

City of Fort Lupton Fort Lupton, Colorado



175th Anniversary of Historic Fort

**Financial Statements
Year Ended
December 31, 2011**

CITY OF FORT LUPTON

FIANCIAL STATEMENTS & NOTES
For the Year Ended December 31, 2011

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CITY OF FORT LUPTON

FIANCIAL STATEMENTS & NOTES
For the Year Ended December 31, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Fort Lupton for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City of Fort Lupton's assets exceeded liabilities by \$54.57 million at the end of 2011. Of this amount, \$.99 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$48.73 million is invested in capital assets or restricted by law.
- The City's General Fund balance was \$3.54 million as of December 31, 2011; which is an increase of \$.91 million from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for non-major funds, and individual fund statements.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the government's assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). Fort Lupton's governmental activities include general government, public safety, public works, parks and recreation, and other auxiliary services. The business type activities include water treatment, sewage treatment, recreation center, and a golf course.

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. Fort Lupton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Fort Lupton can be divided into two categories: governmental funds, and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same function as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows* of spendable resources, as well on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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*.

Fort Lupton maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for General Fund and Water Sales Tax, which are considered to be major funds. Data from the other six funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in the report.

The basic governmental fund financial statements can be found from pages 6 through 9 of this report.

Proprietary Funds. Fort Lupton maintains three operations that are considered enterprise in nature. The three *Enterprise funds* are the Recreation Center, Utility Fund and the Golf Fund that are presented in the *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Recreation Center, Utility Fund and the Golf Fund, which are all considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 10 through 13 of this report.

Budget Comparisons. Fort Lupton adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all major governmental and enterprise funds on pages 39 through 43, and pages 49 through 52 respectively of this report. Budget to actual comparisons for each of the non-major funds are provided on pages 44 through 48 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 14 through 38 of this report.

Other Information. The state required reports include the Local Highway Financial Report follows the required supplementary section on page 53 through 54.

CITY-WIDE FINANCIAL ANALYSIS

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of December, 31, 2011, assets exceeded liabilities by \$53.32 million.

The following table provides a summary of the City's governmental and business-type net assets for 2011.

Table 1
Net Assets
(in millions)

	Governmental Activities	Business-type Activities	2011 Total	2010 Total
Assets				
Current and other assets	\$ 5.56	\$ 3.21	\$ 8.77	\$ 7.49
Capital Assets	24.25	57.51	81.76	81.00
Total Assets	\$29.81	\$60.72	\$90.53	\$88.28
Liabilities				
Current and other liabilities	\$ 1.67	\$12.61	\$14.28	\$14.40
Long term liabilities	.11	21.66	21.77	20.76
Total liabilities	\$ 1.78	\$34.27	\$36.05	\$35.16
Net Assets				
Invested in capital assets, net of related debt	\$24.26	\$24.47	\$48.72	\$49.09
Restricted	3.12	1.62	4.74	2.03
Non-spendable	.00		.00	
Committed	.12		.12	
Assigned	.01		.01	
Unrestricted	.52	.35	.87	2.20
Total net assets	\$28.03	\$26.44	\$54.47	\$53.32

A portion of the City's net assets (1.6%) represents unrestricted net assets of \$0.87 million, which may be used to meet ongoing obligations to citizens and creditors.

A portion (.02%) of the City's assets have been committed by resolution passed by council for a specific purpose.

A very small portion of the City's assets (0.02%) have been assigned by council for a specific purpose but are neither restricted nor committed.

A significant portion of the City of Fort Lupton's net assets (89.4%) reflects its investment in capital assets. These assets include land, buildings, machinery, equipment, and infrastructure. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Another small portion of the City's net assets (8.7%) represents resources that are subject to external restrictions and City ordinance on how they may be used. 2.9% of the funds are restricted for the payment of debt. 5% of the funds have been legally restricted by ordinance for the purchase and maintenance of infrastructure. 0.3% of funds have been restricted by ordinance for use in parks and recreation. 0.2% of funds are restricted for perpetual care of the cemetery. 0.3% of the funds have been restricted by the State of Colorado Conservation Trust Fund for use in parks and recreation.

Changes in Net Assets. Governmental and Business-type activities decreased the City's net assets by \$0.45 million in 2011. The following table indicates the changes in net assets for governmental and business-type activities in 2011.

Table 2
Changes in Net Assets
(in millions)

	Governmental Activities	Business- Type Activities	2011 Total	2010 Total
Revenues				
Program revenues:				
Charges for Service, Sales, & Fines	0.58	0.28	0.85	\$0.19
Operating grants, & contributions	0.03		0.03	(0.02)
Capital Grants and Contributions	(0.03)	(0.81)	(0.84)	(0.36)
General revenue:				
Sales tax	0.17		0.17	0.15
Property taxes	0.13	(0.01)	0.11	.07
Other taxes	0.11		0.11	(0.17)
Other revenue	0.10	(0.47)	(0.37)	0.06
Total revenue	1.08	(1.01)	0.06	(\$0.08)
Expenses				
General government	0.41		0.41	(\$0.30)
Public safety	(0.46)		(0.46)	(0.03)
Public works	(0.12)		(0.12)	(0.15)
Culture, parks, recreation	0.06	0.02	0.08	(0.10)
Other	(0.02)	0.19	0.17	(0.04)
Utilities		0.37	0.37	(0.05)
Storm Water Drainage		0.00	0.00	(0.02)
Golf		0.06	0.06	(0.04)
Total expenses	(0.13)	0.64	0.52	(\$0.73)
Increase (decrease) in net assets	1.20	(1.66)	(0.45)	\$0.65

Governmental Activities. Governmental activities increased the City of Fort Lupton's net assets by \$1.20 million in 2010. Key elements of this increase are as follows:

- Total revenues were \$6.29 million, up 20.7% from 2010 primarily in grant revenue.
- Expenses totaled \$5.21 million. This represents a 2.4% decrease.

Business-type Activities. The City of Fort Lupton decreased in net assets of \$1.66 million in business-type activities in 2011. The key elements are as follows:

- Revenues had a 35.7% decrease from 2010 primarily in capital grants.
- Expenses were up \$0.64 million from 2010, which equates to 10.7%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of 2011, the combined ending fund balance of the City government funds was \$4.02 million, with only \$3.12 million reserved, which is available as working capital and for current spending in accordance with the purposes of specific funds.

The City has two major governmental funds. These are 1) General Fund, 2) Culture Parks and Recreation Fund...

1. **General Fund.** This is the primary operating fund of the City of Fort Lupton Government. It accounts for many of the City's core services, such as law enforcement, legal and court, public works, planning, finance and administration. The general fund balance was \$3.54 million as of December 31, 2011, of which \$.77 million was unreserved. The 2011 fund balance increased by \$.91 million. This fund generates a 1% sales tax reserved for the operation and maintenance of the water treatment facility, as well as purchase of water for future needs. This accounts for The fund also collects a ½ % sales tax reserved for street improvements and maintenance. The water and street sales tax accounts for 95 % of the \$2.64 million reserved in the general fund.
2. **Culture Parks & Recreation Fund.** This fund also generates 1/2% sales tax as well as generating revenue through charges for service. Overall, revenue exceeded expenditures by \$32,800, which helped this fund slightly. Ending Fund balance of \$214,385 is insufficient to carry the fund forward without infusion from other sources.

PROPRIETARY FUNDS OVERVIEW

The City's proprietary fund statements provide the same information found in the government-wide statements, but in more detail. The City has four enterprise-type funds. These are 1) Utility Enterprise Fund, 2) Storm Water Drainage Fund, 3) Golf Course Fund, and 4) Recreation Center Fund.

1. **Utility Enterprise Fund.** This fund generates revenue through billings for water and sewer usage in the incorporated area of Fort Lupton. Funds are utilized for the maintenance of the sewer treatment plant, water treatment plant, and the various water and sewer infrastructure for the City. The net assets for this fund were at \$31.78 million, up \$672,032 from 2010, with 93.59% of the assets obligated to debt service.
2. **Storm Water Drainage Fund –** This fund was created to address storm water issues in the City and has accumulated \$507,407 for this purpose by year end.
3. **Golf Course Fund.** This fund accounts for the operation of the Coyote Creek Golf Course, which is a City owned. The operation of the course is outsourced to a private concern. The City defaulted on the Revenue Bonds for the golf course in 2001, as the operational profits in the original plan were never realized. The net assets were at (\$5.69) million as of December 31, 2011 which continues to be a concern for the City administration
4. **Recreation Center Fund.** The recreation center opened in 2004 and provides various activities for the citizenry of all ages. At year end the net assets totaled (\$.15) million, down \$169,488 from 2010. Efforts are under way to resurrect this fund in 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

In December of 2010, the Council appropriated \$4.29 million for general fund expenditures and other financing uses, no reserves. The budget was amended to include an additional \$0.61 million in expenditures.

Table 3
2011 General Fund Budget
(in millions)

	Original Budget	Amendments	Final Budget	Actual
Revenue and other Financing Sources	\$5.14	\$0.00	\$5.14	\$6.05
Expenditures and other financing uses	\$4.29	\$0.61	\$4.90	\$4.45

Actual expenditures were within the budgetary limits. The ending fund balance increased \$912,180 from the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

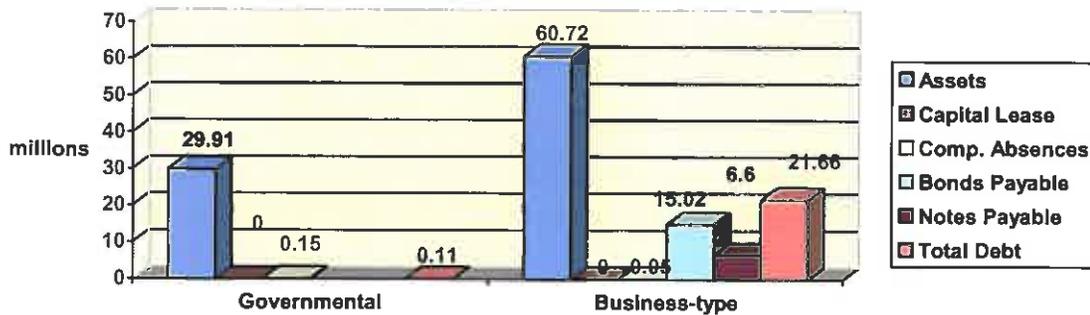
Capital Assets. The City of Fort Lupton's investment in capital assets for its governmental and business-type activities as of December 31, 2011 totals \$81.77 million (net of accumulated depreciation). This investment includes land, buildings, machinery, equipment, and infrastructure. The increase in investment in capital assets for the current fiscal year was \$0.77 million.

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-Term debt. At December 31, 2011, the City of Fort Lupton had outstanding long-term debt totaling \$21.77 million. This debt consists of: 1) bonds payable; 2) notes payable; 3) capital leases; and 4) compensated absences payable.

A debt limit is not imposed by the State of Colorado, but it is measured by the worth of the entity. Below is a graphic presentation of each of the debt segments compared to the assets of the City segregated into governmental and business-type activities:

Table 4
Debt compared to Asset
(in millions)



Additional information on the City’s debt can be found in Notes 6 through 8.

Other matters: The following factors are expected to have a significant effect on the City’s financial position or results of operations and were taken into account in developing the 2012 budget.

- Fort Lupton experienced a slight increase in growth in 2011 and has experienced signs of significant economic improvement due in large to the oil and gas industry. As future growth occurs it will cause increased demands in all service areas of the City, especially in the infrastructure to service new areas with roads, water supply and sewer capacity.
- The Planning director continues to work with landowners as the annexation demand is increasing monthly. He continues to assist developers in their site plan review process to assure proper infrastructure is in place on each annexation.
- The City Council is supportive of the development plan for the City, which will position us well for the upcoming growth and development that Fort Lupton should experience.
- All full-time positions are under vacancy review and a merit pay increase plan has been put in place for 2012.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Fort Lupton’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this or for additional financial information should be addressed to the City Administrator, 130 South McKinley Avenue, Fort Lupton, CO 80621

Honorable Mayor and Members of the City Council
City of Fort Lupton
Fort Lupton, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Fort Lupton, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Fort Lupton's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Fort Lupton, as of December 31, 2011, and the respective change in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (Continued)

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining and individual fund financial statements and schedules and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information 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.

Johnson and Associates

April 13, 2012
Centennial, Colorado

CITY OF FORT LUPTON, COLORADO

STATEMENT OF NET ASSETS

December 31, 2011

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,651,285	\$ (710,438)	\$ 2,940,847
Restricted cash	-	1,615,555	1,615,555
Investments	-	214,276	214,276
Receivables:			
Accounts	328,813	464,758	793,571
Sales taxes	259,354	-	259,354
Property taxes	1,412,305	872,218	2,284,523
Prepaid expenses	2,739	85,329	88,068
Other assets	-	664,536	664,536
Total Current Assets	<u>5,654,496</u>	<u>3,206,234</u>	<u>8,860,730</u>
LONG-TERM ASSETS			
Capital assets			
Nondepreciable capital assets	9,295,947	16,050,691	25,346,638
Depreciable capital assets, net	14,957,829	41,461,400	56,419,229
Total Long-term Assets	<u>24,253,776</u>	<u>57,512,091</u>	<u>81,765,867</u>
Total Assets	<u>29,908,272</u>	<u>60,718,325</u>	<u>90,626,597</u>
 <u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts Payable	101,444	57,046	158,490
Contingent Liabilities	5,205	13,507	18,712
Accrued expenses	55,559	4,435,108	4,490,667
Deferred revenue	1,469,680	873,925	2,343,605
Bonds payable - Current	-	7,216,032	7,216,032
Compensated absences - Current	42,133	14,992	57,125
Total Current Liabilities	<u>1,674,021</u>	<u>12,610,610</u>	<u>14,284,631</u>
LONG-TERM LIABILITIES			
Bonds payable - Long Term	-	14,880,304	14,880,304
Bonds premiums - Long Term	-	139,106	139,106
Notes payable - Long Term	-	6,604,440	6,604,440
Compensated absences payable	108,342	38,551	146,893
Total Long-term Liabilities	<u>108,342</u>	<u>21,662,401</u>	<u>21,770,743</u>
Total Liabilities	<u>1,782,363</u>	<u>34,273,011</u>	<u>36,055,374</u>
NET ASSETS			
Invested in capital assets, net of related debt	24,253,776	24,474,959	48,728,735
Restricted	3,121,421	1,624,858	4,746,279
Nonspendable	2,604	-	2,604
Committed	120,346	-	120,346
Assigned	7,500	-	7,500
Unrestricted	620,262	345,497	965,759
Total Net Assets	<u>\$ 28,125,909</u>	<u>\$ 26,445,314</u>	<u>\$ 54,571,223</u>

CITY OF FORT LUPTON, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

Functions	Expenses	Program Revenues		
		Charges for Services, Sales and Fines	Operating Grants, and Contributions	Capital Grants, and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,511,845	\$ 85,753	\$ 83,578	\$ 119,217
Public Safety	1,181,606	179,063	373	-
Public Works	1,028,537	832,671	-	-
Culture, Parks and Recreation	803,453	73,977	71,106	2,535
Other	687,754	-	-	-
Total Governmental Activities	5,213,195	1,171,464	155,057	121,752
BUSINESS-TYPE ACTIVITIES				
Utilities	3,170,747	4,122,995	-	100,902
Storm Water Drainage	12,192	67,774	-	-
Golf	899,114	830,940	-	2,000
Recreation	1,073,717	351,235	-	-
Interest	1,476,667	-	-	-
Other	52,855	-	-	-
Total Business Activities	6,685,292	5,372,944	-	102,902
Total	\$ 11,898,487	\$ 6,544,408	\$ 155,057	\$ 224,654

GENERAL REVENUES

Sales and use tax
 Property taxes
 Specific ownership tax
 Franchise tax
 Transportation taxes
 Severance taxes
 Motor Vehicle
 Investment earnings
 Disposal of Assets
 Transfer
 Miscellaneous

Total General Revenues

CHANGE IN NET ASSETS

NET ASSETS, Beginning of Year

NET ASSETS, End of Year

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,223,297)	\$ -	\$ (1,223,297)
(1,002,170)	-	(1,002,170)
(195,866)	-	(195,866)
(655,835)	-	(655,835)
(687,754)	-	(687,754)
<u>(3,764,922)</u>	<u>-</u>	<u>(3,764,922)</u>
-	1,053,150	1,053,150
-	55,582	55,582
-	(66,174)	(66,174)
-	(722,482)	(722,482)
-	(1,476,667)	(1,476,667)
-	(52,855)	(52,855)
<u>-</u>	<u>(1,209,446)</u>	<u>(1,209,446)</u>
<u>(3,764,922)</u>	<u>(1,209,446)</u>	<u>(4,974,368)</u>
2,644,241	-	2,644,241
1,401,364	880,245	2,281,609
164,243	-	164,243
331,016	-	331,016
339,897	-	339,897
132,679	-	132,679
30,102	-	30,102
6,386	4,101	10,487
132,706	-	132,706
(467,711)	467,711	-
122,805	30,380	153,185
<u>4,837,728</u>	<u>1,382,437</u>	<u>6,220,165</u>
1,072,806	172,991	1,245,797
<u>27,053,103</u>	<u>26,272,323</u>	<u>53,325,426</u>
<u>\$ 28,125,909</u>	<u>\$ 26,445,314</u>	<u>\$ 54,571,223</u>

CITY OF FORT LUPTON, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2011

	<u>General</u>	<u>Sales Tax Culture, Parks, and Recreation Fund</u>	<u>Non Major Governmental Funds</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 3,223,608	\$ 164,006	\$ 263,671	\$ 3,651,285
Receivables				
Accounts	227,829	100,984	-	328,813
Property Taxes	1,412,305	-	-	1,412,305
Sales Tax	259,354	-	-	259,354
Prepaid Expenses	2,604	-	135	2,739
Total Assets	5,125,700	264,990	263,806	5,654,496
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	99,761	975	708	101,444
Accrued Expenses	53,024	2,380	155	55,559
Contingent Liabilities	5,205	-	-	5,205
Deferred Revenue	1,422,430	47,250	-	1,469,680
Total Liabilities	1,580,420	50,605	863	1,631,888
 FUND BALANCES				
Nonspendable	2,604	-	-	2,604
Restricted	2,644,093	214,385	262,943	3,121,421
Committed	120,346	-	-	120,346
Assigned	7,500	-	-	7,500
Unassigned	770,737	-	-	770,737
Total Fund Balances	3,545,280	214,385	262,943	4,022,608
Total Liabilities and Fund Balance	\$ 5,125,700	\$ 264,990	\$ 263,806	\$ 5,654,496

CITY OF FORT LUPTON, COLORADO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

December 31, 2011

TOTAL GOVERNMENTAL FUND BALANCE		\$	4,022,608
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			
Cost	37,316,792		
Less accumulated depreciation	<u>(13,063,016)</u>	24,253,776	
Liabilities, including compensated absences not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences	<u>(150,475)</u>	<u>(150,475)</u>	
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$	<u>28,125,909</u>

CITY OF FORT LUPTON, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

For the Year Ended December 31, 2011

	2011			2010	
	General	Sales Tax Culture, Parks, and Recreation Fund	Non Major Governmental	Total Governmental Fund	Total Governmental Fund
REVENUES					
Taxes & Assessments	\$ 3,891,475	\$ 348,475	\$ -	\$ 4,239,950	\$ 3,918,656
Licenses & Permits	151,975	-	-	151,975	168,899
Intergovernmental	676,578	2,535	68,840	747,953	683,294
Charges for Services	432,886	66,189	44,900	543,975	504,533
Fines & Forfeits	171,826	-	-	171,826	194,716
Other	728,728	21,419	15,180	765,327	198,421
Total Receipts	6,053,468	438,618	128,920	6,621,006	5,668,519
EXPENDITURES					
Current:					
General Government	1,407,112	-	72,943	1,480,055	1,317,658
Public Safety	1,157,474	-	-	1,157,474	1,589,310
Public Works	396,787	-	-	396,787	416,827
Culture, Parks & Recreation	-	626,472	-	626,472	568,170
Other	678,315	-	-	678,315	703,964
Capital Outlay	810,889	2,346	37,531	850,766	178,948
Total Disbursements	4,450,577	628,818	110,474	5,189,869	4,774,877
Excess (Deficiency) of Receipts Over Disbursements	1,602,891	(190,200)	18,446	1,431,137	893,642
Other Financing Sources (Uses)					
Transfers In	-	285,000	100	285,100	302,995
Transfers Out	(690,711)	(62,000)	(100)	(752,811)	(780,054)
Total Other Financing Sources (Uses)	(690,711)	223,000	-	(467,711)	(477,059)
Excess (Deficiency) of Receipts and Other Sources Over Disbursements and Other Uses	912,180	32,800	18,446	963,426	416,583
FUND BALANCE, Beginning of Year	2,633,100	181,585	244,497	3,059,182	2,642,599
FUND BALANCE, End of Year	\$ 3,545,280	\$ 214,385	\$ 262,943	\$ 4,022,608	\$ 3,059,182

CITY OF FORT LUPTON, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE, OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS \$ 963,426

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

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

Depreciation expense	(871,792)	
Disposal of Assets	132,706	
Capital	851,359	112,273

Long-term debt repayment is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Capital Leases reported in the Statement of Activities do not require the use of current financial resources and therefore only the current payments are recorded as capital outlay. Accrued interest on the leases needs to be recorded at the Government Wide Level

Balance @ 12/31/2010	4,962	
Balance @ 12/31/2011	4,962	4,962

Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Balance @ 12/31/2010	142,620	
Balance @ 12/31/2011	(150,475)	(7,855)

Elimination of transfers between governmental funds

Transfers in	285,100	
Transfers out	(285,100)	-

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ 1,072,806
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CITY OF FORT LUPTON, COLORADO

ENTERPRISE FUNDS
STATEMENT OF NET ASSETS
December 31, 2011

<u>ASSETS</u>	<u>Utility Enterprise Fund</u>	<u>StormWater Drainage Fund</u>	<u>Golf Course Fund</u>	<u>Recreation Center Fund</u>	<u>Total</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ (394,066)	\$ 180,312	\$ 156,683	\$ (653,367)	\$ (710,438)
Investments	-	-	-	9,303	9,303
Accounts Receivable	447,632	11,744	214	877,386	1,336,976
Inventory	-	-	29,092	-	29,092
Prepaid Expenses	78,627	-	6,702	-	85,329
Total Current Assets	<u>132,193</u>	<u>192,056</u>	<u>192,691</u>	<u>233,322</u>	<u>750,262</u>
Restricted Cash	<u>1,531,737</u>	<u>-</u>	<u>83,818</u>	<u>-</u>	<u>1,615,555</u>
CAPITAL ASSETS					
Non Depreciable					
Land and Improvements	479,434	-	4,208,882	-	4,688,316
Water Rights	11,314,199	-	-	-	11,314,199
Construction in Progress	48,176	-	-	-	48,176
Depreciable					
Wells	735,909	-	-	-	735,909
Buildings	13,121,654	-	612,873	6,747,869	20,482,396
Utility System	31,034,739	315,966	-	-	31,350,705
Equipment	3,483,452	-	398,879	256,630	4,138,961
Total	<u>60,217,563</u>	<u>315,966</u>	<u>5,220,634</u>	<u>7,004,499</u>	<u>72,758,662</u>
Less: Accumulated Depreciation	<u>(12,135,603)</u>	<u>-</u>	<u>(1,263,800)</u>	<u>(1,847,168)</u>	<u>(15,246,571)</u>
Total Capital Assets	<u>48,081,960</u>	<u>315,966</u>	<u>3,956,834</u>	<u>5,157,331</u>	<u>57,512,091</u>
Other Assets					
Bond Costs and Discount (Net)	170,800	-	93,586	95,656	360,042
Golf Bonds	204,973	-	-	-	204,973
Inclusion Fee	275,402	-	-	-	275,402
Total Other Assets	<u>651,175</u>	<u>-</u>	<u>93,586</u>	<u>95,656</u>	<u>840,417</u>
Total Assets	<u>\$ 50,397,065</u>	<u>\$ 508,022</u>	<u>\$ 4,326,929</u>	<u>\$ 5,486,309</u>	<u>\$ 60,718,325</u>

CITY OF FORT LUPTON, COLORADO

ENTERPRISE FUNDS
STATEMENT OF NET ASSETS (Continued)
 December 31, 2011

<u>LIABILITIES AND FUND EQUITY</u>	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total
Current Liabilities					
Bonds and Loans Payable	\$ 1,056,032	\$ -	\$ 5,800,000	\$ 360,000	\$ 7,216,032
Accounts Payable	21,774	57	6,441	28,774	57,046
Contingent Liabilities	-	-	13,507	-	13,507
Deferred Revenue	-	-	1,707	872,218	873,925
Compensated absences	30,301	558	-	22,684	53,543
Accrued Expenses	173,013	-	4,197,250	10,845	4,381,108
Total Current Liabilities	<u>1,281,120</u>	<u>615</u>	<u>10,018,905</u>	<u>1,294,521</u>	<u>12,595,161</u>
Long-Term Liabilities					
Loans Payable	6,604,440	-	-	-	6,604,440
Bonds Payable	10,680,304	-	-	4,200,000	14,880,304
Payment in Lieu of Water	54,000	-	-	139,106	139,106
Total Long-Term Liabilities	<u>17,338,744</u>	<u>-</u>	<u>-</u>	<u>4,339,106</u>	<u>21,677,850</u>
Total Liabilities	<u>18,619,864</u>	<u>615</u>	<u>10,018,905</u>	<u>5,633,627</u>	<u>34,273,011</u>
Net Assets					
Investment in Capital Assets, net of Related Debt	29,741,184	315,966	(6,040,416)	458,225	24,474,959
Unrestricted	504,280	191,441	264,622	(614,846)	345,497
Restricted	1,531,737	-	83,818	9,303	1,624,858
Total Net Assets	<u>31,777,201</u>	<u>507,407</u>	<u>(5,691,976)</u>	<u>(147,318)</u>	<u>26,445,314</u>
Total Liabilities and Net Assets	<u>\$ 50,397,065</u>	<u>\$ 508,022</u>	<u>\$ 4,326,929</u>	<u>\$ 5,486,309</u>	<u>\$ 60,718,325</u>

CITY OF FORT LUPTON, COLORADO

ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2011

	Utility Enterprise Fund	StormWater Drainage Fund	Golf Course Fund	Recreation Center Fund	Total
OPERATING REVENUES					
Charges for Services (Pledged for Debt)	\$ 3,836,064	\$ 67,774	\$ 663,631	\$ 343,652	\$ 4,911,121
Sales of Merchandise	-	-	166,017	-	166,017
Other Income	286,931	-	1,292	7,583	295,806
Total Operating Revenues	4,122,995	67,774	830,940	351,235	5,372,944
OPERATING EXPENSES					
Salaries and Benefits	342,112	11,637	293,682	482,915	1,130,346
Professional Fees	3,050	-	36,694	-	39,744
Contract Management	754,342	-	60,000	-	814,342
Insurance	63,705	-	29,846	22,414	115,965
Maintenance	154,421	-	38,933	29,717	223,071
Merchandise for Resale	-	-	85,995	911	86,906
Supplies	23,402	555	63,329	51,681	138,967
Utilities	245,561	-	55,277	127,612	428,450
Water Assessments	301,543	-	-	-	301,543
Depreciation and Amortization	1,208,197	-	85,190	252,510	1,545,897
Other	74,414	-	150,168	105,957	330,539
Total Operating Expenses	3,170,747	12,192	899,114	1,073,717	5,155,770
Net Operating Income (Loss)	952,248	55,582	(68,174)	(722,482)	217,174
NONOPERATING REVENUES (EXPENSES)					
Property Taxes (Pledged for Debt)	-	-	-	880,245	880,245
Grant Income	100,902	-	-	-	100,902
Investment Income (Loss)	1,812	166	32	2,091	4,101
Interest Expense	(789,563)	-	(295,762)	(391,342)	(1,476,667)
Administrative Fee - Trustee	(29,422)	-	(23,397)	-	(52,819)
Bond Principal	(36)	-	-	-	(36)
Enhancement Fees	-	-	2,000	-	2,000
Other	30,380	-	-	-	30,380
Total Nonoperating Revenues (Expenses)	(685,927)	166	(317,127)	490,994	(511,894)
Net Income (Loss) Before Transfers	266,321	55,748	(385,301)	(231,488)	(294,720)
Transfers In	405,711	-	-	62,000	467,711
Net Income (Loss)	672,032	55,748	(385,301)	(169,488)	172,991
NET ASSETS, Beginning of Year	31,105,169	451,659	(5,306,675)	22,170	26,272,323
NET ASSETS, End of Year	\$ 31,777,201	\$ 507,407	\$ (5,691,976)	\$ (147,318)	\$ 26,445,314

CITY OF FORT LUPTON, COLORADO

Statement of Cash Flows - All Proprietary Fund Types
For The Years Ended December 31, 2011

	Utilities Fund	StormWater Fund	Golf Fund	Recreation Center	Totals 2011
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 4,468,146	\$ 67,237	\$ 827,868	\$ 341,121	\$ 5,704,372
Cash Paid to Suppliers	(1,601,968)	(550)	(505,216)	(343,993)	(2,451,727)
Cash Paid to Employees	(343,854)	(11,748)	(293,682)	(480,343)	(1,129,627)
Net Cash Provided by (Used In) Operating Activities	<u>2,522,324</u>	<u>54,939</u>	<u>28,970</u>	<u>(483,215)</u>	<u>2,123,018</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(2,456,233)	-	-	-	(2,456,233)
Proceeds from Transfers In	405,711	-	-	62,000	467,711
Principal Paid on Notes and Bonds	1,080,998	-	-	9,106	1,090,104
Interest Paid on Notes and Bonds	(789,563)	-	(6,631)	(391,342)	(1,187,536)
Administration Fees	(29,422)	-	-	(95,656)	(125,078)
Property Taxes	8,121	-	-	888,920	897,041
Bad Debt	(36)	-	-	-	(36)
Other	30,380	-	-	-	30,380
Contributions	100,902	-	2,000	-	102,902
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(1,649,142)</u>	<u>-</u>	<u>(4,631)</u>	<u>473,028</u>	<u>(1,180,745)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	1,812	166	32	2,091	4,101
Net Cash Provided by (Used In) Investing Activities	<u>1,812</u>	<u>166</u>	<u>32</u>	<u>2,091</u>	<u>4,101</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	874,994	55,105	24,371	(8,096)	946,374
CASH AND CASH EQUIVALENTS, Beginning of Year	262,677	125,208	216,131	(635,968)	(31,952)
CASH AND CASH EQUIVALENTS, End of Year	<u>1,137,671</u>	<u>180,313</u>	<u>240,502</u>	<u>(644,064)</u>	<u>914,422</u>
Cash and Cash Equivalents	(394,066)	180,313	156,684	(653,367)	(710,436)
Restricted Cash	1,531,737	-	83,818	-	1,615,555
Investments	-	-	-	9,303	9,303
CASH AND CASH EQUIVALENTS, End of Year	<u>1,137,671</u>	<u>180,313</u>	<u>240,502</u>	<u>(644,064)</u>	<u>914,422</u>
Operating Income (Loss)	<u>952,248</u>	<u>55,582</u>	<u>(68,174)</u>	<u>(722,482)</u>	<u>217,174</u>
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Depreciation and Amortization	1,208,197	-	85,190	252,510	1,545,897
Changes in Assets and Liabilities:					
Accounts Receivable	345,151	(537)	(214)	(1,439)	342,961
Prepaid Expenses	273,754	-	1,207	-	274,961
Inventory	-	-	(3,884)	-	(3,884)
Accounts Payable	(294,539)	5	13,819	(752)	(281,467)
Accrued Expenses	37,513	(111)	-	(2,377)	35,025
Deferred Revenue	-	-	1,026	(8,675)	(7,649)
Total Adjustments	<u>1,570,076</u>	<u>(643)</u>	<u>97,144</u>	<u>239,267</u>	<u>1,905,844</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 2,522,324</u>	<u>\$ 54,939</u>	<u>\$ 28,970</u>	<u>\$ (483,215)</u>	<u>\$ 2,123,018</u>

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fort Lupton was incorporated February 4, 1890. In compliance with the Colorado Revised Statutes, the City Council is the policy making legislative body of the City. Council is made up of six members from three wards. The Mayor is elected at large and can vote on all matters. Two-thirds vote of the Council is required to pass, change or veto any ordinance.

The accounting policies of Fort Lupton conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement 14. GASB Statement 14 defines the reporting entity as the primary government and those component units for which primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either A) the primary government must be able to impose its will, or B) the primary government may potentially benefit financially or be financially responsible for the component unit.

The financial statements of the City of Fort Lupton do not include any separately administered organizations, as there were none as defined in the aforementioned paragraph.

The City Council ratifies the appointments to the board for the Fort Lupton Housing Authority. Beyond that, the City has no other authority or association with the aforementioned entity.

Basis of Presentation

The objectives of the statements are to establish a basic financial reporting model that will result in greater accountability by governments, while providing more useful information to a wider range of users.

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with usage fees charged.

The statement of net assets presents the financial position of the governmental and business-type activities of the City at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (Continued)

activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets.

These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and the enterprise fund are reported in separate columns. The General Fund, Water and Street Sales Tax Funds, and Culture, Parks & Recreation Fund are major governmental funds. The Utilities Fund, Storm Drainage Fund, Golf Fund and Recreation Fund are major business-type activities funds.

Governmental Funds - Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are separate for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law to another fund are used to finance general operating expenditures.

Special Revenue Funds - Special Revenue Funds (Conservation Trust, Perpetual Care Cemetery, Memorial Trust Fund, and Sales Tax Culture, Parks, and Recreation) are established to account for revenues derived

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

from specific taxes or other restricted revenue sources which finance specific activities as required by law or administrative action.

Proprietary Funds: - All proprietary funds are accounted for on a flow of economic resources measurement focus. With the measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of the proprietary funds is on the measurement of net income (e.g., revenues, expenses). This measurement focus allows the proprietary fund to report all assets and liabilities associated with an activity.

Proprietary activities are accounted for, and reported on, in accordance with all Governmental Accounting Standards Board (GASB) pronouncements as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Funds - Enterprise Funds are established to account for the financing where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of this fund are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows

For purposes of the comparative statement of cash flows, the City considers highly liquid investments with maturity of three months or less at date of purchase to be cash equivalents.

Pooled Cash

The City has a single checking account for all cash transactions, with separate accounting into each fund. An overdraft in one fund will not result in returned checks with the single checking accounts. At December 31, 2010, the checking account of the City shows a positive bank balance. Any fund that issued checks in excess of its available funds from the checking account is treated as having borrowed cash from other funds.

The accounting and reporting applied to the fixed assets associated with a fund are determined by its measurement focus as discussed above.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets, including water rights, fire hydrants, water and sewer lines from sub-dividers and property owners, are recorded at estimated fair market value at the time received.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds.

Capital assets used by proprietary funds are capitalized in the appropriate proprietary fund. Depreciation is charged as an expense against their operations and accumulated depreciation is reported on proprietary fund balance sheets.

Depreciation has been provided using the straight-line method over the estimated useful lives as follows:

Plant and Improvements	50-100 years
Machinery and Equipment	5-10 years
Streets	20 years
Bridges	15 years

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Basis of Accounting

Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year's operations, the total levy is reported as taxes receivable and deferred revenue.

Those revenues susceptible to accrual are property taxes, use tax, tobacco tax, highway user tax, and franchise fees. Sales taxes collected and held by the state for the current year on behalf of Fort Lupton are also recognized as revenue. Fines, permits and license revenues are not susceptible to accrual generally they are not measurable until received in cash.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Budget and Budgetary Accounting

Fort Lupton follows these procedures in establishing the budgetary data reflected in the financial statements:

(1) Prior to October 15th the City Administrator submits the City Council a proposed operating budget for the next fiscal year commencing the following January 1st. The operating budget included proposed expenditures and the means of financing them.

(2) Public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting (Continued)

- (3) Prior to December 14th, the budget is legally enacted through passage of a resolution by the City Council.
- (4) The last date to certify tax levies to the County Commissioners is December 15th.
- (5) A certified copy of the budget must be filed with the State of Colorado Division of Local Government by January 30th. Additionally, through staff action budget amounts up to \$3,000 can be transferred among programs and departments within a fund; however, any revisions that alter the total expenditures of any fund or exceeds \$3,000 must be approved by the City Council through supplemental appropriations.
- (6) Formal budgetary integrations are employed as a management control device during the year for all funds.
- (7) Budgets for the governmental funds and the proprietary funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (8) Unused appropriations lapse at the end of each fiscal year.

Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue when received by the County Treasurer. The 2010 fiscal year property tax calendar for Weld County was as follows:

Lien Date	January 1
Levy Date	December 29
Tax bills mailed	January 1
First installment due	February 28
Second installment due	June 15
If paid in full, due	April 30
Tax sale - 2010 delinquent property taxes	November 6

Accumulated Unpaid Vacation and Sick Leave

Under terms of City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination or retirement, an employee who was hired prior to February 14, 2001 is paid for accumulated vacation days up to a maximum of 30 days. They are also paid 50% of their accumulated sick leave up to a maximum of 90 days. An employee hired after February 14, 2001 is paid for accumulated vacation days up to a maximum of 30 days. They are paid 25% of accumulated sick leave up to a maximum of 90 days.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory is valued at cost (first-in, first-out) in the proprietary funds. Inventory in all other funds is not recorded, as it is not significant. The cost is recorded as expenditure when the individual inventory items are purchased.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statement, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Fund Balances are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitation imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has the authorized the City's finance director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balances only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted as described in the fund balance section above. All other net assets are reported as unrestricted.

NOTE 2: CASH AND INVESTMENT

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide the good or services.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated.

The City's cash, deposits and investments at December 31, 2011 are:

Type	Rating	Carrying Value
Deposit:		
Cash on hand		\$ 3,650
Demand deposits		2,811,742
Investments		
Wells Fargo Trust	AAAm by S & P	176,181
ColoTrust	AAAm by S & P	1,315,308
CSAFE	AAAm by S & P	463,797
Total deposits and investments		\$ 4,770,678

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 2: CASH AND INVESTMENT (Continued)

Reconciliation to Statement of Net Assets

Current:

Cash and cash equivalents	\$ 2,940,847
Restricted cash	1,615,555
Investments	214,276
Total deposits and investments	\$ 4,770,678

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

The City maintains a cash pool that is available for use by all funds except the deferred compensation plan. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash".

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by the financial institution. The eligible collateral is determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution and held in trust for all the uninsured public deposits as a group. Colorado State Statutes require the market value of the collateral to be at least 102 percent of the aggregate uninsured deposits.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The District places no limit on the amount the City may invest in any one issuer.

The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

The City invests in two investment pools, the Colorado Liquid Assets Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE). COLOTRUST and CSAFE operate under the Colorado Revised Statutes (24-75-701) and are overseen by Colorado Securities Commissioner. The pool invests in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools are rated AAAM by the Standard & Poor's Corporation.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 2: CASH AND INVESTMENT (Continued)

At December 31, 2011, the City had an investment of \$1,315,309 and \$463,797 market and carrying value in COLOTRUST and CSAFE, respectively.

NOTE 3: RESTRICTED CASH AND INVESTMENTS

The restricted cash in the Enterprise Funds represents special development loan accounts, perpetual care account balances, and specific use funds.

Enterprise Fund		
1992 Sewer	\$	288,361
Loan provision US Dept of Agriculture		698,980
2000 Water & Wastewater Bonds		179,070
2005 Series B Bond		365,326
1996A Golf Revenue Warrant		16,500
US Bank – Golf Course		67,318
Total Restricted	\$	<u>1,615,555</u>

NOTE 4: RECEIVABLES AND INTERFUND RECEIVABLES AND PAYABLE

Receivables at December 31, 2011, consist of the following:

Receivables	Governmental	Business- Type Activities	Total
Accounts	\$ 328,813	\$ 464,758	\$ 793,571
Intergovernmental	930,145	548,428	1,478,573
Allowance of due from	(930,145)	(548,428)	(1,478,573)
Sales Tax	259,354	-	259,354
Property Taxes	1,412,305	872,218	2,284,523
Total	\$ 2,000,472	\$ 1,336,976	\$ 3,337,448

Inter-fund activity has been recorded for loans from other funds to support general operations of the Golf Course Fund.

NOTE 5: OTHER ASSETS

	General	Special Revenue	Enterprise	Total
Golf Due to Due From Golf – Allowance for Doubtful Receivables	\$ 582,297	\$ 347,847	\$ 548,428	\$ 1,478,572
Discount(Net)	(582,297)	(347,847)	(548,428)	(1,478,572)
Conservation Dist.	-	-	360,042	360,042
Inventory	-	-	275,402	275,402
	-	-	29,092	29,092
Total	\$ -	\$ -	\$ 664,536	\$ 664,536

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 5: OTHER ASSETS (Continued)

In the Utility Enterprise Fund, the A1 Golf Bonds purchased in 2000 have been adjusted to an estimated fair market value as required by GAAP. The estimate is based on current trading prices of the securities and anticipated settlement values. Therefore, the fund has recognized an unrealized loss for Utility Fund financial statements in accordance with GAAP.

NOTE 6: CAPITAL ASSETS

Capital Asset balances for the year ended December 31, 2011 are as follows:

	Restated Balance 1/1/2011	Additions	Disposals	Transfer	Balance 12/31/2011
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 8,919,636	\$ -	\$ -	\$ -	\$ 8,919,636
Water Rights	323,700	-	-	-	323,700
Construction in Progress	24,675	52,611	-	(24,675)	52,611
Total Capital Assets not Being Depreciated	9,268,011	52,611	-	(24,675)	9,295,947
Capital Assets Being Depreciated					
Buildings and Improvements	4,478,432	17,667	-	-	4,496,099
Equipment and Machinery	2,127,336	79,096	(132,706)	-	2,073,726
Furniture and Fixtures	18,059	-	-	-	18,059
Infrastructure	20,704,813	703,472	-	24,675	21,432,960
Total Capital Assets Being Depreciated	27,328,640	800,235	(132,706)	24,675	28,020,844
Total Capital Assets	36,596,651	852,846	(132,706)	-	37,316,791
Accumulated Depreciation					
Buildings and Improvements	(1,920,231)	(164,098)	-	-	(2,084,329)
Equipment and Machinery	(1,575,711)	(145,050)	132,706	-	(1,588,055)
Furniture and Fixtures	(18,060)	-	-	-	(18,060)
Infrastructure	(8,677,222)	(695,349)	-	-	(9,372,571)
Total Accumulated Depreciation	(12,191,224)	(1,004,497)	132,706	-	(13,063,015)
Depreciable Capital Assets, Net	15,137,416	(204,262)	-	24,675	14,957,829
Governmental Activities Capital Assets, Net	\$ 24,405,427	\$ (151,651)	\$ -	\$ -	\$ 24,253,776

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 6: CAPITAL ASSETS (Continued)

	Balance 1/1/2011	Additions	Disposals	Transfers	Balance 12/31/2011
Business-Type Activities					
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Improvements	4,688,316	-	-	-	4,688,316
Water Rights	11,314,199	-	-	-	11,314,199
Construction in Progress	2,523,974	12,044	(420)	(2,487,422)	48,176
Total Capital Assets not Being Depreciated	18,526,489	12,044	(420)	(2,487,422)	16,050,691
Capital assets being depreciated					
Wells	692,135	43,774	-	-	735,909
Buildings	18,039,361	78,609	-	2,364,426	20,482,396
Utility System	28,897,293	2,330,417	-	122,996	31,350,706
Equipment	4,147,152	-	(8,191)	-	4,138,961
Total Capital Assets Being Depreciated	51,775,941	2,452,800	(8,191)	2,487,422	56,707,972
Total Capital Assets	70,302,430	2,464,844	(8,611)	-	72,758,663
Accumulated depreciation					
Wells	(222,364)	(88,612)	-	-	(310,976)
Buildings	(5,312,168)	(684,732)	-	-	(5,996,900)
Utility System	(5,348,677)	(519,530)	-	-	(5,868,207)
Equipment	(2,825,657)	(253,023)	8,191	-	(3,070,489)
Total Accumulated Depreciation	(13,708,866)	(1,545,897)	8,191	-	(15,246,572)
Depreciable Capital Assets, Net	38,067,075	906,903	-	2,487,422	41,461,400
Business-Type Activities					
Capital Assets, Net	\$ 56,593,564	\$ 918,947	\$ (420)	\$ -	\$ 57,512,091

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 6: CAPITAL ASSETS (Continued)

	<u>Amount</u>
Depreciation By Function	
Governmental Activities:	
General Government	18,585
Public Safety	156,838
Public Works	652,628
Cemetery	4,477
Culture, Parks & Recreation	<u>171,969</u>
Total depreciation for governmental activities	<u>1,004,497</u>
Business Type Activities:	
Utility	1,208,197
Golf Course	85,190
Recreation	<u>252,510</u>
Total depreciation for business-type activities	<u>1,545,897</u>
Total Depreciation	<u>2,550,394</u>

NOTE 7: CAPITAL LEASES

The City entered into an agreement to sublease/purchase a parcel of real property known as "The Fort" at a total contract amount of \$125,000 to the South Platte Valley Historical Society (a nonprofit organization) to be used for historical preservation purposes. The South Platte Valley Historical Society agreement provides for annual rental payments of \$1,000 payable December 31, 1992, through December 31, 1996, followed by \$3,000 annual payments through December 31, 2001, and finally, annual payments of \$5,250 through December 31, 2021. There is no interest provided in the agreement. The agreement provides that the Historical Society has the option on any payment date to pay the entire principal balance plus one dollar and own the property.

During 2004, the City entered into an agreement with Well Fargo Brokerage Services, LLC Storm Drainage, owned by the General Fund. The agreement provides for semi-annual payment of \$247,370 starting January 16, 2005 through July 16, 2011 with interest provided at 3.95% for the Storm Drainage.

During 2006, the City entered into an agreement with Wells Fargo Brokerage Services, LLC to lease purchase the assets of the Elgin Street Sweeper, owned by the General Fund. The agreement provides for annual payments of \$29,845 starting June 28, 2007 through June 28, 2011 with interest provided at 4.15%.

During 2007, the City entered into an agreement with Wells Fargo Brokerage Services, LLC to lease purchase the assets of the Sewer Jet, owned by the Utility Fund. The agreement provides for annual payments of \$30,086 starting June 28, 2007 through June 28, 2011 with interest provided at 4.15%.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 7: CAPITAL LEASES (Continued)

The following are changes in Capital Lease principal balances:

	Governmental Activities	Business Type Activities
Principal Balance, December 31, 2010	\$ 268,886	\$ 28,886
Retirements	(268,886)	(28,886)
Principal Balance, December 31, 2011	\$ -	\$ -

A summary of fixed assets financed under Capital Leases is as follows:

December 31, 2011	Governmental Activities	Business Type Activities
Storm Drainage	\$ 1,500,000	-
Street Sweeper	132,305	-
Sewer Jet	-	\$133,373
Turf Equipment	-	60,000
Less: Accumulated Amortization	(1,632,305)	(193,373)
Total	\$ -	\$ -

NOTE 8: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT

Long term liabilities balances for the year ended December 31, 2011 are as follows:

	Balance 1/1/2011	Additions	Retirements	Balance 12/31/2011	Due in 1 Year
<u>Enterprise Funds-Utility:</u>					
\$4,396,456 Construction Loan from the State of Colorado through the Colorado Water Conservation Board. The forty-year loan requires annual payments of \$160,716 beginning January 1, 1997, and provides for interest at 2%.	\$3,120,021	-	\$98,315	\$3,021,706	\$100,282
\$6,000,000 Revenue Bond, Series 1995, owned by the United States of America. Principal payments due in yearly installments of \$53,000 in 1998 with additional increases through 2035. Principal and interest is payable each December 1, and June 1, with interest at 5.125%. The loan is a revenue obligation of the City payable from Water Fund Revenue.	5,014,000	-	104,000	4,910,000	110,000

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 8: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT
(Continued)

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2011</u>	<u>Due in 1 Year</u>
<p>\$5,500,000 Revenue Bond, Series 1996, owned by the United States of America. Interest only to September 1, 1997, with principal payments starting March 1, 1998 through 2036. Principal and interest are payable each September 1, and March 1, thereafter, with additional interest at 5.125%. The loan is a revenue obligation of the City payable from Water Fund Revenue.</p>	\$4,674,300	-	\$88,900	\$4,585,400	\$93,600
<p>\$2,300,000 Revenue Bond, Series 2005, owned by the Colorado Water Resources and Power Development Authority. Principal payment due on November 1, 2006 through 2025. Principal and interest are payable each May 1, and November 1, thereafter, with interest rates varying between 3% to 4.625%.</p>	1,875,000	-	95,000	1,780,000	95,000
<p>\$3,000,000 April 1992, Colorado Water Resources and Power Development Authority Loan due in yearly; interest at 3.8% to 6.7%. The loan is a special revenue obligation of the City payable from water rates, fees, standby charges and other charges from the use and operation of the system and from other funds of the system legally available after payment of operations and maintenance expenses of the system.</p>	495,000	-	240,000	255,000	255,000

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 8: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT(Continued)

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2011</u>	<u>Due in 1 Year</u>
<p>\$1,850,000 Water Fund Revenue Anticipation Warrants, Series 2000, construction expansion of the water plant. Principal payments due in increasing amounts from \$60,000 in 2001 to \$140,000 in 2020 and interest rates varying from 4.35% in 2001 to 5.3% in 2020. The warrants are a special revenue obligation of the Utility Enterprise Fund payable from net operating income of the water system.</p>	\$1,140,000	-	\$90,000	\$1,050,000	\$95,000
<p>\$4,200,000 June 15, 1992 Colorado Water Resources and Power Development Authority Loan, due in yearly installments from 1998 through 2013 interest at 4.15% to 6.25%. The loan is a special revenue obligation of the City payable from sewer rates, fees, standby charges, and other charges from the use and operation of the system and from other funds of the system legally available after the payment of operations and maintenance.</p>	871,287	-	272,055	599,232	291,860
<p>\$200,000 December 1, 1994, Colorado Water Resources and Power Development Authority Loan, due in quarterly installments from December 1, 1994 through September 1, 2013; interest at 5.17%.</p>	41,319	-	14,523	26,796	15,288
<p>\$2,400,000 Halliburton Energy Services loan for water and sewer line extension. Due when other properties on the lines are developed. Interest rate is prime rate at year end plus 1%.</p>	-	2,400,000	287,360	2,112,640	-

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 8: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT(Continued)

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2011</u>	<u>Due in 1 Year</u>
<u>Recreation Center Fund:</u>					
\$6,700,000, December 30, 2002 General Obligation Bonds for the construction of the Recreation Center. Interest rates vary from 2.5% to 3.8% with a 20 year maturity term.	\$4,690,000	-	\$4,690,000	\$0.00	0.00
\$4,930,000 Principal with a \$139,108 Premium General Obligation Bond Series 2011 for the construction of the Recreation Center refinanced October 28, 2011. Principal and interest payments due December 1 starting in 2011 ending December 1, 2022. Interest only payments due Jun 1 starting 2012. Interest rates start at 3.0% in 2011 and increase to 3.5%.	-	5,069,108	370,000	4,699,108	360,000
<u>Golf Enterprise Fund:</u>					
\$5,900,000, Bond for improvement of Golf Course, became default in 2002	5,800,000	-	-	5,800,000	5,800,000
Total Business Type Activities	27,720,927	7,469,108	6,350,153	28,839,882	7,216,030

The Loans for the above fund and the allowance for doubtful receivables are shown in the Other Assets in the respective funds.

Golf Enterprise Fund bonds are classified as current bond payable. (Please see Note 16.)

	<u>Balance 12/31/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/11</u>	<u>Due in 1 Year</u>
<u>Governmental Activities</u>					
Capital Leases	\$ 268,886	\$ -	\$ 268,886	\$ -	\$ -
Accrued Compensated Absences	142,620	7,855	-	150,475	42,133
Total Governmental Activities	\$ 411,506	\$ 7,855	\$ 268,886	\$ 150,475	\$ 42,133

The annual requirements to amortize all debt outstanding, excluding accrued compensated absences, as of December 31, 2011 are as follows:

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 8: NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT(Continued)

	Business Type Activities Bonds and Notes Payable	
	Principal	Interest
2012	9,341,316	855,489
2013	1,222,213	796,903
2014	932,479	744,818
2015	975,966	713,979
2016	1,000,794	680,634
2017-2021	5,403,717	2,813,485
2022-2026	3,653,502	1,820,895
2027-2031	3,138,968	1,120,426
2032-2036	<u>3,170,927</u>	<u>359,398</u>
Total	<u>\$28,839,882</u>	<u>\$9,906,6027</u>

The principal of outstanding debt due in 2011 also includes default bond of Golf Course, amounting \$5,800,000. Also, included the Halliburton loan of \$2,112,640 due when other properties on the water & sewer line extension are developed.

On October 28, 2011, \$4.93 million in general obligation bonds with an average interest rate of 2.83% were issued to advance refund \$4.69 million of outstanding bonds with an average interest rate of 4.21% issued in 2002 for the construction of the Recreation Center. The net proceeds of \$4.97 million (after payment of \$0.095 million in underwriting fees, insurance, and other issuance costs) were used to purchase US government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 10 years by \$0.218 million resulting in an economic gain (difference in the present value of the debt service payments on the old and the new debt) of \$0.193 million.

NOTE 9: RESERVED FUND BALANCES/RETAINED EARNINGS

Nonspendable - The following funds are Nonspendable

General Fund:

Prepaid items 2,604

Restricted - The following fund balances are Restricted:

General Fund:

Emergency Reserves 133,517
Drug Forfeitures 5,207

Special Revenue Funds:

Street Sales Tax Fund – used to maintain, build and replace streets, sidewalks, curbs and gutters 1,703,013

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 9: RESERVED FUND BALANCES/RETAINED EARNINGS (Continued)

Restricted - The following fund balances are Restricted:

<i>Water Sales Tax Fund</i> – to support maintenance of water systems, assure quality and quantity and acquire water	802,356
<i>Sales Tax Culture Parks & Recreation Fund</i> – to provide culture and recreation programs and maintain parks	214,385
<i>Cemetery Fund</i> – maintain cemetery grounds, provide services and acquire new property	105,200
<i>Memorial Trust Fund</i> – administer funds donated to the cemetery	2,215
<i>Conservation Trust Fund</i> – for the administration of lottery funds.	155,528

Committed - The following funds are Committed:

<i>General Fund</i>	
Police Equipment	33,198
Victims Compensation	87,148

Assigned - The following Funds are assigned

<i>General Fund</i>	
Fireworks	7,500

Net Assets:

Invested in capital assets net of related debt reported on the government-wide statement of net assets as of December 31, 2011 are as follows:

	Governmental Activities	Business Type Activities
Invested in capital assets, net of related debt:		
Cost of capital assets	37,316,792	72,758,663
Less accumulated depreciation	(13,063,016)	(15,246,572)
Book value	24,253,776	57,512,091
Less capital related debt		(28,700,774)
Add back unspent bond proceeds		
Less accrued interest on defaulted bonds		(4,197,250)
Less deferred refunding amounts and bond premiums and discounts (net)		(139,108)
Invested in capital assets	24,253,776	24,474,959

The deficit of \$5,306,674 in the Golf Course Fund is the result of excess expenses which is principally the debt service expense.

NOTE 10: RETIREMENT PLAN

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 10: RETIREMENT PLAN

The City of Fort Lupton and its employees participate in a defined contribution pension plan with AIG Retirement.

A defined contribution plan states that contributions of the employee and contributions of the City are, although invested jointly, maintained in separate accounts for each employee. The amount of benefit to be received at retirement is determined by the amount of monies accumulated in the employee's account at the time of retirement. All sworn police department employees contribute 9.7% of their salaries to the plan with all other employees contributing 4.0% of their salaries to the plan. The total amount of the City's current year covered payroll was \$2,085,773 and the total current year payroll was \$2,473,755. The City matches the respective contributions, with the total contribution made by the City during 2010 amounting to \$121,266.

The FPPA of the State of Colorado continues to provide death and disability to all police officers in accordance with state statutes, Section 31-30-1008, C.R.S. Survivors' benefits are available for spouses, dependent parents and children under the age of 18.

NOTE 11: CONTINGENCY

The City of Fort Lupton is self-insured for property and liability insurance. The City of Fort Lupton is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The ultimate liability to the City of Fort Lupton resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City of Fort Lupton's financial statements.

There is only one case wherein CIRSA would not be involved and it involves the warrant holders of the Golf Course bonds. The City Attorney in his letter to the auditors states "The City has kept no funds from the Enterprise revenues, so there is no possibility that there would be a ruling that the City improperly kept funds, and there are no funds to "pay back". The City itself is in no way obligated to pay Enterprise debt or liability, and is not a guarantor of the Enterprise. As such, no provision is necessary to further protect the general fund of the City".

NOTE 12: RISK MANAGEMENT

Fort Lupton is exposed to various risks of loss related to torts: theft of, damage to, destruction of assets: errors and omissions: injuries to employees: and natural disasters. On January 1, 1984, the City Council authorized Fort Lupton to participate in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). A separate and independent governmental and legal entity, which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, C.R.S. as amended, 29-1-101 et. seq., C.R.S., as amended, 29-13-102, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2).

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 12: RISK MANAGEMENT (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member in CIRSA against stated liability or loss to the limit of the financial resources of CIRSA. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

The scope, terms, conditions and limitations of the coverage's are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents. There has been no change in the deductibles or coverage over the last three years. The types and monetary limits of the coverage's are generally described below.

I. TYPES OF COVERAGES (subject to the limit of CIRSA's liability as described in Section II below):

1. Property Coverage
2. Liability coverage:
 - a. General liability.
 - b. Auto liability.
 - c. Law enforcement liability.
 - d. Public official errors and omissions liability.
 - e. Excess liability (for federal and out-of-state public official's claims and federal and out-of-state law enforcement).
3. Crime coverage (including employee dishonesty and money and securities).
4. Supplemental defense cost coverage for Colorado liability claims.

II. EXCESS INSURERS, AGGREGATE LIMITS AND MEMBER DEDUCTIBLE:

For the coverage's described in Section I, CIRSA is liable only for payment of the applicable self-insured retentions and only to a total annual aggregate amount for CIRSA members as a whole of the amount of the applicable CIRSA loss fund for the coverage period. There is no aggregate excess coverage over any loss fund. Only the applicable excess insurers in applicable excess and reinsurance policies shall be payable, and only by those excess insurers in excess of these CIRSA self-insured retentions. Fort Lupton has no settlements that exceeded insurance coverage.

A member-selected deductible applies to each municipality's claims/occurrences. Payment of the deductible shall reduce the amount otherwise payable under the applicable CIRSA retention.

2011 CIRSA SELF-INSURED RETENTIONS:

1. \$500,000 per claim/occurrence property
2. \$1,000,000 per claim/occurrence liability
3. \$100,000 per claim/occurrence Public Officials Liability.

2011 CIRSA LOSS FUND AMOUNTS:

Loss fund amounts are as adopted or amended from time to time by the Board of Directors based on the members in the property/casualty pool for the year and interest earnings on those amounts. Information on current loss fund amounts is available from the CIRSA Deputy Executive Director/Chief Financial Officer, at (303) 757-5475.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 12: RISK MANAGEMENT (Continued)

There is a deductible paid by the City of \$1,000 (liability) and \$1,000 (property), which applies to each of its claims/occurrences.

Fort Lupton continues to carry CIRSA insurance for Workers' Compensation, and Voluntary Accident Medical Insurance for volunteer and service workers.

NOTE 13: JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an on-going financial interest or an on-going financial responsibility. The City participates in the following joint venture:

Northern Colorado Water Conservancy District - NISP.

Northern Colorado Water Conservancy District, a quasi-municipal entity and political subdivision of the State of Colorado was established July 6, 1970, pursuant to the Water Conservancy District Act. Acting by and through its Northern Integrated Supply Project Water Activity Enterprise (NISP) (a government owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. 37-45,1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513. In January 2003, Fort Lupton entered into an agreement with NISP in developing a water project for the purpose of developing a new reliable water supply.

Overall Project costs will be divided among the entities that participate in the Project.

The First Phase of the Project consisted of preliminary studies to evaluate both the potential of Poudre reservoir sites and the South Platte Water Conservation Project. The First Phase has been accomplished and there appears to be potential project configurations that may serve the needs of the Project.

The Second Phase of the Project, which consists of additional reservoir site evaluations, alternatives analysis, environmental studies, financial analyses, and related work, will require funding to complete the phase. The City of Fort Lupton has agreed to provide to the NISP Enterprise funds for its pro rata share of the costs necessary to complete the Second Phase of the Project.

Our pro rata share is

<u>Year Paid</u>	<u>Amount</u>
2006	\$ 95,000
2007	22,476
2008	59,976
2010	112,500
2011	<u>112,500</u>
Total	\$402,452

Investments in the joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

Complete financial statements of the Subdistrict can be obtained from The Northern Colorado Water Conservancy District.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 13: JOINT VENTURES (Continued)

The Town of Hudson and the City of Fort Lupton are Colorado municipal corporations empowered to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18 of the Constitution of the State of Colorado, and the provisions of C.R.S. 29-1-201 et seq. in those circumstances where governmental entities may make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with each other to accomplish mutually beneficial ends. They entered into an Intergovernmental Agreement on July 26, 1995, to jointly provide for the construction, operation and maintenance of the water treatment plant to treat raw water, owned, controlled by the respective parties hereto, which water when treated will be available for use and consumption by the residents and customers of Hudson and Fort Lupton respectively.

Upon completion of the original water treatment plant, each party owned the following rights and interests: Fort Lupton owned an undivided five-sixths (5/6ths) of the treatment capacity of said plant, as well as an undivided five-sixths (5/6ths) of the personal property which constitutes the physical plant. Hudson owned the remaining undivided one-sixth (1/6th) of the treatment capacity and personal property constituting the physical plant. Each party shall own as its sole and separate property the right to deliver to the plant for treatment the raw untreated water that it owns or controls and is entitled to receive by means of the Northern Colorado Water Conservancy District's Southern Water Supply Project.

A separate flow meter is installed at the discharge point of the plant and at which treated water is delivered to the separate delivery systems of Fort Lupton and Hudson, which separate flow meters shall measure the number of gallons of treated water delivered to each party. On a monthly basis, the total of the treated water delivered from the plant to each party shall be added together to determine the total number of gallons in and delivered from the plant. The number of gallons of treated water separately delivered to Hudson shall then become the numerator in a fraction in which the entire total of treated gallons delivered to both parties is the denominator. The fraction which results shall be multiplied by the total operations and maintenance costs incurred by the operator in operating the plant during the month, and shall constitute the cost to each party of operations and maintenance for the month including fixed monthly operating costs, Hudson's amount shall be billed to Hudson on or before the 12th day of the following calendar month, and must be received by the next to the last business day of the calendar month.

NOTE 14: TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue rising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment with restricted net assets of \$1,696,861. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

As a result of this constitutional requirement, the residents of Fort Lupton, in 1993, passed Referendum A. This referendum requires that if, in any given year, the City has revenues in excess of current spending limits due to property (ad valorem), sales, or use taxes, then that excess must be used for water and wastewater projects, purchase of water rights, and construction of the water system.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 14: TAX, SPENDING, AND DEBT LIMITATIONS (Continued)

In 2000, the residents of Fort Lupton renewed the ½ cent Sales and Use Tax for Street Improvements for 10 years; in 2001, the ½ cent Sales and Use Tax for Culture, Parks and Recreation was renewed for 20 years; in 2002, the residents approved a \$6.7 million general obligation tax to construct a Recreation Center, and in 2005 the citizens authorized extension of the ½ cent water sales tax slated to expire in 2006 for an additional 20 years. All four of these issues have been exempted from the revenue restrictions of Article X, Section 20, and from the requirements of Referendum A.

NOTE 15: DEFAULT ON GOLF COURSE REVENUE ANTICIPATION WARRANTS

The Golf Enterprise has been in technical default since June 2000, due to the level of its bond reserves. The course has not collected sufficient green fees and other revenues to pay the bond interest or principal on its 1996 Revenue Anticipation Warrants.

The total payment due for 2011 was \$756,050, \$465,000 in principal and \$291,050 in interest. This payment was not made and the principal and interest are recorded in current liabilities in the Golf Enterprise Fund as Bond Payable-Matured and Accrued Interest Payable-Matured. It is anticipated that the payments for 2012 will also not be paid and that the warrants will remain in default.

As a result of the default, the bond covenant states that the bonds become due and payable and thus the balance has been re-classed to Current Bonds Payable resulting in a Current Bond Payable Balance of \$5,800,000.

The Golf Enterprise Board recognizes the community sentiment against the City spending any more non-golf funds to support golf bond interest. In April, 2003, the Board issued a press release indicating "a refinancing or restructuring of the existing warrants is not financially and legally feasible at this time."

NOTE 16: COMMITMENTS AND CONTRACTS & BUDGET OVERAGES

On July 30, 2008 the City entered into an agreement with Weld County Dispatch Center (WELDCOM), until December 31, 2009 with automatic one year renewals through December 19,2019. The City's share of expenses for 2011 total \$19,166.

On July 14, 1999, Fort Lupton and Operations Management International, Inc. (OMI) entered into an agreement for compensation for services to manage, operate, and maintain the effluent discharged from the Wastewater Treatment Plant and the finished water discharged for the Water Treatment Facility. Compensation for services is negotiated every three years. Compensation for years two & three will be adjusted based on the base fee adjustment formula shown in Appendix F of the negotiated agreement. Subsequent years' base fees shall be determined as hereinafter specified.

On September 27, 2010 the City of Fort Lupton Golf Enterprise Board renewed a three-year agreement ending December 31, 2013 with Escalante Golf, LLC for Golf Management services for the Coyote Creek Golf Course at 222 Clubhouse Drive, Fort Lupton, Colorado 80621.

On August 22, 2007 the City entered into a contract with Verizon Wireless to lease 275 square feet of the City's Parks Shop until 2012. Rent in the amount of \$146,000 was paid to the City the first 3 months of the 5 year lease term, 1 years of the lease period remain.

CITY OF FORT LUPTON

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

NOTE 17: COMPLIANCE

The City may be in violation of state statutes as the expenditures in the Utility Enterprise and Recreation Center Funds exceed the appropriated budgets.

**Enterprise Funds
Operating Expenditures**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Utility Fund	2,813,054	2,813,054	3,170,747	(357,693)
Recreation Fund	1,032,803	1,032,803	1,073,717	(40,914)

CITY OF FORT LUPTON, COLORADO

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE**

Year Ended December 31, 2011

(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Positive (Negative) Variance	
REVENUES					
Taxes	\$ 3,861,227	\$ 3,861,227	\$ 3,891,475	\$ 30,248	\$ 3,609,219
Licenses and Permits	101,670	101,670	151,975	50,305	169,704
Intergovernmental	507,174	507,174	676,578	169,404	506,823
Charges for Services	362,615	362,615	432,886	70,271	386,499
Fines and Forfeits	197,125	197,125	171,826	(25,299)	194,716
Other	110,240	109,240	728,728	619,488	160,333
Total Revenues	<u>5,140,051</u>	<u>5,139,051</u>	<u>6,053,468</u>	<u>914,417</u>	<u>5,027,294</u>
EXPENDITURES					
General Government	1,440,651	1,458,079	1,407,112	50,967	1,232,713
Public Safety	1,306,681	1,328,322	1,157,474	170,848	1,589,310
Public Works	395,397	395,397	396,787	(1,390)	419,765
Capital Outlay	187,000	755,778	810,889	(55,111)	67,839
Other	809,650	809,650	678,315	131,335	729,709
Total Expenditures	<u>4,139,379</u>	<u>4,747,226</u>	<u>4,450,577</u>	<u>296,649</u>	<u>4,039,336</u>
Excess of Revenues Over Expenditures	<u>1,000,672</u>	<u>391,825</u>	<u>1,602,891</u>	<u>1,211,066</u>	<u>987,958</u>
Other Financing Sources (Uses)					
Transfers Out	<u>(691,420)</u>	<u>(691,420)</u>	<u>(690,711)</u>	<u>709</u>	<u>(742,909)</u>
Total Other Financing Sources (Uses)	<u>(691,420)</u>	<u>(691,420)</u>	<u>(690,711)</u>	<u>709</u>	<u>(742,909)</u>
EXCESS AND DEFICIENCY OF REVENUES OVER EXPENDITURE AND ONLY EXCESS IN THE OTHER SOURCES	<u>\$ 309,252</u>	<u>\$ (299,595)</u>	<u>912,180</u>	<u>\$ 1,211,775</u>	<u>245,049</u>
FUND BALANCES, Beginning of Year			<u>2,633,100</u>		<u>2,388,051</u>
FUND BALANCES, End of Year			<u>\$ 3,545,280</u>		<u>\$ 2,633,100</u>

CITY OF FORT LUPTON, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2011

(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011			Positive (Negative) Variance	2010 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
General Property Taxes	\$ 1,402,232	\$ 1,402,232	\$ 1,401,364	\$ (868)	\$ 1,274,416
Specific Ownership Taxes	170,000	170,000	164,243	(5,757)	134,835
General Sales Taxes	2,214,390	2,214,390	2,204,073	(10,317)	2,099,311
Building Materials	34,770	34,770	91,692	56,922	66,743
Other	39,835	39,835	30,102	(9,733)	33,913
Total Taxes	3,861,227	3,861,227	3,891,474	30,247	3,609,218
Licenses and Permits					
Professional and Occupational	11,000	11,000	9,710	(1,290)	11,928
Building Permits	62,770	62,770	129,100	66,330	133,593
Other	17,900	17,900	13,165	(4,735)	23,378
Total Licenses and Permits	91,670	91,670	151,975	60,305	168,899
Intergovernmental					
Tobacco Products Tax	18,000	18,000	13,235	(4,765)	14,391
Federal and State Grants	20,500	20,500	125,876	105,376	50,086
Mineral Lease Income	45,000	45,000	64,891	19,891	47,140
State Highway Users Tax	293,674	293,674	278,913	(14,761)	286,834
County Road and Bridge	60,000	60,000	60,984	984	40,175
Severance Tax	70,000	70,000	132,679	62,679	68,197
Total Intergovernmental	507,174	507,174	676,578	169,404	506,823
Charges for Services					
Franchise Fees	300,700	300,700	331,016	30,316	322,677
Street & Road Fees	4,000	4,000	19,443	15,443	4,235
Zoning and Planning Fees	46,500	46,500	82,427	35,927	49,371
Total Charges for Services	351,200	351,200	432,886	81,686	376,283

CITY OF FORT LUPTON, COLORADO

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE**

For the Year Ended December 31, 2011
(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Positive (Negative) Variance	
REVENUES					
Fines and Forfeits					
Traffic	120,000	120,000	93,361	(26,639)	121,777
Other	88,540	88,540	78,465	(10,075)	83,155
Total Fines and Forfeits	208,540	208,540	171,826	(36,714)	204,932
Other					
Interest Income	4,900	4,900	6,087	1,187	6,601
Oil Royalties	20,000	20,000	26,250	6,250	18,370
Pension Forfeitures	30,000	30,000	23,875	(6,125)	30,199
CBT Lease	33,000	33,000	5,190	(27,810)	27,763
Infrastructure Assessment	10,000	10,000	601,610	591,610	805
Other Revenue	22,340	21,340	65,716	44,376	77,400
Total Other	120,240	119,240	728,728	609,488	161,138
Total Revenues	<u>\$ 4,190,007</u>	<u>\$ 4,189,007</u>	<u>\$ 4,792,028</u>	<u>\$ 603,021</u>	<u>\$ 3,975,288</u>

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2011
(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Positive (Negative) Variance	
EXPENDITURES					
General Government					
Legislative	\$ 86,815	\$ 104,243	\$ 101,195	\$ 3,048	\$ 77,943
City Council	90,771	90,771	94,653	(3,882)	84,308
Judicial					
Municipal Court	132,788	132,788	100,551	32,237	141,318
City Attorney	48,380	48,380	33,325	15,055	45,352
Administrative and Operations	631,583	631,583	500,558	131,025	382,174
Finance	305,314	305,314	286,080	19,234	291,403
Internal Technology	-	-	62,559	(62,559)	-
Community Development	145,000	145,000	228,191	(83,191)	210,215
Total General Government	<u>1,440,651</u>	<u>1,458,079</u>	<u>1,407,112</u>	<u>50,967</u>	<u>1,232,713</u>
Public Safety	<u>1,306,681</u>	<u>1,328,322</u>	<u>1,157,474</u>	<u>170,848</u>	<u>1,589,310</u>
Public Works					
Engineering	10,000	10,000	8,518	1,482	2,939
Shop	37,190	37,190	31,730	5,460	69,200
Streets and Storm Drainage	348,207	348,207	356,539	(8,332)	347,627
Total Public Works	<u>395,397</u>	<u>395,397</u>	<u>396,787</u>	<u>(1,390)</u>	<u>419,766</u>
Capital Outlay	<u>187,000</u>	<u>755,778</u>	<u>810,889</u>	<u>(55,111)</u>	<u>67,839</u>
Other					
Water Lease	71,843	71,843	67,122	4,721	68,843
Water Carryover	19,000	19,000	18,750	250	18,745
Water Services Professional Fees	100,000	100,000	124,670	(24,670)	237,251
NISP	112,500	112,500	112,500	-	112,500
Street Sales Tax	140,921	140,921	31,308	109,613	30,921
Insurance & Fees	365,386	365,386	323,965	41,421	261,450
Total Expenditures	<u>\$ 4,139,379</u>	<u>\$ 4,747,226</u>	<u>\$ 4,450,577</u>	<u>\$ 296,649</u>	<u>\$ 4,039,338</u>

CITY OF FORT LUPTON, COLORADO

SALES TAX CULTURE, PARKS, AND RECREATION FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2011

(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Positive (Negative) Variance	2010 Actual
REVENUES					
Sales Tax	\$ 321,550	\$ 321,550	\$ 348,475	\$ 26,925	\$ 309,436
Intergovernmental	50,000	50,000	2,535	(47,465)	111,359
Interest Income	50	50	19	(31)	4
Enhancement Fees	9,000	9,000	7,988	(1,012)	1,425
Private Contributions	5,000	5,000	2,266	(2,734)	15,072
Usage Fees	79,075	79,075	66,189	(12,886)	73,884
Other	6,450	6,450	11,146	4,696	6,843
Total Revenues	471,125	471,125	438,618	(32,507)	518,023
EXPENDITURES					
Current:					
Community Center	254,033	254,033	242,299	11,734	219,186
Senior Programs	60,805	60,805	51,226	9,579	55,820
Athletic Programs	50,523	50,523	48,912	1,611	45,709
Parks and Recreation	252,937	252,937	249,882	3,055	210,597
Culture Programs	32,772	32,772	34,153	(1,381)	36,858
Capital Outlay:					
Parks and Recreation	-	-	2,346	(2,346)	89,657
Total Expenditures	651,070	651,070	628,818	22,252	657,827
Excess of Revenues Over Expenditures	(179,945)	(179,945)	(190,200)	(10,255)	(139,804)
Other Financing Sources (Uses)					
Transfers In	285,709	285,709	285,000	709	302,895
Transfers Out	(62,000)	(62,000)	(62,000)	-	(37,045)
Total Other Financing Sources (Uses)	223,709	223,709	223,000	709	265,850
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 43,764	\$ 43,764	32,800	\$ (9,546)	126,046
FUND BALANCES, Beginning of Year			181,585		55,539
FUND BALANCES, End of Year			\$ 214,385		\$ 181,585

CITY OF FORT LUPTON, COLORADO

NON MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2011

	<u>Conservation Trust Fund</u>	<u>Perpetual Care Cemetery Fund</u>	<u>Memorial Trust Fund</u>	<u>Non Major Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 155,528	\$ 105,928	\$ 2,215	\$ 263,671
Prepaid Expense	-	135	-	135
Total Assets	<u>155,528</u>	<u>106,063</u>	<u>2,215</u>	<u>263,806</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	-	708	-	708
Accrued Expenses	-	155	-	155
Total Liabilities	<u>-</u>	<u>863</u>	<u>-</u>	<u>863</u>
Fund Balances				
Restricted	<u>155,528</u>	<u>105,200</u>	<u>2,215</u>	<u>262,943</u>
Total Fund Balances	<u>155,528</u>	<u>105,200</u>	<u>2,215</u>	<u>262,943</u>
Total Liabilities and Fund Balances	<u>\$ 155,528</u>	<u>\$ 106,063</u>	<u>\$ 2,215</u>	<u>\$ 263,806</u>

CITY OF FORT LUPTON, COLORADO

NON MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
 Year Ended December 31, 2011

	Conservation Trust Fund	Perpetual Care Cemetery Fund	Memorial Trust Fund	Total
REVENUES				
Federal and State Sources	68,840	-	-	68,840
Charges for Services	-	44,900	-	44,900
Interest Income	163	115	-	278
Other	-	14,900	2	14,902
Total Revenues	69,003	59,915	2	128,920
EXPENDITURES				
Current:				
Other	23,720	5,105	-	28,825
Salaries and Benefits	-	36,858	-	36,858
Supplies	-	1,667	-	1,667
Utilities	-	5,593	-	5,593
Capital Outlay:				
Land and Land Improvements	37,531	-	-	37,531
Total Expenditures	61,251	49,223	-	110,474
Excess (Deficiency) of Revenues Over Expenditures	<u>7,752</u>	<u>10,692</u>	<u>2</u>	<u>18,446</u>
Other Financing Sources (Uses)				
Transfers In	-	100	-	100
Transfers Out	-	-	(100)	(100)
Total Other Financing Sources (Uses)	-	100	(100)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>7,752</u>	<u>10,792</u>	<u>(98)</u>	<u>18,446</u>
FUND BALANCE, Beginning of Year	<u>147,776</u>	<u>94,408</u>	<u>2,313</u>	<u>244,497</u>
FUND BALANCE, End of Year	<u>\$ 155,528</u>	<u>\$ 105,200</u>	<u>\$ 2,215</u>	<u>\$ 262,943</u>

CITY OF FORT LUPTON, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2011

(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011			2010 Actual
	Original & Final Budget	Actual	Positive (Negative) Variance	
REVENUES				
Lottery Funds	\$ 65,000	\$ 68,840	\$ 3,840	\$ 65,112
Interest Income	250	163	(87)	234
Total Revenues	<u>65,250</u>	<u>69,003</u>	<u>3,753</u>	<u>65,346</u>
EXPENDITURES				
Other	-	23,720	(23,720)	6,454
Capital Outlay:				
Land and Improvements	<u>137,000</u>	<u>37,531</u>	<u>99,469</u>	<u>21,452</u>
Total Expenditures	<u>137,000</u>	<u>61,251</u>	<u>75,749</u>	<u>27,906</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (71,750)</u>	<u>7,752</u>	<u>\$ 79,502</u>	<u>37,440</u>
FUND BALANCES, Beginning of Year		<u>147,776</u>		<u>110,336</u>
FUND BALANCES, End of Year		<u>\$ 155,528</u>		<u>\$ 147,776</u>

CITY OF FORT LUPTON, COLORADO

PERPETUAL CARE CEMETARY FUND
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2011

(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011			
	Original & Final Budget	Actual	Positive (Negative) Variance	2010 Actual
REVENUES				
Charges for Services	\$ 39,150	\$ 44,900	\$ 5,750	\$ 44,150
Perpetual Care	10,200	11,700	1,500	10,100
Interest Income	300	115	(185)	201
Other	4,000	3,200	(800)	3,400
Total Revenues	<u>53,650</u>	<u>59,915</u>	<u>6,265</u>	<u>57,851</u>
EXPENDITURES				
Current:				
Salaries and Benefits	42,774	36,858	5,916	34,533
Supplies	1,500	1,667	(167)	1,320
Utilities	13,401	5,593	7,808	8,623
Other	4,950	5,105	(155)	5,331
Total Expenditures	<u>62,625</u>	<u>49,223</u>	<u>13,402</u>	<u>49,807</u>
Excess of Revenues Over Expenditures	<u>(8,975)</u>	<u>10,692</u>	<u>19,667</u>	<u>8,044</u>
Other Financing Sources (Uses)				
Transfers In	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (8,875)</u>	<u>10,792</u>	<u>\$ 19,667</u>	<u>8,144</u>
FUND BALANCES, Beginning of Year		<u>94,408</u>		<u>86,264</u>
FUND BALANCES, End of Year		<u>\$ 105,200</u>		<u>\$ 94,408</u>

CITY OF FORT LUPTON, COLORADO

**MEMORIAL TRUST FUND
BUDGETARY COMPARISON SCHEDULE**

Year Ended December 31, 2011

(With Comparative Actual Amounts For Year Ended December 31, 2010)

	2011			2010 Actual
	Original & Final Budget	Actual	Positive (Negative) Variance	
REVENUES				
Other	\$ 3	\$ 2	\$ (1)	\$ 4
Total Revenues	3	2	(1)	4
Excess of Revenues Over Expenditures	3	2	(1)	4
Other Financing Sources (Uses)				
Transfers Out	(100)	(100)	-	(100)
Total Other Financing Sources (Uses)	(100)	(100)	-	(100)
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (97)</u>	(98)	<u>\$ (1)</u>	(96)
FUND BALANCES, Beginning of Year		2,313		2,409
FUND BALANCES, End of Year		<u>\$ 2,215</u>		<u>\$ 2,313</u>

CITY OF FORT LUPTON, COLORADO

**UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL**

Year Ended December 31, 2011

(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011			Positive (Negative) Variance	2010 Actual
	Original Budget	Final Budget	Actual		
Operating Revenues					
Charges for Services	\$ 3,635,908	\$ 3,635,908	\$ 3,836,064	\$ 200,156	\$ 3,834,976
Other Income	122,500	122,500	286,931	164,431	83,352
Total Operating Revenues	3,758,408	3,758,408	4,122,995	364,587	3,918,328
Operating Expenses					
Salaries and Benefits	373,521	373,521	342,112	31,409	356,294
Professional Fees	3,500	3,500	3,050	450	2,873
Contract Management	755,445	755,445	754,342	1,103	747,172
Insurance	48,897	48,897	63,705	(14,808)	50,897
Maintenance	174,215	174,215	154,421	19,794	245,194
Supplies	22,000	22,000	23,402	(1,402)	10,735
Utilities	211,100	211,100	245,561	(34,461)	208,738
Water Assessments	335,000	335,000	301,543	33,457	287,813
Depreciation and Amortization	834,076	834,076	1,208,197	(374,121)	834,052
Other	55,300	55,300	74,414	(19,114)	56,839
Total Operating Expenses	2,813,054	2,813,054	3,170,747	(357,693)	2,800,607
Net Operating Income	945,354	945,354	952,248	6,894	1,117,721
Nonoperating Revenues (Expenses)					
Investment Income (Loss)	5,000	5,000	1,812	(3,188)	2,744
Capital Contributions	250,000	250,000	100,902	(149,098)	793,264
Interest Expense	(777,297)	(777,297)	(789,563)	(12,266)	(795,590)
Administrative Fee	(31,000)	(31,000)	(29,422)	1,578	(17,511)
Bond Principal	(1,031,680)	(1,031,680)	(36)	1,031,644	-
Other	18,700	18,700	30,380	-	22,041
Total Nonoperating Revenues (Expenses)	(1,566,277)	(1,566,277)	(685,927)	880,350	4,948
Net Income (Loss)					
Before Transfers	(620,923)	(620,923)	266,321	887,244	1,122,669
Transfers In	405,711	405,711	405,711	-	440,014
Net Transfers In	405,711	405,711	405,711	-	440,014
Net Income (Loss)	\$ (215,212)	\$ (215,212)	672,032	\$ 887,244	1,562,683
NET ASSETS, Beginning of Year			31,105,169		29,542,486
NET ASSETS, End of Year			\$ 31,777,201		\$ 31,105,169

CITY OF FORT LUPTON, COLORADO

STORM WATER DRAINAGE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
 Year Ended December 31, 2011
 (With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011			2010 Actual
	Original & Final Budget	Actual	Positive (Negative) Variance	
Operating Revenues				
Charges for Services	\$ 70,400	\$ 67,774	\$ (2,626)	\$ 69,310
Total Operating Revenues	<u>70,400</u>	<u>67,774</u>	<u>(2,626)</u>	<u>69,310</u>
Operating Expenses				
Salaries and Benefits	17,783	11,637	6,146	12,218
Professional Fees	(1,000)	-	(1,000)	-
Maintenance	-	-	-	178
Supplies	900	555	345	121
Total Operating Expenses	<u>17,683</u>	<u>12,192</u>	<u>5,491</u>	<u>12,517</u>
Net Operating Income	<u>52,717</u>	<u>55,582</u>	<u>2,865</u>	<u>56,793</u>
No operating Revenues (Expenses)				
Investment Income (Loss)	350	166	(184)	360
Capital Contributions	-	-	-	120,499
Total Nonoperating Revenues (Expenses)	<u>350</u>	<u>166</u>	<u>(184)</u>	<u>120,859</u>
Net Income (Loss) Before Transfers	<u>53,067</u>	<u>55,748</u>	<u>2,681</u>	<u>177,652</u>
Net Income (Loss)	<u>\$ 53,067</u>	<u>55,748</u>	<u>\$ 2,681</u>	<u>177,652</u>
NET ASSETS, Beginning of Year		<u>451,659</u>		<u>274,007</u>
NET ASSETS, End of Year		<u>\$ 507,407</u>		<u>\$ 451,659</u>

CITY OF FORT LUPTON, COLORADO

GOLF COURSE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL

Year Ended December 31, 2011

(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Positive (Negative) Variance	2010 Actual
OPERATING REVENUES					
Charges for Services	\$ 654,400	\$ 654,400	\$ 663,631	\$ 9,231	\$ 626,492
Sales of Merchandise	184,001	184,001	166,017	(17,984)	165,332
Other	250	250	1,292	1,042	187
Total Operating Revenues	<u>838,651</u>	<u>838,651</u>	<u>830,940</u>	<u>(7,711)</u>	<u>792,011</u>
OPERATING EXPENSES					
Salaries and Benefits	295,250	297,295	293,682	3,613	303,321
Professional Fees	37,200	47,266	36,694	10,572	32,751
Insurance	27,000	27,000	29,846	(2,846)	13,149
Maintenance	47,600	47,600	38,933	8,667	46,142
Management Fees	60,000	60,000	60,000	-	60,000
Merchandise for Resale	73,800	86,540	85,995	545	85,462
Supplies	71,300	71,300	63,329	7,971	67,652
Utilities	53,200	53,200	55,277	(2,077)	53,977
Depreciation and Amortization	88,387	88,387	85,190	3,197	85,190
Equipment Rental	45,500	45,500	59,998	(14,498)	39,569
Other	56,700	94,218	90,170	4,048	55,387
Total Operating Expenses	<u>855,937</u>	<u>918,306</u>	<u>899,114</u>	<u>19,192</u>	<u>842,600</u>
Net Operating Loss	<u>(17,286)</u>	<u>(79,655)</u>	<u>(68,174)</u>	<u>11,481</u>	<u>(50,589)</u>
NONOPERATING REVENUES (Expenses)					
Interest Income	350	350	32	(318)	55
Enhancement Assessment	-	-	2,000	2,000	-
Interest Expense	-	(6,631)	(295,762)	(289,131)	(289,224)
Administration Fee	-	-	(23,397)	(23,397)	(23,397)
Total Nonoperating Revenues (Expenses)	<u>350</u>	<u>(6,281)</u>	<u>(317,127)</u>	<u>(310,846)</u>	<u>(312,566)</u>
Net Loss	<u>\$ (16,936)</u>	<u>\$ (85,936)</u>	<u>(385,301)</u>	<u>\$ (299,365)</u>	<u>(363,155)</u>
NET ASSETS, Beginning of Year			<u>(5,306,675)</u>		<u>(4,943,520)</u>
NET ASSETS, End of Year			<u>\$ (5,691,976)</u>		<u>\$ (5,306,675)</u>

CITY OF FORT LUPTON, COLORADO

RECREATION CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended December 31, 2011

(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011			2010 Actual
	Original & Final Budget	Actual	Positive (Negative) Variance	
OPERATING REVENUES				
Charges for Services	\$ 337,205	\$ 343,652	\$ 6,447	\$ 307,687
Other	9,200	7,583	(1,617)	6,376
Total Operating Revenues	346,405	351,235	4,830	314,063
OPERATING EXPENSES				
Salaries	495,763	482,915	12,848	492,238
Insurance	17,180	22,414	(5,234)	17,180
Maintenance	20,500	29,717	(9,217)	21,820
Merchandise for Resale	1,300	911	389	1,215
Supplies	42,100	51,681	(9,581)	41,845
Utilities	115,000	127,612	(12,612)	121,170
Depreciation	252,510	252,510	-	252,510
Recreation Programs	54,950	71,017	(16,067)	61,900
Other	33,500	34,940	(1,440)	39,447
Total Operating Expenses	1,032,803	1,073,717	(40,914)	1,049,325
Net Operating Income	(686,398)	(722,482)	(36,084)	(735,262)
NONOPERATING REVENUES (Expenses)				
Property Taxes	880,893	880,245	(648)	893,695
Investment Income/(Loss)	-	2,091	2,091	1,864
Interest Expense	(199,788)	(391,342)	(191,554)	(209,877)
Total Nonoperating Revenues	681,105	490,994	(190,111)	685,682
Net Income Before Transfers	(5,293)	(231,488)	(226,195)	(49,580)
Transfers In	62,000	62,000	-	37,045
Net Income (Loss)	\$ 56,707	(169,488)	\$ (226,195)	(12,535)
NET ASSETS, Beginning of Year Restated		22,170		34,705
NET ASSETS, End of Year		\$ (147,318)		\$ 22,170

LOCAL HIGHWAY FINANCE REPORT		City or County:
		YEAR ENDING : December-2011
This Information From The Records Of: City of Fort Lupton	Prepared By: Phone:	Leann Perino (303) 857-6694 x120

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)	765,794
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	270,390
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	80,634
2. General fund appropriations		b. Snow and ice removal	-
3. Other local imposts (from page 2)	1,116,499	c. Other	36,823
4. Miscellaneous local receipts (from page 2)	114,491	d. Total (a. through c.)	117,457
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	474,484
a. Bonds - Original Issues		6. Total (1 through 5)	1,628,125
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	
7. Total (1 through 6)	1,230,990	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	309,015	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,540,005	b. Redemption	
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,628,125

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				-
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	(20,515)	1,540,005	1,628,125	(108,635)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December-2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	1,539
b. Other local imposts:		b. Traffic Fines & Penalties	54,140
1. Sales Taxes	289,662	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	601,610	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	225,227	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,116,499	h. Other	58,812
c. Total (a. + b.)	1,116,499	i. Total (a. through h.)	114,491
	(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	278,913	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	30,102	d. Federal Transit Admin	
d. Other (Funds for Street Cleaning)	-	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	30,102	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	309,015	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			-
b. Engineering Costs			-
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		765,794	765,794
(4). System Enhancement & Operation			-
(5). Total Construction (1) + (2) + (3) + (4)	-	765,794	765,794
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	765,794	765,794
			(Carry forward to page 1)

Notes and Comments: