	<u>53,421</u>	<u>(1,386)</u>
Recreation - Ski Hill				
Salaries	9,690	9,690	8,990	700
FICA	141	141	130	11
Retirement	1,328	1,328	1,232	96
Operating supplies	1,500	1,500	3,371	(1,871)
Repair and maintenance supplies	500	500	1,416	(916)
Electricity	500	500	515	(15)
Inspections	1,000	1,000	1,720	(720)
Repair and maintenance services	1,100	1,100	1,700	(600)
Travel and meetings	450	450	498	(48)
Permits	730	730	588	142
Professional services	-	-	1,759	(1,759)
Telephone	-	-	75	(75)
Publicity, dues and subscriptions	100	100	724	(624)
Miscellaneous	-	-	178	(178)
Total recreation - Ski Hill	<u>17,039</u>	<u>17,039</u>	<u>22,896</u>	<u>(5,857)</u>

See notes to the basic financial statements

Town of Lake City
 General Fund - Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual - continued
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Parks				
Salaries	25,000	25,000	22,456	2,544
FICA	363	363	326	37
Retirement	3,425	3,425	3,076	349
Health insurance	725	725	598	127
Operating supplies	4,750	4,750	2,197	2,553
Janitorial supplies	1,000	1,000	788	212
Repair and maintenance supplies	1,500	1,500	-	1,500
Electricity	2,000	2,000	2,130	(130)
Professional services	1,000	1,000	-	1,000
Repair and maintenance services	1,000	1,000	3,254	(2,254)
Trial construction	-	-	1,705	(1,705)
Recreation Equipment	-	-	174	(174)
Trash collection	5,250	5,250	5,740	(490)
Miscellaneous	500	500	2,525	(2,025)
Total Parks	46,513	46,513	44,969	1,544
Total culture recreation	115,587	115,587	121,286	(5,699)
Intergovernmental cooperation outlay				
Contract payments	57,259	57,259	54,638	2,621
Total intergovernmental cooperation outlay	57,259	57,259	54,638	2,621
Capital outlay	100,000	100,000	-	100,000
Total capital outlay	100,000	100,000	-	100,000
Total Expenditures	528,142	528,142	435,804	92,103
Excess (deficiency) of revenues over expenditures	(190,882)	(190,882)	(14,598)	176,284
Other financing sources (uses)				
Transfers in	-	-	-	-
Excess (deficiency) of revenues over Expenditures and other sources (uses)	(190,882)	(190,882)	(14,598)	176,284
Fund balance, beginning of year	286,758	286,758	304,409	17,651
Fund balance, end of year	<u>\$ 95,876</u>	<u>\$ 95,876</u>	<u>\$ 289,811</u>	<u>\$ 193,935</u>

See notes to the basic financial statements

Town of Lake City
Streets and Alleys Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2010

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Taxes				
General property taxes	\$ 50,072	\$ 50,072	\$ 50,184	\$ 112
Specific ownership tax	3,500	3,500	2,744	(756)
Sales tax	1,500	1,500	2,033	533
Penalties and interest	200	200	531	331
Total taxes	55,272	55,272	55,492	220
Licenses and permits				
Street permits	1,000	1,000	175	(825)
Total licenses and permits	1,000	1,000	175	(825)
Intergovernmental revenue				
Highway users tax	31,625	31,625	33,442	1,817
R & B Tax	3,000	3,000	-	(3,000)
Grant Monies	68,000	68,000	4,335	(63,665)
Motor vehicle registration fees	2,500	2,500	4,323	1,823
Total intergovernmental revenue	105,125	105,125	42,100	(63,025)
Fines and forfeits				
Traffic fines	1,000	1,000	362	(638)
Total fines and forfeits	1,000	1,000	362	(638)
Miscellaneous				
Rent from land	100	100	100	-
Miscellaneous	250	250	-	(250)
Total miscellaneous	350	350	100	(250)
Total revenues	162,747	162,747	98,229	(64,518)

See notes to the basic financial statements

Town of Lake City
Streets and Alleys Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - continued
For the Year Ended December 31, 2010

Expenditures	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Highways and streets				
Maintenance and condition	45,250	45,250	55,137	(9,887)
Gravel expense	5,000	5,000	9,985	(4,985)
Weed control	1,000	1,000	-	1,000
Traffic signs	1,500	1,500	1,287	213
Drainage	9,000	9,000	3,392	5,608
Snow and ice removal	19,500	19,500	12,305	7,195
Miscellaneous	500	500	-	500
Total highways and streets	<u>81,750</u>	<u>81,750</u>	<u>82,106</u>	<u>(356)</u>
Trees and landscaping				
Supplies	1,100	1,100	86	1,014
Services	9,000	9,000	9,557	(557)
Travel and meetings	500	500	-	500
Miscellaneous	500	500	150	350
Total trees and landscaping	<u>11,100</u>	<u>11,100</u>	<u>9,793</u>	<u>1,307</u>
Administration				
Salaries	1,000	1,000	548	452
PERA	120	120	75	45
FICA	15	15	8	7
Utilities	225	225	192	33
Treasurer's fees	1,002	1,002	1,040	(38)
Master plan implementation reserve	85,000	85,000	9,739	75,261
Reserved for capital outlay	15,000	15,000	-	15,000
Miscellaneous	1,000	1,000	2,258	(1,258)
Total administration	<u>103,362</u>	<u>103,362</u>	<u>13,860</u>	<u>89,502</u>
Total expenditures	<u>196,212</u>	<u>196,212</u>	<u>105,759</u>	<u>90,453</u>
Excess (deficiency) of revenues over expenditures	(33,465)	(33,465)	(7,530)	25,935
Fund balance at beginning of year	64,182	64,182	59,402	(4,780)
Fund balance at end of year	<u>\$ 30,717</u>	<u>\$ 30,717</u>	<u>\$ 51,872</u>	<u>\$ 21,155</u>

See notes to basic financial statements

Town of Lake City
Statement of Revenues, Expenses and Changes in Net Assets
Water and Sewer Fund - Business-Type Activities
For the Year Ended December 31, 2010

	Actual
Operating Revenues	
Water sales	\$ 221,460
Sewage treatment charges	199,586
Water meter sales	32,277
Miscellaneous	1,592
Total operating revenues	454,915
Operating expenses	
Water department	138,961
Sewer department	100,763
Depreciation	74,001
Administrative and general	105,672
Total operating expenses	419,397
Operating income (loss)	35,518
Nonoperating revenues (expenses)	
Interest expense	(1,019)
Interest income	1,413
Total nonoperating revenues (expenses)	394
Income before other revenue	35,912
Capital contributions - tap fees	11,000
Change in net assets	46,912
Net assets at beginning of year	2,382,919
Net assets at end of year	\$ 2,429,831

See notes to basic financial statements

Town of Lake City
Water and Sewer Fund - Statement of Cash Flows
For the Year Ended December 31, 2010

	<u>Total 2009</u>
Cash flows from operating activities:	
Cash received from customers	\$ 451,773
Cash paid to suppliers	(181,272)
Cash paid for employee services	<u>(160,206)</u>
Net cash provided (used) by operating activities	<u>110,295</u>
Cash flows from capital and related financing activities:	
Principal payments - notes	(6,462)
Interest paid	(1,019)
Purchase of capital outlay	(77,172)
Capital contributions (water and sewer taps)	<u>11,000</u>
Net cash provided (used) by capital and related financing activities	<u>(73,653)</u>
Cash flows from investing activities	
Interest received	<u>1,413</u>
Net cash provided (used) by investing activities	<u>1,413</u>
Net increase in cash and cash equivalents	38,055
Cash and cash equivalents, beginning of year	<u>542,453</u>
Cash and cash equivalents, at end of year	<u>\$ 580,508</u>
Operating income	\$ 35,518
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expenses	74,001
(Increase) in accounts receivable	(3,142)
(Increase) in accrued interest receivable	4
(Increase) in inventory	(5,390)
(Increase) in prepaid accounts	268
(Decrease) in due to other funds	(22,916)
(Decrease) in accounts payable and compensated absences	<u>31,952</u>
Total adjustments	<u>74,777</u>
Net cash provided by operating activities	<u>\$ 110,295</u>

See notes to the basic financial statements

Note A – Summary of Significant Accounting Policies

Reporting Entity

The Town of Lake City, Colorado (referred to hereafter as the Town) was incorporated on August 16, 1875, and became a statutory Town under the laws of the State of Colorado. The Town is governed by a Board of Trustees elected by eligible voters of the Town. The Town provides the following services as authorized by its charter: Public Safety, Highways and Streets, Culture and Recreation, Planning and Zoning and General Administration services. The financial statements of the Town have been prepared in conformity with 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. As required by generally accepted accounting principles, these financial statements present the Town of Lake City, a primary government. Based on criteria set forth in GASB Statement No. 14, the Town has no component units.

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes levied by the Town, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operation. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. The Water and Sewer Fund also recognize as operating revenue the portion of the tap fees intended to recover the

Note A – Summary of Significant Accounting Policies – continued

Basis of Presentation, Basis of Accounting - continued

cost of connecting new customers to the system. Operating expenses for 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 depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and propriety – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The Town does not have *fiduciary* fund types.

The Town reports the following major governmental funds:

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

Streets and Alleys Fund - This fund accounts for the construction and maintenance of the Town's streets and alleys.

The Town reports the following major enterprise funds:

Water and Sewer Fund - This fund accounts for the operation, maintenance, and development of the Town's Water, Sewer and Sanitation systems.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On the accrual basis, revenues from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Note A – Summary of Significant Accounting Policies – continued

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liabilities are incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating funds transfers. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

All governmental and business-type activities and enterprise funds of the Town follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Assets, Liabilities and Equity

Deposits and investments - The cash balances of substantially all funds are pooled for the purpose of increasing earning through investment activities. The pool's investments are reported at fair value at December 31, 2010, based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or certificates of deposit. Earning on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

Cash and cash equivalents - The Town considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturing of three months or less to be cash equivalents.

Property taxes - Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31.

Note A – Summary of Significant Accounting Policies – continued

Assets, Liabilities and Equity - continued

Capital assets - Capital assets, which include property, plant and equipment, are defined by the District as assets with an initial, individual cost of at least \$ 5,000 and an estimated useful life in excess of two years.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of any unexpended bond proceeds.

Depreciation is calculated using the straight-line method over the estimated useful lives, and no depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

	<u>Years</u>
Land improvements	15-50
Buildings	10-50
Equipment, furniture and vehicles	5-20

Long term debt - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts, issuance costs, and deferred amounts on refunding associated with issuing bonds of proprietary-type funds or bonds issued or refunded after December 31, 2003 for governmental activities are deferred and amortized over the life of the bond issues.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance's are reported as other financing sources while discounts on debt issuance's are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note A – Summary of Significant Accounting Policies – continued

Assets, Liabilities and Equity - continued

Compensated absences - The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payments.

Fund equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Encumbrances – The Town does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance

Use of Estimates – The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note B - Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

The Town follows the procedures set forth in the Colorado Local Government Budget Law when preparing annual budgets for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP) with the exception of the Proprietary Fund.

Note B - Stewardship, Compliance and Accountability - continued

Budgets and Budgetary Accounting - continued

The budgets for the proprietary funds are adopted on a basis, which differs from U.S. generally accepted accounting principles (GAAP) in the following ways:

- Tap connection charges and governmental grants are considered receipts or revenues or budgetary purposes.
- Depreciation and amortization of debt costs are not considered expenditures for budgetary purposes.
- Capital expenditures and bond retirement payments are considered expenditures for budgetary purposes.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board did not adopt supplemental appropriations during fiscal year 2010.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget if applicable.

Stewardship

The Electrical Line Relocation Fund had actual expenditures exceeding the final budgeted amount by \$ 158. Such over expenditures are a violation of Colorado State Statutes.

Note C – Cash, Deposits and Investments

Cash and Deposits

Colorado State Statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must maintain federal insurance (FDIC) on deposits held

The Colorado Public Deposit Protection Act (PDPA) required that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2010 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note C – Cash, Deposits and Investments - continued

Cash and Deposits - continued

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2010, \$ 808,581 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The Town's investments are subject to interest rate, credit risk and concentration of credit risk.

The types of investments which are authorized to be made with Town funds are controlled by state statute and the investment policies of the Town. Colorado statutes and the Town's investment policies specify investment instruments meeting defined rating and risk criteria in which the Town may invest:

- Obligations of the United States and certain U.S. government agency entities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

The Town's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The Town's investment policy allows for the Town to invest in local government investment pools. As of December 31, 2010, the local government investment pool (ColoTrust) in which the Town had invested, was rated AAA by Standards & Poor's.

A summary of cash, deposits and investments for the Town as of December 31, 2010 are as follows:

Cash on hand and in banks	\$ 798,314
ColoTrust	59,190
Petty cash	200
Total Deposits and investments	<u>\$ 857,704</u>

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note C – Cash, Deposits and Investments – continued

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

The Colorado Government Liquid Assets Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$ 1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes.

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 44,784	\$ -	\$ -	\$ 44,784
Land	284,078	-	-	284,078
Total capital assets not being depreciated	<u>328,862</u>	<u>-</u>	<u>-</u>	<u>328,862</u>
Capital assets being depreciated				
Buildings and improvements	322,810	-	-	322,810
Equipment	179,393	-	-	179,393
Improvements	230,540	-	-	230,540
Total capital assets being depreciated	<u>732,743</u>	<u>-</u>	<u>-</u>	<u>732,743</u>
Less accumulated depreciation for:				
Buildings and improvements	(189,775)	(3,177)	-	(192,952)
Equipment	(105,892)	(11,010)	-	(116,902)
Improvements	(56,222)	(13,186)	-	(69,408)
Total accumulated depreciation	<u>(351,889)</u>	<u>(27,373)</u>	<u>-</u>	<u>(379,262)</u>
Total capital assets being depreciated, net	<u>380,854</u>	<u>(27,373)</u>	<u>-</u>	<u>353,481</u>
Governmental activities				
Capital assets, net	<u>\$ 709,716</u>	<u>\$ (27,373)</u>	<u>-</u>	<u>\$ 682,343</u>

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note D – Capital Assets - continued

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Business-type activities				
Capital assets not being depreciated				
Land and water rights	\$ 81,461	\$ -	\$ -	\$ 81,461
Construction in progress	75,488	77,172	-	152,660
Total capital assets not being depreciated	156,949	77,172	-	234,121
 Capital assets being depreciated				
Property, plant and equipment	3,205,802	-	-	3,205,802
Total capital assets being depreciated	3,205,802	-	-	3,205,802
 Less accumulated depreciation for:				
Accumulated depreciation	(1,609,758)	(74,001)	-	(1,683,759)
Total accumulated depreciation	(1,609,758)	(74,001)	-	(1,683,759)
 Total capital assets being depreciated, net				
Business-type activities	1,596,044	(74,001)	-	1,522,043
Capital assets, net	\$ 1,752,993	\$ 3,171	-	\$ 1,756,164

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 3,780
Culture and recreation	19,706
Highways and streets	3,887
Total depreciation expense - governmental activities	\$ 27,373
 Business-type activities:	
Water and Sewer Fund	\$ 74,001
Total depreciation expense - business-type activities	\$ 74,001

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note F – Changes in long-term debt

Business-type activities

Note payable

Note payable to the Department of Local Affairs for the Lake City Water Tank Project, due in annual installments through September 1, 2012 of \$ 7,480.83, which includes a 5% interest rate. This note is serviced in the Water and Sewer Fund.

The following is a summary of the Town's long-term debt transactions for the year ended December 31, 2010:

	Ending Balance 12/31/2009	Additions	Deletions	Ending Balance 12/31/2010	Due Within One Year
Governmental					
Compensated absences	\$ 11,494	\$ -	\$ 1,969	\$ 9,525	\$ -
Enterprise Fund					
Note payable	\$ 20,371	\$ -	\$ 6,460	\$ 13,911	\$ 6,786
Compensated absences	7,547	522	-	8,069	-
Total	<u>\$ 27,918</u>	<u>\$ 522</u>	<u>\$ 6,460</u>	<u>\$ 21,980</u>	<u>\$ 6,786</u>

Year	Principal	Interest	Totals
2011	\$ 6,786	\$ 695	\$ 7,481
2012	7,125	356	\$ 7,481
Totals	<u>\$ 13,911</u>	<u>\$ 1,051</u>	<u>\$ 14,962</u>

Note G – Employee Benefits

Plan description

The Town of Lake City, Colorado contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, post – retirement annual increases, and death benefits for members or their beneficiaries. All employees of the Town of Lake City, Colorado are members of the LGDTF. Title 24, Article 51, of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the LGDTF. The report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note G – Employee Benefits- continued

Basis of Accounting

The financial statements of the LGDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the LGDTF. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. LGDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy

The Town of Lake City, Colorado is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The contribution rate for members is 8.0 percent and for the Town it is 10.00 percent of covered salary. A portion of the Town's contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund. Town is also required to pay an amortization equalization disbursement (AED) equal to 2.20 percent of the total payroll for the calendar year 2010 (1.80 percent of total payroll for the calendar year 2009, and 1.40 percent of total payroll for the calendar year 2008). Additionally, the Town is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.50 percent of the total payroll for the calendar year 2010 (1.00 percent of total payroll for the calendar year 2009, and 0.50 percent of total payroll for the calendar year 2008). If the Town rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate, the AED and the SAED on the amounts paid for the retiree; however no member contributions are required. For the years ending December 31, 2008, 2009, and 2010, the Town's employer contributions to the LGDTF were \$27,595, \$33,247, and \$35,340, respectively, equal to their required contributions for each year

Note H – Segment Information-Enterprise Fund

The following is a summary of information on the segments of the Enterprise Fund.

	Water	Sewer	Total
Operating revenue	\$ 255,329	\$ 199,586	\$ 454,915
Depreciation expense	42,968	31,033	74,001
Operating income (loss)	20,564	14,954	35,518
Net income (loss)	20,958	14,954	35,912
Property, plant and equipment	1,997,180	1,442,743	3,439,923
Accumulated depreciation	834,342	849,417	1,683,759

Because water and sewer services are provided for in one fund, several items cannot be allocated between each segment. Therefore, some line items have been omitted in the segment information.

Town of Lake City
Notes to the Financial Statements
December 31, 2010

Note I – Tabor Amendment

Colorado voters passed an amendment to the state constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The voters of the Town of Lake City, Colorado passed a ballot issue in 1999 authorizing the Town to collect and expend the full revenues generated during 1998 and each subsequent year, from its existing tax rates, to receive and expend state grants and funds from other sources and to receive and expend all sales and property tax revenues without limitations or condition and without limiting the collection or spending of any other revenues or funds under Article X, Section 20 of the Colorado Constitution or any other law.

Note J – Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Note K – Commitments and Contingencies

The Town participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors of their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Town of Lake City
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Conservation Trust Fund	Cable TV Translator Fund	Electric Line Relocation Fund	Total Nonmajor Governmental
Assets				
Cash and cash equivalents	\$ 7,657	\$ 13,269	\$ 3,207	\$ 24,133
Due from other governments	810	-	-	810
Accrued interest receivable	1	-	-	1
Total assets	<u>\$ 8,468</u>	<u>\$ 13,269</u>	<u>\$ 3,207</u>	<u>\$ 24,944</u>
Liabilities and Fund Balance				
Liabilities				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance				
Designated for subsequent years	7,490	3,700	-	11,190
Undesignated	978	9,569	3,207	13,754
Total fund balance	<u>8,468</u>	<u>13,269</u>	<u>3,207</u>	<u>24,944</u>
Total liabilities and fund balance	<u>\$ 8,468</u>	<u>\$ 13,269</u>	<u>\$ 3,207</u>	<u>\$ 24,944</u>

Town of Lake City
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Conservation Trust Fund	Cable TV Translator Fund	Electric Line Relocation Fund	Total Nonmajor Governmental
Revenues				
Taxes	\$ -	\$ 5,580	\$ 658	\$ 6,238
Intergovernmental revenues	3,525	-	-	3,525
Interest	15	-	-	15
TV special assessments	-	592	-	592
Total revenues	3,540	6,172	658	10,370
Expenditures				
Culture and recreation	-	2,138	-	2,138
Total expenditures	-	2,138	-	2,138
Excess (deficiency) of revenues over expenditures	3,540	4,034	658	8,232
Other financing sources (uses)				
Transfers out	-	-	-	-
Fund balance at beginning of year	4,928	9,235	2,549	16,712
Fund balance at end of year	\$ 8,468	\$ 13,269	\$ 3,207	\$ 24,944

Town of Lake City
Business-Type Activities - Water and Sewer Fund
Schedule of Revenues, Expenditures and Changes in Net Assets
Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Operating Revenues:				
Water sales	\$ 220,150	\$ 220,150	\$ 221,460	\$ 1,310
Inspection fees	100	100	-	(100)
Sewage treatment charges	198,000	198,000	199,586	1,586
Water meter fees	-	-	32,277	32,277
Grants	1,350,000	1,350,000	-	(1,350,000)
Miscellaneous	2,025	2,025	1,592	(433)
Total operating revenues	<u>1,770,275</u>	<u>1,770,275</u>	<u>454,915</u>	<u>(1,315,360)</u>
Operating Expenses				
Water department	165,194	165,194	138,961	26,233
Sewer department	173,792	173,792	100,763	73,029
Capital outlay	1,810,000	1,810,000	77,172	1,732,828
Administrative and general	118,287	118,287	105,672	12,615
Total operating expenses	<u>2,267,273</u>	<u>2,267,273</u>	<u>422,568</u>	<u>1,844,705</u>
Operating income (loss)	<u>(496,998)</u>	<u>(496,998)</u>	<u>32,347</u>	<u>529,345</u>
Nonoperating revenues (expenses)				
EIAF loan payment	-	-	-	-
Interest expense	-	-	(1,019)	(1,019)
Interest income	1,100	1,100	1,413	313
Total nonoperating revenues (expenses)	<u>1,100</u>	<u>1,100</u>	<u>394</u>	<u>(706)</u>
Income before other revenues	(495,898)	(495,898)	32,741	528,639
Capital contributions - tap fees	11,000	11,000	11,000	-
Net income - Budget basis	(484,898)	(484,898)	43,741	528,639
Less: depreciation			(74,001)	
Add: capital outlay			77,172	
Add: debt payments			-	
Change in net assets - GAAP basis			46,912	
Net assets at beginning of year	<u>609,949</u>	<u>609,949</u>	<u>2,382,919</u>	<u>1,940,260</u>
Net assets at end of year	<u>\$ 125,051</u>	<u>\$ 125,051</u>	<u>\$ 2,429,831</u>	<u>\$ 2,304,780</u>

Town of Lake City
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental grant	\$ 3,500	\$ 3,500	\$ 3,525	\$ 25
Interest on deposits	30	30	15	(15)
Total revenues	<u>3,530</u>	<u>3,530</u>	<u>3,540</u>	<u>10</u>
Expenditures				
Culture and recreation				
Parks	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) if revenues over expenditures	3,530	3,530	3,540	10
Fund balance at beginning of year	<u>4,927</u>	<u>4,927</u>	<u>4,928</u>	<u>1</u>
Fund balance at end of year	<u>\$ 8,457</u>	<u>\$ 8,457</u>	<u>\$ 8,468</u>	<u>\$ 11</u>

Town of Lake City
Cable TV/Translator Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
TV special assessments	\$ 600	\$ 600	\$ 592	\$ (8)
Franchise taxes	3,600	3,600	5,580	1,980
Total revenues	4,200	4,200	6,172	1,972
Expenditures				
Culture and recreation				
Cable TV expenditures	3,700	3,700	2,138	1,562
Total culture and recreation	3,700	3,700	2,138	1,562
Excess (deficiency) if				
revenues over expenditures	500	500	4,034	3,534
Fund balance at beginning of year	9,442	9,442	9,235	(207)
Fund balance at end of year	\$ 9,942	\$ 9,942	\$ 13,269	\$ 3,327

Town of Lake City
 Electrical Line Relocation Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Franchise tax	\$ 500	\$ 500	\$ 658	\$ 158
Total revenues	<u>500</u>	<u>500</u>	<u>658</u>	<u>158</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	500	500	658	158
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>2,550</u>	<u>2,550</u>	<u>2,549</u>	<u>(1)</u>
Fund balance at end of year	<u>\$ 3,050</u>	<u>\$ 3,050</u>	<u>\$ 3,207</u>	<u>\$ 157</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Lake City YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of _) Town of Lake City	Prepared By: Michelle Pierce, Town Manager Phone: (970) 944-2333

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)	3,392
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	65,122
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,287
2. General fund appropriations		b. Snow and ice removal	12,305
3. Other local imposts (from page 2)	59,459	c. Other	9,793
4. Miscellaneous local receipts (from page 2)	5,328	d. Total (a. through c.)	23,385
5. Transfers from toll facilities		4. General administration & miscellaneous	13,859
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	105,758
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	64,787	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	33,442	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	98,229	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	105,758

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
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
	59,403	98,229	105,758	51,874	0

Notes and Comments:

The beginning balance of this report was adjusted to reflect the fund balance in our 2009 audit report. The ending balance for 2010 is unaudited and, therefore, subject to change.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2010

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	50,184	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	893
1. Sales Taxes	2,033	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	175	f. Charges for Services	
5. Specific Ownership &/or Other	7,067	g. Other Misc. Receipts	4,335
6. Total (1. through 5.)	9,275	h. Other	100
c. Total (a. + b.)	59,459	i. Total (a. through h.)	5,328
	(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	33,442	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		d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	33,442	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
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,392	3,392
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,392	3,392
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,392	3,392
			(Carry forward to page 1)

Notes and Comments: