



FIRESTONE

A COMMUNITY IN MOTION



Comprehensive Annual

Financial Report

TOWN OF FIRESTONE, COLORADO

Comprehensive Annual Financial Report

For The Fiscal Year Ended

December 31, 2009

Issued by:

**Town of Firestone,
Finance Department**



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Town of Firestone, Colorado
Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2009

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June 11, 2010

To the Honorable Mayor, members of the
Board of Trustees, and Citizens of the
Town of Firestone:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Town of Firestone (the Town) for the fiscal year ended December 31, 2009.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Watkins & Schommer, Inc, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Firestone's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Firestone's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town, incorporated in 1908, is located on the northern fringe of the Denver Metropolitan Area of Colorado. The Town currently occupies a land planning area of approximately 18 square miles and serves a population of about 9,600. Firestone is located in Weld County. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council and voter approval. On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992.

The Town has operated under the Trustees-Town Manager form of government since its first meeting as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the Board) consisting of the mayor and six trustees. The Town's board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town's manager, clerk, treasurer, and attorney. The Town's manager is responsible for carrying out the goals, policies, and ordinances of the Board, for overseeing the day-to-day operations of the Town, and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The mayor is elected for a two-year term and the trustees are elected for four-year terms. The mayor and trustees are elected at-large.

The Town provides a full range of services, including police protection; construction and maintenance of streets, parks, trails, open space, and stormwater and water utilities. Other utility services, such as sewer, electricity, natural gas, and trash removal, are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town's finance director on or about the last day of August each year. The finance director and manager use these requests as the starting point for developing a proposed budget. The town manager then presents the proposed budget to the board for review prior to October 15th. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15th. The Town's fiscal year is on a calendar year basis. The Town's budget is prepared by fund (e.g., general), department (e.g., police), and division (e.g., patrol). However, the annual budget is appropriated and approved at the fund level only, by the Board of Trustees and certified to the State of Colorado as such. Transfers of appropriations between funds require the approval of the Board.

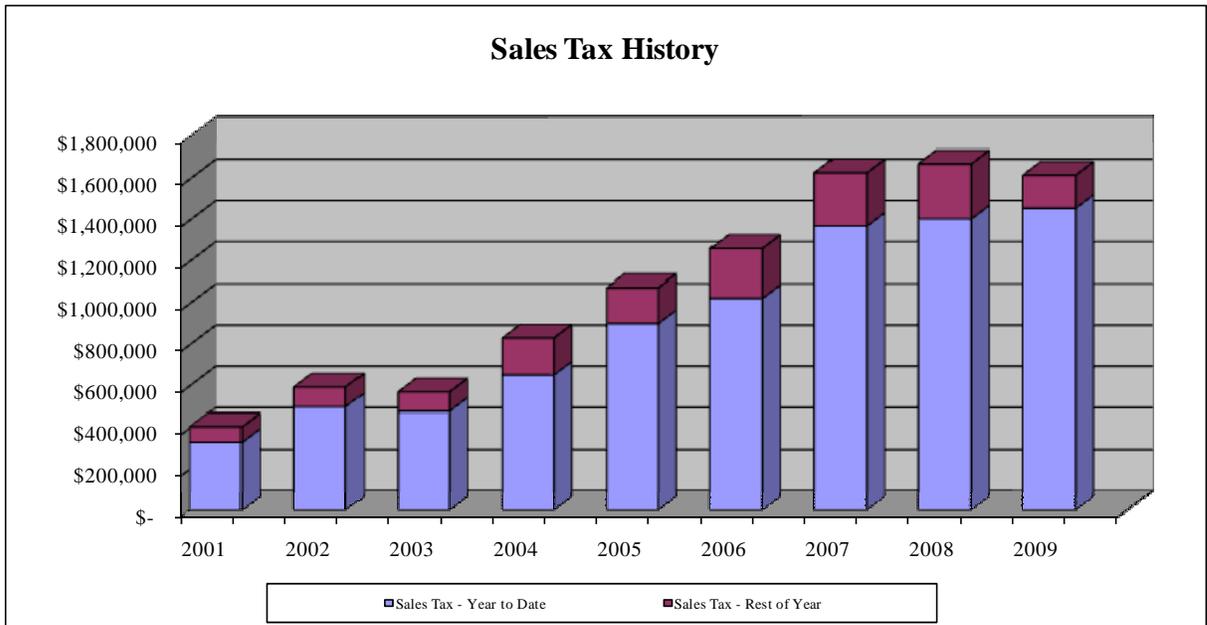
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, Highway Fund and Park Fund, these comparisons are presented on pages 30 – 32 as part of the basic financial statements for the governmental funds. For all other governmental funds, the comparisons are presented in the non-major governmental funds subsection of this report, which begins on page 75.

Factors Affecting Financial Condition

Local Economy

The current adopted version of the Town's Master Plan was amended in 2008 and reflects the evolution of Firestone toward a high quality, family oriented community within the overall context of a strategic front-range location in the northern Denver metropolitan area. With this, Firestone's economy has become more diversified in recent years with employment in manufacturing, services, retail, government, banking and construction. Prior to 2005 the Town reached developer agreements for four distinct commercial developments. In 2005, the Town reached an agreement with American Furniture Warehouse (AFW) to construct a 550,000 square foot retail center to anchor an 80-acre commercial development site. In 2006 the Town approved a Public Improvement Reimbursement Agreement (PIRA) with THF Realty, Inc. that will reimburse the developers for offsite infrastructure improvements dedicated to the Town, from pledged revenues where the sales tax that would ordinarily be generated at that site. In 2008 an additional agreement related to the PIRA modified the reimbursement provisions for the portion of the site where two additional big box retail businesses are planned. In 2009 one of those big box sites was completed with a Home Depot store that opened in June of 2009. Additional retail development adjacent to the Home Depot and AFW facilities is expected to occur in the next several years.

Because of the growth of the Town's retail base, sales tax revenues have shown significant growth over the past 8 years. The retail trade sector has steadily employed more of the Town's population in the past several years and significantly influences Firestone's economy. Below is a chart reflecting the increase in sales tax revenues over the last eight years (as of December of each year).



The Town's commercial property development slowed significantly in 2008 and 2009 following several years of rapid growth. This is in line with the national and regional economic recession. While a number of Colorado municipalities have experienced actual declines in sales tax revenue during the 2008-2009 recession, Firestone has experienced a slowdown in sales tax growth.

The Town is currently working to increase the number and variety of businesses throughout the community, including initiatives to enhance the economic success of historic *Old Town* Firestone. In order to accomplish this the Town created the Firestone Urban Renewal Authority (FURA) in late 2009. FURA has not begun financial activity as of yet. The table below details the growth in the Town's total taxable assessed value.

AV year / Year Levied	Assessed Valuation
2003 / 2004	\$ 55,659,010
2004 / 2005	69,416,870
2005 / 2006	83,287,660
2006 / 2007	96,612,970
2007 / 2008	114,332,430
2008 / 2009	118,208,020
2009/2010	132,642,530

The Town of Firestone has seen significant development over the last five years; however, the community has experienced a significant slowdown in residential construction building permits over the past 2 years, as seen in the charts below. The Town expects this to continue for the foreseeable future as the national and state housing markets continue to work through the mortgage crises and valuation adjustments. The table below sets forth single family building permits for the past eight years:



In 2000, the Town had a population of 1,900 and today the Town has a population estimated at approximately 9,600. With the expansive growth, the Town has worked hard to keep pace with the provision of necessary services for its residents. In 2005, the Town purchased the *Kugl Property* also known as Firestone Central Park. The Town envisions this property as a regional amenity including parks, trails, open space, a regional library, cultural and recreation facilities. In 2006 the voters elected *not* to approve a sales tax increase dedicated for the development of this site and therefore the conceptual expansion plans listed above will necessarily be delayed depending on other funding sources. Possible future funds may include amounts from the existing Metropolitan District Agreements entered into with Metro Districts within the Town's boundaries and the later stages of the existing Public Improvement Reimbursement Agreement.

In 2007-2008 the Town constructed a \$1.5 million three-field regional sports complex at Firestone Blvd. and Frontier Street. This was funded by: impact fees held in reserve; funds received pursuant to the Metropolitan District Agreement earmarked for regional improvements from a bond issuance by the Stone Ridge Metropolitan District; and a Great Outdoors Colorado grant.

Long-term Planning

The Board and management are currently working on a major project that will impact the Town's financial position. In 2005, the Board indicated its desire to pursue participation in Northern Integrated Supply Project (NISP) for future water needs. NISP is a proposed joint project to develop water storage and supply facilities for a large group of water providers in the region. The Town is tentatively expecting a revenue bond debt issue or multiple debt issues to cover the costs associated with the project. The timing of such debt issuance is anticipated to within the next few years. As part of the planning for the financing of the NISP the Town undertook a water rate study in 2008 that led to rate changes in early 2009 to better recover the cost of providing water service operating and capital needs including NISP. The last change in water rates was in 2003.

The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for its Board. The Town plans to make adjustments as warranted including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on revenues. For 2009, the Town forecasted 50 housing permits and 87 were actually issued.

Cash Management Policies and Practices

The Finance Department maximizes investment earnings on temporarily idle cash while ensuring that adequate moneys are available to make full and timely payments to vendors. Staff considers the safety, liquidity, and yield of the investment when making investment decisions in compliance with the Town's written investment policy. At present, the Town invests funds with the Colorado Secure Assets Fund (CSAFE) a local government investment pool as well as bank certificates of deposit or other local government eligible investments.

Risk Management

From 1996 through 2007 the Town was a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property and casualty insurance and the Colorado Intergovernmental Risk Sharing Agency/Worker's Compensation (CIRSA/WC) pool for workers compensation insurance. CIRSA and CIRSA/WC are organizations created by intergovernmental agreements, providing insurance coverages to its members through the pooling of self-insured losses and the purchase of stop loss insurance coverage. Beginning in 2008, the Town utilized private sector insurance from The Saint Paul Travelers Companies for Property and Casualty Insurance coverage and Pinnacol Assurance for Workers Compensation Insurance coverage. Cost savings for insurance were realized in both 2008 and 2009 due to this change.

Pension and Other Post-employment Benefits

The Town contributes to three defined benefit pension plans. The first is the "*Old-Hire*" single employer defined benefit pension plan. All assets are held and invested by the Fire and Police Pension Association of Colorado (FPPA). One surviving spouse is covered by this plan.

The second plan is for public safety officers and is a cost-sharing multiple-employer defined benefit pension plan, which is also administered by the FPPA as a separate group plan. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund. This plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the FPPA Pension Fund Board of Trustees.

The third plan is for non-public safety employees and is through the Colorado Public Employees' Retirement Association (PERA) Local Government Division Trust Fund, a cost-sharing multiple-employer defined benefit pension plan. It provides retirement benefits for members and beneficiaries according to plan provisions.

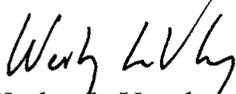
The Town has implemented GASB Statement 45 for its 2007 and later year-end financial statements and its liability for other post-employment benefits is limited to the portion of its annual contributions allocated to the PERA Health Care Fund.

Awards and Acknowledgments

For the third time, the Town of Firestone was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Statements (CAFR) for fiscal year end December 31, 2008. In order to qualify for the award, the Town's CAFR document must be judged to be proficient in various categories, including financial statement presentation, management discussion and analysis, footnote disclosure, other supplementary financial and statistical information.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administrative departments. We would also like to thank Randy Watkins, of Watkins & Schommer, Inc., and staff for their valuable input, able assistance and the professional manner in which the audit engagement was performed. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Firestone's finances.

Respectfully submitted,


Wesley LaVanchy
Town Manager


Ronald W. Lay, CPA
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Firestone
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

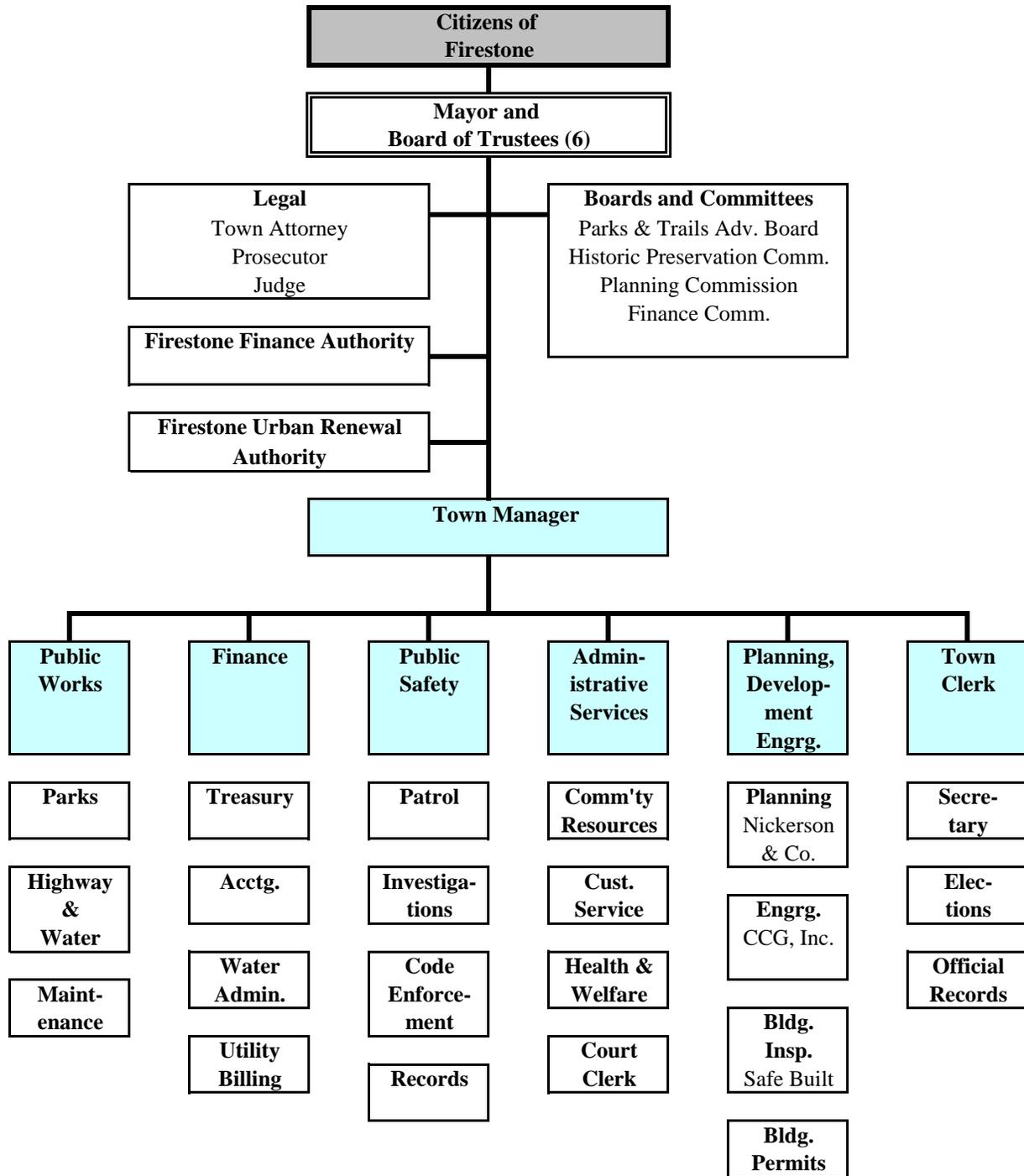
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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Town of Firestone
 Organization Chart - by function
 As of December 31, 2009



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PRINCIPAL OFFICIALS

As of December 31, 2009

TOWN BOARD

CHAD AUER

Mayor

At-Large

CHARLIE THOMAS, Jr.

Board Trustee

At-Large

Mayor Pro-tem

MATT HOLCOMB

Board Trustee

At-Large

KELLY MORGAN

Board Trustee

At-Large

PAUL SORENSEN

Board Trustee

At-Large

BUTCH WALB

Board Trustee

At-Large

DARRELL WALSH

Board Trustee

At-Large

LEGAL AND COURT

SAM LIGHT

KATHLEEN HARRINGTON

Town Attorney

ANDY AUSMUS

Prosecutor

PAUL BASSO

Municipal Court Judge

ADMINISTRATION

WESLEY LA VANCHY

Town Manager

DAVID MONTGOMERY

Police Chief

JUDY HEGWOOD

Town Clerk

DAVE LINDSAY

Engineer - Colorado Civil Group

RONALD W LAY, CPA

Finance Director

BRUCE NICKERSON

Planner - Nickerson & Co.

PETE DITMON

Community Resource Coordinator

THEO ABKES

Public Works Director

BEVERLY MEDINA

Court Coordinator

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Town Board of Trustees
Town of Firestone, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone, Colorado (the "Town") as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Firestone, Colorado, as of December 31, 2009, and the respective changes in financial position, where applicable, cash flows thereof, and the budgetary comparison for the General, Highway, and Park Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the Town determined that certain errors were made in prior year financial statements, which resulted in changes to certain beginning fund balances and beginning net assets.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, capital asset information, statistical section, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison



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information, capital asset information, and Local Highway Finance Report are the responsibility of management and were derived from and relate 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Watkins & Schommer, Inc.

Watkins & Schommer, Inc.

Greeley, Colorado

June 11, 2010

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Management's Discussion and Analysis

As management of the Town of Firestone, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Firestone for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the introductory section of this report.

Background Information

The Town was incorporated in 1908. For accounting purposes the Town uses fifteen basic funds. The General Fund, nine Special Revenue Funds, one Capital Project Fund, two Debt Service Funds, two Enterprise Funds, and one Fiduciary Fund. During 2009, activities of the TAVAS Historical Fund were wound down, and the fund was eliminated by December 31, 2009.

On April 2, 1996, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2009 was set at 6.207 mills for general operations and .598 mills for debt service for a total mill levy of 6.805 mills.

Financial Highlights

- ❑ The Town's financial status improved over the course of the 2009 fiscal year. Total net assets increased .72% due primarily to construction of street, water, and storm water infrastructure that was funded largely by grants and contributions.
- ❑ General revenues account for \$4,000,063 or 42% of total revenues. The Town had \$5,552,964 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. The majority of capital contributions included in this amount are comprised of grants received for the construction of public infrastructure.
- ❑ The Town had \$6,980,131 in expenses related to governmental activities which were offset by program specific charges for services and operating grants and contributions of \$2,787,613. General revenues consisting of property taxes and specific ownership taxes of \$866,380, sales and use taxes of \$2,097,477, other revenues of \$1,036,206, and the planned use of reserves were adequate to provide for these programs.
- ❑ The Town had water and stormwater service income totaling \$1,918,992 with operating and capital grants and contributions totaling \$846,359. The cost of providing services totaled \$1,914,893.
- ❑ Outlays for capital assets were the design of the new administration building; construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works equipment and

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

information technology equipment. See the Capital Assets section of this management's discussion and analysis for more information.

- ❑ The Town's governmental funds have four outstanding capital leases and one general obligation bond outstanding which total \$481,009 at December 31, 2009.
- ❑ The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,775,000, shown in the financial statements as certificates of participation debt.
- ❑ The Town has pledged revenues under two agreements with a developer for the financing of infrastructure for the City Centre development located at I-25 and Colorado Highway 119. The total obligation under these agreements is \$748,472 as of December 31, 2009.

Overview of the Financial Statements

This comprehensive annual financial report consists of five parts: letter of transmittal, management's discussion and analysis, the basic financial statements, supplementary information and a statistical section. The basic financial statements include two kinds of statements that present different views of The Town.

- ❑ The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- ❑ The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town's statements.
- ❑ The governmental funds statements tell how basic services such as general government, public safety, public works, etc., were financed in the short-term as well as what remains for future spending.
- ❑ The proprietary fund is presented as a business-type activity in the government-wide financial statements. The Town has two enterprise funds, the water fund and the stormwater fund.
- ❑ Fiduciary funds statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the financial statements with a comparison of the Town's budget for the year. Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another. The year ended December 31, 2009, is the sixth fiscal year in which the financial statements of the town are reported following GASB Statement 34. In addition, the Town has implemented GASB 44 Economic Condition Reporting.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Table 1
Organization of the Town's Comprehensive Annual Financial Report

Section	Included in Audit Opinion	Document
Introductory Section		Letter of Transmittal - from Management
Financial Section	Audit Report	Independent Auditors' Report
	Limited procedures performed by auditor. Disclaimer of opinion	Management's Discussion and Analysis
Financial Statements	Audited Information	Government Wide Financial Statements
		Fund Financial Statements
		Notes to the Financial Statements
		Supplementary Information
		Capital Assets
Statistical Section	Limited procedures performed by auditor. Disclaimer of opinion.	Statistical Information
Compliance	Audited Information	Local Highway Finance Report

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund, found in the basic financial statements.

Table 2
Major Features of the Financial Statements

	<i>Govt. Wide Statements</i>	<i>Fund Financial Statements</i>		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Town (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary.	Activities the Town operates similar to private businesses: water and stormwater services	Instances in which the Town administers resources on behalf of someone else, such as a pension fund
Required Financial Statements	Statement of net assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Net Assets Statement of Cash Flows	Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Government Wide Financial Statements

The Town's government wide financial statements are designed to provide readers a broad overview of The Town's finances, in a manner similar to a private-sector business. These statements provide both *short-term* and *long-term* information about the Town's *overall* financial status. All of the current year's revenues and expenses are accounted for on the full accrual basis in the statement of net assets and the statement of activities regardless of when cash is received or paid.

- The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, consideration should be given to additional non-financial factors such as the condition of buildings and equipment and the associated cost of repairs.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the Town's government wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and those that are principally supported by user fees (*business activities*). Included in governmental activities are most of the Town's basic services such as general government, public safety, public works, etc. The basic government wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into two categories: governmental funds and fiduciary funds.

Governmental funds: Most of the Town's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Town's programs. Because this information does not encompass the long-term focus of the Town's statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

difference) between them. The basic governmental fund financial statements can be found on pages 22-32 of this report.

Proprietary funds: The Town of Firestone maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Firestone uses enterprise funds to account for its water and stormwater operations, which is a new fund for 2009.

- 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 water operation, which is considered to be a major fund of the Town, and the stormwater operation.

The basic proprietary fund financial statements can be found on pages 33-36 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town is responsible for ensuring that the assets reported in these funds are used only for the intended purposes and by those to whom the assets belong. The Town excludes these activities from the Town's financial statements because it cannot use these assets to finance its operations.

- The Town currently has one fiduciary fund, the old hire pension fund. The fund is used to account for the payment of pension benefits.

The basic fiduciary fund statements can be found on pages 37-40 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 41-73 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the supplemental data required for non-major fund information and budgetary comparison schedules.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Financial Analysis of the Town as a Whole

Net Assets and Changes in Net Assets

The Town's *combined* net assets were larger on December 31, 2009, than they were the year before, increasing .72 percent to \$92,412,299. This is due to the construction of street, water, stormwater infrastructure. Table 3 provides a summary of the Town's net assets at December 31, 2009, with comparisons to 2008. For more information see the Statement of Net Assets contained within this report.

Table 3
Condensed Statement of Net Assets

	Governmental Activities		Business Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Assets						
Current Assets	\$ 5,848,488	\$ 7,690,029	\$ 2,718,286	\$ 2,581,264	\$ 8,566,774	\$ 10,271,293
Capital Assets, net	35,120,790	33,858,202	53,609,189	52,483,518	88,729,979	86,341,720
Total Assets	\$ 40,969,278	\$ 41,548,231	\$ 56,327,475	\$ 55,064,782	\$ 97,296,753	\$ 96,613,013
Liabilities						
Current Liabilities	\$ 1,601,405	\$ 1,522,836	\$ 149,362	\$ 749,687	\$ 1,750,767	\$ 2,272,523
Long-term Liabilities	2,548,971	2,425,016	584,716	23,892	3,133,687	2,448,908
Total Liabilities	\$ 4,150,376	\$ 3,947,852	\$ 734,078	\$ 773,579	\$ 4,884,454	\$ 4,721,431
Net Assets						
Invested in Capital						
Net of Related Debt	\$ 32,578,753	\$ 31,129,414	\$ 53,122,854	\$ 51,891,779	\$ 85,701,607	\$ 83,021,193
Restricted	2,682,197	4,722,885	-	-	2,682,197	4,722,885
Unrestricted	1,557,952	1,748,080	2,470,543	2,399,424	4,028,495	4,147,504
Total Net Assets	\$ 36,818,902	\$ 37,600,379	\$ 55,593,397	\$ 54,291,203	\$ 92,412,299	\$ 91,891,582

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Table 4 provides a summary of the changes in net assets. Following Table 4 is specific discussion related to overall revenues and expenses.

Table 4
Changes in Net Assets from Operating Results

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 1,608,800	\$ 1,129,691	\$ 1,918,992	\$ 1,721,452	\$ 3,527,792	\$ 2,851,143
Operating Grants	1,178,813	285,623	545,599	-	1,724,412	285,623
Capital Grants and Contributions	-	1,537,032	300,760	1,382,707	300,760	2,919,739
<u>General Revenues</u>						
Property Taxes	802,141	848,828	-	-	802,141	848,828
Sales and Use Taxes	2,097,477	2,308,510	-	-	2,097,477	2,308,510
Franchise Taxes	339,903	338,077	-	-	339,903	338,077
Investment Earnings	42,695	196,461	15,999	65,128	58,694	261,589
Other	701,848	582,713	-	-	701,848	582,713
Total Revenues	\$ 6,771,677	\$ 7,226,935	\$ 2,781,350	\$ 3,169,287	\$ 9,553,027	\$ 10,396,222
Expenses						
General Government	1,140,657	1,154,780	-	-	\$ 1,140,657	\$ 1,154,780
Public Safety	2,350,659	2,230,778	-	-	2,350,659	2,230,778
Public Works	2,563,019	2,308,808	-	-	2,563,019	2,308,808
Health and Welfare	103,002	86,964	-	-	103,002	86,964
Economic Development	15,298	13,844	-	-	15,298	13,844
Parks	700,636	635,834	-	-	700,636	635,834
Interest on Long-Term Debt	106,860	120,026	-	-	106,860	120,026
Water/Stormwater	-	-	1,914,893	1,756,601	1,914,893	1,756,601
Total Expenses	6,980,131	6,551,034	1,914,893	1,756,601	\$ 8,895,024	\$ 8,307,635
Revenues less Expenses	(208,454)	675,901	866,457	1,412,686	658,003	2,088,587
Transfers	(435,740)	(192,958)	435,740	192,958	-	-
Increase/(Decrease) In Net Assets	(644,194)	482,943	1,302,197	1,605,644	658,003	2,088,587

The increase in net assets shown in Table 4 for the total primary government includes transfers (if any) extracted from the governmental activities funds. The Town, for 2008 and 2009, had no contributions to endowments or permanent funds, special items or extraordinary items to report in the financial statements.

The decrease in net assets shown for the governmental activities in 2009 is due to lower revenue generation overall and the planned use of reserves to fund operations. The increase in net assets in 2008 is due primarily to (1) the acceptance of water shares and system improvements from residential development and capital improvements in the Water Fund and (2) public improvements for highway, street, and park infrastructure as well as the increase in sales tax, property tax and interest income. The Water Fund receives capital contributions from developers

Town of Firestone
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who must construct certain system infrastructures for new residential and commercial development as well as donate a pro-rata portion of water for these projects so existing water customers do not have to bear the cost of these necessary capital items.

Detailed below in Tables 5 and 6 are charts displaying revenues by sources for the governmental and business-type activities of the Town.

Table 5
Sources of Revenues by Comparative Years:
Governmental Activities

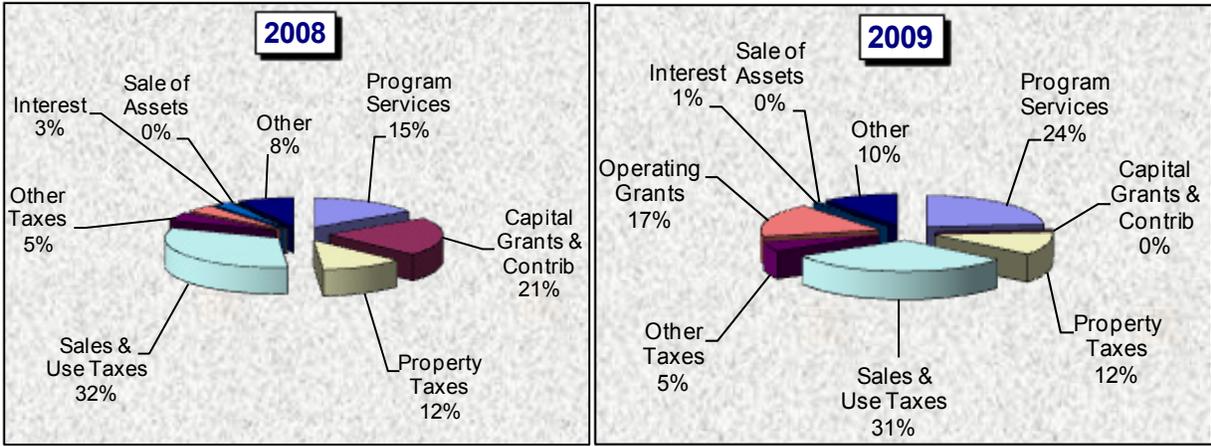
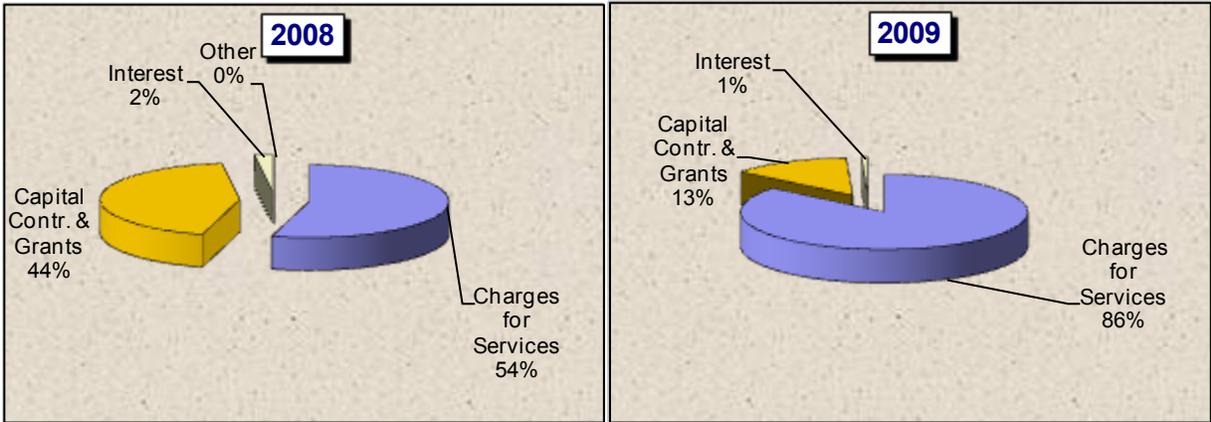


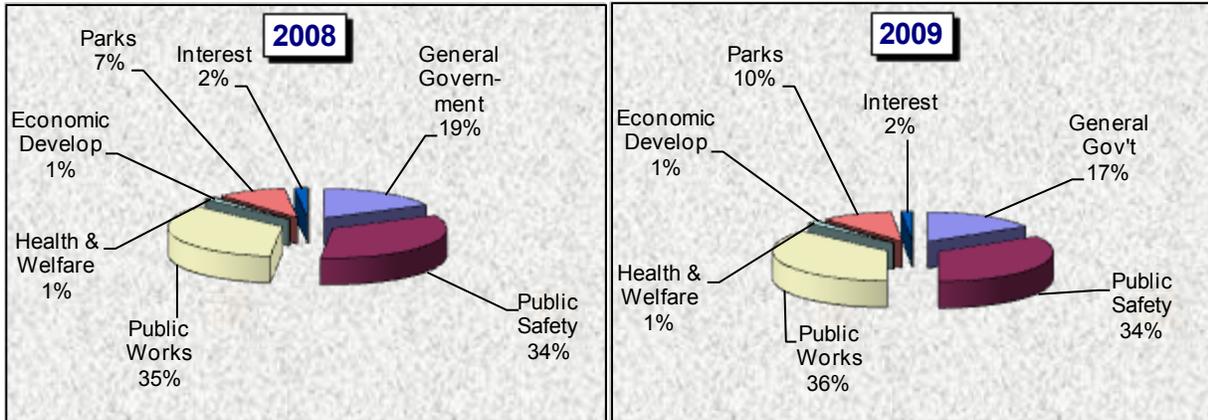
Table 6
Sources of Revenues by Comparative Years:
Business-Type Activities



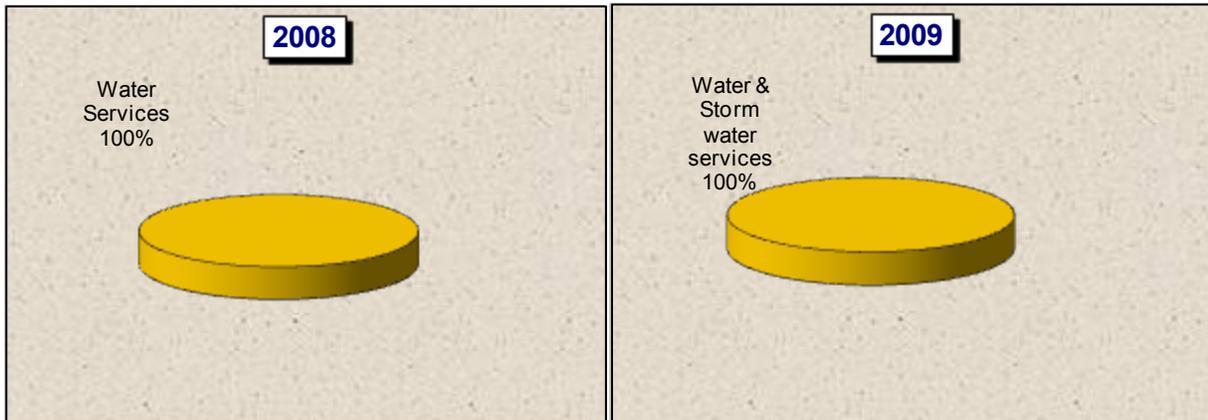
**Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009**

Detailed below in Tables 7 and 8 are charts displaying program expenses for governmental and business-type activities of the Town.

**Table 7
Expenses by Comparative Years:
Governmental Activities**



**Table 8
Expenses by Comparative Years:
Business-Type Activities**



Governmental Activities

The \$644,194 decrease in net assets for governmental activities in 2009 is primarily due to the decrease in overall revenues and the planned use of reserves to cover operating expenses. The increase in net assets for governmental activities was \$482,943 in 2008 due primarily to the recognition of developer improvements for street infrastructure and parks dedications to the Town as reported in the Statement of Net Assets.

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The governmental funds monitor cash resources and expenditures. Capital outlay within these funds aggregated \$3,496,310 during 2009. Capital assets dedicated to the Town by developers, at no cost to the Town, are not included in this amount, but are shown as a reconciling item between the government wide financial statements and governmental activities. For 2008 and 2009 the amount of assets dedicated to the Town were \$2,230,161 and \$0, respectively.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities, the net difference between capital outlays and depreciation expenses was \$1,268,288 for 2009.

The statement of activities shows the cost of program services and the related charges for services and the related operating grants and contributions offsetting those costs. Table 9 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

Table 9
Net Cost of Governmental Activities

	<u>2009</u>		<u>2008</u>
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 1,140,657	\$ 945,607	\$ 1,108,615
Public Safety	2,350,659	2,135,393	2,071,642
Public Works	2,563,019	321,375	397,480
Health and Welfare	103,002	103,002	86,964
Economic Development	15,298	15,298	13,844
Parks	700,636	564,983	(199,883)
Interest on Long-Term Debt	106,860	106,860	120,026
Total	<u>\$ 6,980,131</u>	<u>\$ 4,192,518</u>	<u>\$ 3,598,688</u>

Financial Analysis of Town Funds

General Fund

The general fund's purpose is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization - general government, public safety, public works, etc. The primary funding sources for the general fund are sales and property tax revenues, fines and charges for services provided.

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Town's final budget for the

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

general fund anticipated that expenditures would exceed revenues by \$395,410. The actual results for the year show expenditures exceeding revenues by \$184,512.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. The actual approval of appropriations by the Board of Trustees is at the Fund level and the divisional functions used in the budget are for presentation and management control purposes. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Economic Development
- Parks

The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2009 the Town's TABOR reserve amounted to \$255,431.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

By the end of 2009, the Town had invested \$88,729,979 in a broad range of capital assets for its governmental and business type activities, including land, buildings, site improvements, vehicles and other equipment (See Table 10). This amount represents a net increase of \$2,388,261 or 2.77% from last year. This is due primarily to the construction of public improvements for highway, street, and park infrastructure. Additional information on The Town's capital assets can be found in Note 6 to the financial statements. Total depreciation expense for the year was \$2,228,022 in the governmental activities and \$317,134 in the Town's business-type activities.

Town of Firestone
Management's Discussion and Analysis
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Table 10
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 5,801,202	\$ 5,801,202	\$ 48,611	\$ 48,611	\$ 5,849,813	\$ 5,849,813
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	359,809	-	76,896	86,543	436,705	86,543
Land Improvements	3,674,377	3,911,535	-	-	3,674,377	3,911,535
Buildings and Improvements	1,099,187	1,161,148	-	-	1,099,187	1,161,148
Streets and Storm Drainage	23,443,578	22,154,053	-	-	23,443,578	22,154,053
Utility Systems	-	-	12,730,106	11,573,767	12,730,106	11,573,767
Machinery and Equipment	742,637	830,264	143,412	164,433	886,049	994,697
Total	\$35,120,790	\$33,858,202	\$53,609,189	\$52,483,518	\$88,729,979	\$86,341,720

Long-Term Debt

At year end the Town had \$221,009 of outstanding capital leases and \$260,000 in 1999 general obligation bond reported in the governmental funds; and \$23,891 of outstanding capital leases in the business-type fund. Developer Reimbursement Obligations totaled \$286,028 for the governmental funds and \$462,444 for the business-type funds. For 2009, the Town experienced an 8.18% decrease in outstanding debt from 2008. This was due to the scheduled debt service payments with the issuance of one additional capital lease in the government funds (General, Highway or Parks) or the business-type funds. Capital leases have the advantage of spreading the cost of an asset over its useful life.

Table 11
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	260,000	315,000	-	-	260,000	315,000
Certificate of Participation	1,775,000	1,850,000	-	-	1,775,000	1,850,000
Capital Leases	221,009	324,261	23,891	36,041	244,900	360,302
Developer Reimb. Obligations	286,028	217,107	462,444	555,698	748,472	772,805
Total	2,542,037	2,706,368	486,335	591,739	3,028,372	3,298,107

Colorado Revised Statute 31-15-302(1)(d)(II) states that a municipality's total amount of indebtedness for all purposes shall not at any time exceed 3% of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. Please see Note 7 in the notes to the financial statements, and the statistical section of the CAFR for more details.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

Fiduciary Fund Activities

Pension Fund

The Old-Hire Pension Fund was established and continually funded to provide for the provision of retirement pension benefit for the police officer that was hired by the Town prior to April 8, 1978. The sole police officer within the plan is now deceased; however, there is a surviving spousal benefit of 50% of the pension benefit. The fund provides for the payment of the benefit as well as related expenses. The primary funding source for the pension fund is the allocation of monies from the General Fund.

Factors Bearing on the Town's Future

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

- The Town's budget for 2010 incorporates General Property Tax revenue of \$829,016 (based on an assessed valuation for the Town, of \$132,642,530 and a mill levy of 6.250 mills for operations and 0.555 mills for debt service) with a budget of \$10,287,700 in expenditures for 2010.
- During 2008 the Town completed the initial formation and partial funding of several reserve funds for purposes of funding future repair and replacement needs for Town infrastructure. Initial funding via intrafund transfers to these repair and replacement funds took place in 2008 and continued for 2009. There is no funding budgeted for 2010; however, the Town continues to evaluate the future costs related to renewal and replacement of capital facilities.
- There are several factors that drive the Town's budget and financial performance. The factors include, but are not limited to, the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements.
- Currently, the Town's residential building permit valuation and issuance drives a significant part of the budget revenue for corresponding capital expenditures. The Town receives capital revenues from impact fees and water tap fees improvements during the fiscal year, which will be utilized in future years to acquire or construct capital assets to serve future residents. The housing market trend in Colorado is experiencing a continued downturn in demand. A significant decrease in housing permits would have significant adverse effect on impact fees revenues and corresponding capital projects. The Town's 2009 and 2010 budgets were based on significantly reduced estimates for new construction consistent with the current market conditions.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2009

- The development process for the Town includes the advance funding from developers of the initial planning, engineering and inspection of public infrastructure to be dedicated to the Town via cost agreements. At year end 2009 and 2008 the Town had a total net accounts receivable amount from developers under these cost agreements of approximately \$97,982 and \$160,596 respectively. Aggressive collection steps during 2008 and 2009 have reduced these outstanding receivables. The Town has reserved \$34,805 as an estimated allowance for uncollectable amounts of approximately 26% of the gross receivable amount for developer cost agreements as of December 31, 2009.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's officials, citizens, taxpayers, parents, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at the Town of Firestone, Finance Department, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.

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Basic Financial Statements

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Town of Firestone
Firestone, Colorado
Statement of Net Assets
December 31, 2009

	Primary Government		
	Govern- mental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	3,531,477	2,014,959	5,546,436
Receivables	2,280,800	679,655	2,960,455
Other Current Assets	36,211	23,672	59,883
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	5,801,202	40,658,775	46,459,977
Construction in Progress	359,809	76,896	436,705
Land Improvements	3,674,377	-	3,674,377
Buildings and Improvements	1,099,187	-	1,099,187
Streets and Storm Drainage	23,443,578	-	23,443,578
Utility Systems	-	12,730,106	12,730,106
Equipment and Vehicles	742,637	143,412	886,049
Total Assets	40,969,278	56,327,475	97,296,753
LIABILITIES			
Accounts Payable and Other Current Liabilities	616,272	148,468	764,740
Accrued Interest Payable	18,211	894	19,105
Unearned Revenue	902,633	-	902,633
Developer Deposits	64,289	-	64,289
Noncurrent Liabilities:			
Customer Deposits	-	98,381	98,381
Due Within One Year	241,728	7,617	249,345
Due in Greater Than One Year	2,014,281	16,274	2,030,555
Net Pension Obligation, due in more than one year	6,934	-	6,934
Developer Reimbursement Obligation	286,028	462,444	748,472
Total Liabilities	4,150,376	734,078	4,884,454
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	32,578,753	53,122,854	85,701,607
Restricted for:			
TABOR Emergency Reserve	255,431	-	255,431
Capital Improvements	1,568,953	-	1,568,953
Other Purposes	857,813	-	857,813
Unrestricted	1,557,952	2,470,543	4,028,495
Total Net Assets	36,818,902	55,593,397	92,412,299

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

Exhibit 1

Town of Firestone
 Firestone, Colorado
Statement of Activities
 December 31, 2009

Functions / Programs	Expenses	Program Revenue		
		Charges for Service	Operating Grants & Contrib.	Capital Contrib.
Governmental Activities:				
General Government	1,140,657	30,887	164,163	-
Public Safety	2,350,659	209,212	6,054	-
Public Works	2,563,019	1,274,954	966,690	-
Health and Welfare	103,002	-	-	-
Economic Development	15,298	-	-	-
Parks and Open Space	700,636	93,747	41,906	-
Interest on Long-Term Debt	106,860	-	-	-
Total Government Activities	6,980,131	1,608,800	1,178,813	-
Business Type Activities:				
Water	1,901,880	1,842,175	369,515	300,760
Stormwater	13,013	76,817	176,084	-
Total Business-Type Activities	1,914,893	1,918,992	545,599	300,760
Total Town Government	8,895,024	3,527,792	1,724,412	300,760

General Revenues

Taxes:

- Property Taxes Levied for General Purposes
- Property Taxes Levied for Debt Service
- Specific Ownership Taxes
- Sales and Use Tax
- Highway Users, Road & Bridge, Motor Vehicle Taxes
- Franchise Taxes
- Investment Earnings
- Miscellaneous
- Transfers

Total General Revenue and Transfers

Changes in Net Assets

Net Assets - Beginning (As previously reported)

Prior Period Adjustment

Adjusted Net Assets - Beginning

Net Assets Ending

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

Exhibit 2

Net (Expenses) Revenue
and Changes in Net Assets

Govern- mental Activities	Business- Type Activities	TOTAL
(945,607)	-	(945,607)
(2,135,393)	-	(2,135,393)
(321,375)	-	(321,375)
(103,002)	-	(103,002)
(15,298)	-	(15,298)
(564,983)	-	(564,983)
(106,860)	-	(106,860)
<u>(4,192,518)</u>	<u>-</u>	<u>(4,192,518)</u>
-	610,570	610,570
-	239,888	239,888
<u>-</u>	<u>850,458</u>	<u>850,458</u>
<u>(4,192,518)</u>	<u>850,458</u>	<u>(3,342,060)</u>
731,651	-	731,651
70,490	-	70,490
64,239	-	64,239
2,097,477	-	2,097,477
412,876	-	412,876
339,903	-	339,903
42,695	15,999	58,694
224,733	-	224,733
(435,740)	435,740	-
<u>3,548,324</u>	<u>451,739</u>	<u>4,000,063</u>
<u>(644,194)</u>	<u>1,302,197</u>	<u>658,003</u>
37,889,300	54,858,887	92,748,187
<u>(426,204)</u>	<u>(567,687)</u>	<u>(993,891)</u>
37,463,096	54,291,200	91,754,296
<u>36,818,902</u>	<u>55,593,397</u>	<u>92,412,299</u>

Exhibit 2

Town of Firestone
Firestone, Colorado
Balance Sheet
Governmental Funds
December 31, 2009

	General	Highway	Parks	Capital Improvement
ASSETS				
Cash and Cash Equivalents	753,929	122,596	827,783	1,507,763
Cash with Fiscal Agent	-	9,137	-	-
Receivables	1,270,590	924,082	-	-
Due From Employees	491	-	-	-
Prepaid Items	11,339	24,872	-	-
Total Assets	2,036,349	1,080,687	827,783	1,507,763
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	135,816	298,642	980	-
Accrued Payables	74,840	7,568	-	-
Developer Deposits	64,289	-	-	-
Deferred Revenue	829,016	-	-	-
Total Liabilities	1,103,961	306,210	980	-
Fund Balances:				
Reserved for Emergencies	255,431	-	-	-
Reserved for Streets and Highways	-	774,477	-	-
Reserved for Capital Improvements	-	-	-	1,507,763
Reserved for Debt Service	-	-	-	-
Undesignated				
General Fund	676,957	-	-	-
Special Revenue Funds	-	-	826,803	-
Total Fund Balances	932,388	774,477	826,803	1,507,763
Total Liabilities and Fund Balances	2,036,349	1,080,687	827,783	1,507,763

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

Exhibit 3

Other Govtl. Funds	Total Govtl. Funds
310,269	3,522,340
-	9,137
85,637	2,280,309
-	491
-	36,211
<u>395,906</u>	<u>5,848,488</u>

618	436,056
-	82,408
-	64,289
73,617	902,633
<u>74,235</u>	<u>1,485,386</u>

-	255,431
66,190	840,667
61,190	1,568,953
17,146	17,146
-	676,957
177,145	1,003,948
<u>321,671</u>	<u>4,363,102</u>

<u>395,906</u>	<u>5,848,488</u>
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Exhibit 3

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Town of Firestone
 Firestone, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
 December 31, 2009

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

Total Fund Balances - Governmental Funds	4,363,102
--	-----------

Capital assets used in governmental activities are
 not financial resources and therefore are not
 reported as assets in governmental funds.

Cost of capital assets	48,860,447	
Accumulated depreciation	<u>(13,739,657)</u>	
		35,120,790

Long-term liabilities, including bonds payable, are not
 due and payable in the current period and therefore
 are not reported as liabilities in the funds.

Long term liabilities at year end consist of:

Certificates of Participation	(1,775,000)	
Bonds Payable	(260,000)	
Capital Leases Payable	(221,009)	
Developer Reimbursement Obligations	(286,028)	
Accrued Interest Payable	<u>(18,211)</u>	
		(2,560,248)

Current liability for accrued compensation payable is not due and payable in the current period and therefore not reported in the funds.	(97,808)
--	----------

Net Pension Obligation is shown in the long-term liabilities in the Statement of Net Assets but does not affect the Balance Sheet.	(6,934)
--	---------

Total Net Assets - Governmental Activities	<u><u>36,818,902</u></u>
--	--------------------------

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

Exhibit 3 (continued)

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2009

	General	Highway	Parks	Capital Improvement
REVENUES				
Taxes and Impact Fees	3,287,032	477,115	-	877,288
Licenses and Permits	304,679	-	64,500	-
Intergovernmental	182,518	966,690	5,000	-
Charges for Services	-	111,773	-	-
Fines	199,991	-	-	-
Investment Earnings	5,917	3,731	5,479	25,639
Miscellaneous	70,288	11,458	19,248	-
Total Revenues	4,050,425	1,570,767	94,227	902,927
EXPENDITURES				
Current:				
General Government	1,157,484	-	-	-
Public Safety				
Police	1,988,242	-	-	-
Building Inspection	164,956	-	-	-
Public Works (Roads, Facilities)	69,239	732,183	-	-
Parks	341,535	-	26,996	-
Health & Welfare	36,121	-	-	-
Economic Development	82,178	-	-	-
Capital Outlay	474,173	2,933,304	88,833	-
Debt Service:				
Principal	191,778	54,181	-	-
Interest	7,504	6,723	-	-
Total Expenditures	4,513,210	3,726,391	115,829	-
Excess (Deficiency) of Revenue				
Over Expenditures	(462,785)	(2,155,624)	(21,602)	902,927
OTHER FINANCING SOURCES (USES)				
Transfers In	377,720	1,888,960	113,833	30,000
Transfer Out	(186,409)	(25,000)	(5,000)	(2,774,844)
Proceeds from Disposal of Capital Assets	13,174	-	-	-
Proceeds from Capital Lease	73,788	-	-	-
Total Other Financing Sources (Uses)	278,273	1,863,960	108,833	(2,744,844)
Net Change in Fund Balances	(184,512)	(291,664)	87,231	(1,841,917)
Fund Balances- Beginning (As previously reported)	1,174,454	1,072,911	739,572	3,349,680
Prior Period Adjustment	(57,554)	(6,770)	-	-
Adjusted Fund Balances - Beginning	1,116,900	1,066,141	739,572	3,349,680
Fund Balances at End of Period	932,388	774,477	826,803	1,507,763

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

Exhibit 4

Other Govtl. Funds	Total Govtl. Funds
106,870	4,748,305
-	369,179
36,906	1,191,114
-	111,773
-	199,991
1,929	42,695
150	101,144
<hr/> 145,855	<hr/> 6,764,201
2,712	1,160,196
-	1,988,242
-	164,956
-	801,422
-	368,531
-	36,121
-	82,178
-	3,496,310
130,000	375,959
96,843	111,070
<hr/> 229,555	<hr/> 8,584,985
<hr/> (83,700)	<hr/> (1,820,784)
185,000	2,595,513
(40,000)	(3,031,253)
-	13,174
-	73,788
<hr/> 145,000	<hr/> (348,778)
<hr/> 61,300	<hr/> (2,169,562)
260,371	6,596,988
	(64,324)
<hr/> 260,371	<hr/> 6,532,664
<hr/> 321,671	<hr/> 4,363,102

Exhibit 4

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Town of Firestone
 Firestone, Colorado
**Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances with the
 Government-wide Statement of Activities**
 Year Ended December 31, 2009

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

Total net change in fund balance - Governmental Funds (2,169,562)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation in the period:

Depreciation Expense	(2,228,022)	
Capital Outlay	<u>3,496,310</u>	
		1,268,288

Repayment of debt principal is an expenditure in the government funds, and it reduces long-term liabilities in the Statement of Net Assets but does not affect the Statement of Activities. 375,959

Decrease in accrued interest payable reflected in expenses in the Statement of Activities and not reflected as an expense on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. 4,210

Increase in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected as an expense on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. (43,601)

Gain on disposal of fixed assets is shown as a revenue on the Statement of Activities but is not shown as a revenue on the Statement of Revenues, Expenditures and Changes in Fund Balances. (5,700)

Receipt of lease proceeds is not shown as a revenue on the Statement of Activities but is shown as a revenue on the Statement of Revenue, Expenditures and Changes in Fund Balances (73,788)

	<u><u>(644,194)</u></u>
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The accompanying notes are an integral part of these financial statements.

Exhibit 4 (continued)

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - General, Highway and Park Funds
Year Ended December 31, 2009

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Taxes	3,112,177	3,357,507	3,287,032	(70,475)
Licenses and Permits	235,000	235,000	304,679	69,679
Intergovernmental	45,000	180,000	182,518	2,518
Charges for Services	-	-	-	-
Fines	150,000	150,000	199,991	49,991
Investment Earnings	22,900	22,900	5,917	(16,983)
Miscellaneous	31,100	31,100	70,288	39,188
Total Revenues	3,596,177	3,976,507	4,050,425	73,918
EXPENDITURES				
Current:				
General Government	1,128,385	1,138,385	1,157,484	(19,099)
Public Safety				
Police	2,154,749	2,154,749	1,988,242	166,507
Building Inspection	150,000	150,000	164,956	(14,956)
Public Works (Roads, Facilities)	72,100	72,100	69,239	2,861
Parks	338,076	338,077	341,535	(3,458)
Health & Welfare	32,000	32,000	36,121	(4,121)
Economic Development	78,500	78,500	82,178	(3,678)
Capital Outlay	40,000	400,000	474,173	(74,173)
Debt Service:				
Principal	67,252	191,913	191,778	135
Interest	6,244	7,504	7,504	-
Total Expenditures	4,067,306	4,563,228	4,513,210	50,018
Excess (Deficiency) of Revenue Over Expenditures	(471,129)	(586,721)	(462,785)	123,936
OTHER FINANCING SOURCES (USES)				
Transfers In	152,720	377,720	377,720	-
Transfers (Out)	(10,000)	(186,409)	(186,409)	-
Proceeds from Disposal of Capital Assets	-	-	13,174	13,174
Proceeds from Capital Lease	-	-	73,788	73,788
Total Other Financing Sources (Uses)	142,720	191,311	278,273	86,962
Net Change in Fund Balances	(328,409)	(395,410)	(184,512)	210,898
Fund Balance- Beginning (As previously reported)			1,174,454	
Prior Period Adjustment			(57,554)	
Adjusted Fund Balance - Beginning			1,116,900	
Fund Balances at End of Period			932,388	

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

Exhibit 5

Highway Fund

Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
405,000	405,000	477,115	72,115
-	-	-	-
100,000	976,522	966,690	(9,832)
104,000	104,000	111,773	7,773
-	-	-	-
18,900	18,900	3,731	(15,169)
2,500	2,500	11,458	8,958
<u>630,400</u>	<u>1,506,922</u>	<u>1,570,767</u>	<u>63,845</u>
-	-	-	-
-	-	-	-
-	-	-	-
839,348	804,348	732,183	72,165
-	-	-	-
-	-	-	-
-	-	-	-
531,900	3,332,382	2,933,304	399,078
54,181	54,181	54,181	-
6,723	6,723	6,723	-
<u>1,432,152</u>	<u>4,197,634</u>	<u>3,726,391</u>	<u>471,243</u>
<u>(801,752)</u>	<u>(2,690,712)</u>	<u>(2,155,624)</u>	<u>(407,398)</u>
431,900	2,320,860	1,888,960	431,900
(25,000)	(25,000)	(25,000)	-
-	-	-	-
-	-	-	-
<u>406,900</u>	<u>2,295,860</u>	<u>1,863,960</u>	<u>431,900</u>
<u>(394,852)</u>	<u>(394,852)</u>	<u>(291,664)</u>	<u>24,502</u>
		1,072,911	
		(6,770)	
		1,066,141	
		<u>774,477</u>	

Exhibit 5 (continued)

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - General, Highway and Park Funds
Year Ended December 31, 2009

	Park Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Taxes	-	-	-	-
Licenses and Permits	37,500	37,500	64,500	27,000
Intergovernmental	-	-	5,000	5,000
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	8,400	8,400	5,479	(2,921)
Miscellaneous	-	-	19,248	19,248
Total Revenues	45,900	45,900	94,227	48,327
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety				
Police	-	-	-	-
Building Inspection	-	-	-	-
Public Works (Roads, Facilities)	-	-	-	-
Parks	63,700	63,700	26,996	36,704
Health & Welfare	-	-	-	-
Economic Development	-	-	-	-
Capital Outlay	362,290	362,290	88,833	273,457
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	425,990	425,990	115,829	310,161
Excess (Deficiency) of Revenue Over Expenditures	(380,090)	(380,090)	(21,602)	358,488
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	292,435	292,435	108,833	(183,602)
Proceeds from Capital Lease	-	-	-	-
Total Other Financing Sources (Uses)	292,435	292,435	108,833	(183,602)
Net Change in Fund Balances	(87,655)	(87,655)	87,231	174,886
Fund Balances at Beginning of Period			739,572	
Fund Balances at End of Period			826,803	

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

Exhibit 5 (continued)

Town of Firestone
Firestone, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	1,999,114	15,845	2,014,959
Receivables	505,727	173,928	679,655
Other Current Assets	23,672	-	23,672
Total Current Assets	2,528,513	189,773	2,718,286
Noncurrent Assets			
Capital Assets:			
Land	48,611	-	48,611
Water Rights	40,610,164	-	40,610,164
Utility Systems	14,105,082	257,590	14,362,672
Construction in Progress	-	76,896	76,896
Equipment	343,892	-	343,892
Less Accumulated Depreciation	(1,830,470)	(2,576)	(1,833,046)
Total Capital Assets (net of accumulated depreciation)	53,277,279	331,910	53,609,189
Total Noncurrent Assets	53,277,279	331,910	53,609,189
Total Assets	55,805,792	521,683	56,327,475
LIABILITIES			
Current Liabilities			
Accounts Payable	100,164	22,464	122,628
Accrued Payables	26,734	-	26,734
Loan Payable - Current	7,617	-	7,617
Total Current Liabilities	134,515	22,464	156,979
Noncurrent Liabilities			
Customer Deposits	98,381	-	98,381
Loan Payable	16,274	-	16,274
Due in Greater Than One Year	-	-	-
Developer Reimbursement Obligation	462,444	-	462,444
Total Noncurrent Liabilities	577,099	-	577,099
Total Liabilities	711,614	22,464	734,078
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	52,790,944	331,910	53,122,854
Unrestricted	2,303,234	167,309	2,470,543
Total Net Assets	55,094,178	499,219	55,593,397

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

Exhibit 6

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2009

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Operating Revenues			
Charges for Services	1,842,175	76,805	1,918,980
Miscellaneous	-	12	12
Total Operating Revenues	1,842,175	76,817	1,918,992
Operating Expenses			
Operations	1,165,201	10,437	1,175,638
Administration	422,121	-	422,121
Depreciation	314,558	2,576	317,134
Total Operating Expenses	1,901,880	13,013	1,914,893
Operating Income	(59,705)	63,804	4,099
Nonoperating Revenues (Expenses)			
Investment Earnings	17,126	-	17,126
Interest Expense	(1,127)	-	(1,127)
Total Nonoperating Revenues (Expenses)	15,999	-	15,999
Income Before Contributions and Transfers	(43,706)	63,804	20,098
Capital Contributions	300,760	-	300,760
Intergovernmental	369,515	176,084	545,599
Transfers, net	176,409	259,331	435,740
Change in Net Assets	802,978	499,219	1,302,197
Net Assets			
Beginning of Period (As previously reported)	54,858,887	-	54,858,887
Prior Period Adjustment	(567,687)	-	(567,687)
Adjusted Net Assets - Beginning	54,291,200	-	54,291,200
End of Period	55,094,178	499,219	55,593,397

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

Exhibit 7

Town of Firestone
Firestone, Colorado
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2009

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	1,882,404	60,295	1,942,699
Cash Payments to Suppliers for Goods and Services	(1,203,293)	(10,437)	(1,213,730)
Cash Payments to Employees for Services	(392,114)	-	(392,114)
Net Cash Provided by Operating Activities	286,997	49,858	336,855
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	-	(65,033)	(65,033)
Transfers from Other Funds	176,409	324,364	500,773
Total Cash Provided by Noncapital Financing Activities	176,409	259,331	435,740
Cash Flows from Capital and Related Financing Activities			
Contributed Capital	670,275	176,084	846,359
Acquisition of Capital Assets	(1,108,319)	(334,486)	(1,442,805)
Increase in Developer Reimbursement Obligations	83,155	-	83,155
Principal Paid on Debt	(188,560)	-	(188,560)
Interest Paid on Debt	(1,127)	-	(1,127)
(Increase) Decrease in Capital Grants Receivable	(280,839)	(157,406)	(438,245)
Increase (Decrease) in Capital Accounts Payable	39,200	22,464	61,664
Total Cash Used by Capital and Related Related Financing Activities	(786,215)	(293,344)	(1,079,559)
Net Cash Flow Provided by Investing Activities			
Earnings on Investments	17,126	-	17,126
Net Cash Flow Provided by Investing Activities	17,126	-	17,126
Net Increase in Cash and Cash Equivalents	(305,683)	15,845	(289,838)
Cash and Cash Equivalents at the Beginning of Period	2,304,797	-	2,304,797
Cash and Cash Equivalents at the End of Period	1,999,114	15,845	2,014,959

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

Exhibit 8

Town of Firestone
Firestone, Colorado
**Reconciliation of Operating Income to
Net Cash Provided by Operating Activities
Proprietary Funds**
Year Ended December 31, 2009

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	(59,705)	63,804	4,099
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	314,558	2,576	317,134
(Increase) Decrease in Assets:			
Accounts Receivable - Operating	29,140	(16,522)	12,618
Other Assets	(1,236)	-	(1,236)
Increase (Decrease) in Liabilities:			
Accounts Payable - Operating	(11,459)	-	(11,459)
Accrued Payables	3,609	-	3,609
Customer Deposits	12,090	-	12,090
Net Cash Provided by Operating Activities	286,997	49,858	336,855

Non-Cash Investing, Capital and Financing Activities

Capital Contributions included in Receivables	369,515	-	369,515
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The accompanying notes are an integral part of these financial statements.

Exhibit 9

Town of Firestone
Firestone, Colorado
Statement of Fiduciary Net Assets
December 31, 2009

	Old-Hire Pension Trust Fund
ASSETS	
<hr/>	
Cash and Cash Equivalents	
Investments Held by FPPA	12,714
Total Assets	<hr/> 12,714 <hr/>
 LIABILITIES	
<hr/>	
Due to Pension Fund	-
Total Liabilities	<hr/> - <hr/>
 NET ASSETS	
<hr/>	
Net Assets Held in Trust for Pension Benefits	<hr/> 12,714 <hr/>

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

Exhibit 10

Town of Firestone
 Firestone, Colorado
Statement of Changes in Fiduciary Net Assets
 Year Ended December 31, 2009

	<u>Old-Hire Pension Trust Fund</u>
Additions	
Employer Contributions	11,530
FPPA Earnings	62
Realized/Unrealized Gain on Investments	1,510
Total Additions	<u>13,102</u>
Deductions	
Pension Benefits Paid	16,150
Pension Fees	85
Total Deductions	<u>16,235</u>
Change in Net Assets	(3,133)
Net Assets at Beginning of Period	15,847
Net Assets at End of Period	<u><u>12,714</u></u>

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

Exhibit 11

Town of Firestone
Firestone, Colorado
Statement of Net Assets - Agency Fund
December 31, 2009

<u>ASSETS</u>	<u>TAVAS</u> <u>Historical Fund</u>
Cash and Cash Equivalents	-
Total Assets	<u>-</u>
<u>LIABILITIES</u>	
Due to Historical Research Group	-
Total Liabilities	<u>-</u>

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

Exhibit 10

Town of Firestone
 Firestone, Colorado
Statement of Changes in Net Assets - Agency Fund
 Year Ended December 31, 2009

	<u>TAVAS Historical Fund</u>
Additions	
Contributions	
Total Additions	<u><u>-</u></u>
Deductions	
Agency Fund Closed	634
Total Deductions	<u><u>634</u></u>
Change in Net Assets	<u><u>(634)</u></u>

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

Exhibit 11

Notes to Financial Statements

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Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies

The financial statements of the Town of Firestone (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Town also applies Financial Accounting Standards Board (“FASB”) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Town’s accounting policies are described below.

Reporting Entity

In conformance with Governmental Accounting and Financial Reporting Standards, Town of Firestone, Colorado, is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town of Firestone. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

The determination to include separate governmental entities is based on the criteria of GASB Statement No.14, *The Financial Reporting Entity* which defines the reporting entity as the primary government and those component units for which the 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 Town of Firestone do not include any separately administered organizations as there were none as defined in the aforementioned paragraph.

Joint Ventures

The Town of Firestone may participate in joint ventures created for special purposes which are not part of the Town’s reporting entity. Additional information regarding the Town’s participation in joint ventures is provided in Note 14. The following is a description of the only joint venture in which the Town participated in during the 12 months ended December 31, 2009:

Weld 911 Emergency Telephone Service Authority Board - The Town of Firestone is one of 49 local governments which are members of the Weld 911 Emergency Telephone Service Authority Board (“Weld 911”). Weld 911 is an organization created by intergovernmental agreement in 1988 solely to provide for the operation of the 911 emergency telephone service program. Weld 911 is governed by a seven member board selected as defined in Article III of the

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Joint Ventures (continued)

agreement. The governing board is autonomous as to budgeting and fiscal matters.

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

Complete financial statements of this joint venture can be obtained from:

Weld County
P.O. Box 758
Greeley, Colorado 80632

Fund Accounting

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), the construction of capital assets (the capital improvement fund) and the debt service fund. The following are the Town's major and non-major governmental funds:

General Fund - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Highway and Park Funds - These major funds are special revenue fund types which are funded by developer contributions, state grants, highway users tax, specific ownership and road and bridge tax, capital lease proceeds and transfers from other funds. The expenditures represent street operating expenses, the cost of street and park construction and the cost of street maintenance.

Capital Improvement Fund - This major fund is a capital projects fund type which is established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.

The other governmental funds (non-major funds) are Debt Service Funds (Firestone Finance Authority, Debt Service) or Special Revenue Funds (Conservation Trust, Open Space, Storm Water Facilities Replacement Reserve Fund, Street and Highway Replacement Reserve Fund, Park Replacement Reserve Fund, Fleet Replacement Reserve Fund, and Building Replacement Reserve Fund) and are established to account for revenues derived from specific taxes or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary Funds (major funds) focus on the determination of the changes in net assets, financial position and cash flows and are classified as enterprise funds. Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town's major enterprise funds are:

Water Fund - This fund accounts for the financial transactions related to the water service operations of the Town.

Stormwater Fund - This fund accounts for the financial transactions related to the stormwater service operations of the Town.

Fiduciary Funds are the Old Hire Pension Fund and the Tri-Area Volunteer Ambulance Service (TAVAS) Historic Research Fund. The pension fund accounts for the Town's contribution to the Old Hire Pension Plan and the TAVAS Fund accounts for monies collected to research the history of the volunteer ambulance service. The TAVAS account was closed during 2009, and the fund was eliminated.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities. The government-wide financial statements do not include fiduciary funds since they are not part of the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund Financial Statements - Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded 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 Town available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are 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 fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, sales taxes and other intergovernmental revenues.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Deferred Revenue - Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant moneys are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the Board of Trustees in accordance with the Colorado State Statutes. The budget is prepared on a basis consistent with US GAAP for all governmental and proprietary funds. On or about October 15th, the Town staff submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them. Also, public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15th, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for appropriated expenditures and intrafund transfers in 2009:

	Original Budget	Total Revisions	Revised Budget
Government Funds:			
General Fund	4,077,307	672,330	4,749,637
Special Revenue Funds -			
Highway Fund	1,457,152	2,765,482	4,222,634
Parks Fund	430,990	-	430,990
Conservation Trust Fund	120,645	-	120,645
Open Space Fund	40,000	-	40,000
Replacement and Reserve Funds -			
Stormwater Facilities	-	-	-
Streets and Highway	-	-	-
Parks	-	-	-
Fleet	-	-	-
Buildings	-	-	-
Capital Improvements Fund	864,077	2,113,960	2,978,037
Debt Service Fund	70,628	1,520	72,148
Firestone Finance Authority Fund	162,800	-	162,800
Business-Type Funds:			
Water Fund	3,411,387	270,798	3,682,185
Stormwater Fund	395,033	18,290	413,323
Fiduciary Funds:			
Old Hire Pension Trust Fund	19,380	-	19,380
TAVAS Historical Fund	-	-	-
Total Funds	11,049,399	5,842,380	16,891,779

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Temporary Investments

Cash, cash equivalents and temporary investments include cash on hand, demand deposits, certificates of deposit and participation in local government investment pools. All cash equivalents have an original maturity of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net assets and, classified as due from other funds or due to other funds on the balance sheet.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property and equipment of the Town of Firestone is depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Useful Lives	Business-Type Activities Estimated Useful Lives
Land	N/A	N/A
Water Rights	N/A	N/A
Land Improvements	10-30 years	N/A
Buildings and Improvements	5-30 years	N/A
Streets and Storm Drainage	15-40 years	N/A
Machinery and Equipment	5-15 years	5-20 years
Utility Systems	N/A	30-50 years

In the governmental fund financial statements, capital outlays (assets) are reported as expenditures when incurred and no depreciation expense is recorded.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Accrued Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town had a liability for accrued compensated absences in the amount of \$108,956 at December 31, 2009. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements when the liabilities mature or are due and payable. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund Equity and Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – This category presents the net assets restricted by external parties (creditors, grantors, contributors, laws and regulations).

Unrestricted Net Assets – This category represents the net assets of the Town that are not restricted for any project or other purpose by third parties.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 1: Summary of Significant Accounting Policies (continued)

Fund Equity and Net Assets (continued)

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved Fund Balance – indicates that portion of fund equity that is not available for appropriation or that has been legally separated for specific purposes.

Unreserved/Designated Fund Balance – indicates that portion of fund equity for which the Town has made tentative plans that are subject to change.

Unreserved/Undesignated Fund Balance – indicates that portion of fund equity that is available for appropriation and expenditure in future periods, or if a deficit, for which future funding will be required.

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Contribution of Capital

Contributions of capital in proprietary funds financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources for capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2009.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 2 – Prior Period Adjustment

During 2009, management of the Town determined that certain developer contributions which were subject to reimbursement agreements had only been capitalized to the extent payments had been made. It was determined that the proper treatment is to capitalize the fair value of assets contributed, and establish a developer reimbursement obligation for the amount to be repaid using future revenues (see Note 7). The result of these corrections was a decrease to opening net assets in the government-wide financial statements, of \$217,107.

Management also determined that certain payroll related costs had not been accrued as of December 31, 2008. The unreserved fund balance in the General Fund and the Highway Fund have been reduced by \$65,044 and \$6,770, respectively.

Note 3: Cash and Investments

The composition of the Town’s cash, cash equivalents and investments, including restricted cash and investments, on December 31, 2009:

	Cost Basis	Market Value	S&P Rating	Moody's Rating
Cash on Hand	789	789	-	-
Cash with County Treasurer	9,137	9,137	-	-
Checking	370,015	370,015	-	-
Certificates of Deposit	692,469	692,469	-	-
CSAFE	4,474,026	4,474,026	AAA	Aaa
Investments Held by FPPA	12,714	12,714	-	-
Total Funds	5,559,150	5,559,150		

Custodial Credit Risk - Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town’s custodial banks under provisions of the Colorado Public Deposit Protection Act (the “PDPA”). The PDPA requires financial institutions to pledge collateral having a market value of at least

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 3: Cash and Investments (continued)

102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

At December 31, 2009 the Town's Checking and Savings with Bank and Certificates of Deposit had bank and carrying balances as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	426,431	426,431
PDPA Collateralized	636,051	843,662
Total Cash Deposits	<u>1,062,482</u>	<u>1,270,093</u>

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2009, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Secure Assets Fund discussed below.

Credit Risk – Investments

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 3: Cash and Investments (continued)

At December 31, 2009, the Town had invested \$4,474,026 in the Colorado Secure Assets Fund (“CSAFE”), local government investment pool established in Colorado to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor’s. The investment policy of CSAFE does not include investing in derivatives.

Interest Rate Risk

The Town’s investment policies limit investment maturities to two years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to adverse fair market value changes arising from increasing interest rates.

Derivative Investments

The Town held no derivative investments as of December 31, 2009. Of the Town’s investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2009. The Town relied upon information provided by CSAFE in estimating the Town’s fair value of its investment in CSAFE and the securities held by CSAFE.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 4: Receivables

Receivables at December 31, 2009, consist of the following:

<u>Receivables</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Taxes	1,254,638	-	1,254,638
Accounts	-	137,789	137,789
Intergovernmental	914,436	526,921	1,441,357
Other	13,744	14,945	28,689
Developers	132,787	-	132,787
	<u>2,315,605</u>	<u>679,655</u>	<u>2,995,260</u>
Less allowance for doubtful accounts	(34,805)	-	(34,805)
Total Funds	<u><u>2,280,800</u></u>	<u><u>679,655</u></u>	<u><u>2,960,454</u></u>

Note 5: Interfund Transactions

Interfund transfers for the year ended December 31, 2009 were as follows:

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds -		
General Fund	377,720	186,409
Highway Fund	1,888,960	25,000
Park Fund	113,833	5,000
Capital Improvement Fund	30,000	2,774,844
Total Major Funds	<u>2,410,513</u>	<u>2,991,253</u>
Nonmajor Funds -	185,000	40,000
Total Governmental Funds	<u><u>2,595,513</u></u>	<u><u>3,031,253</u></u>
Proprietary Funds:		
Major Funds -		
Water Fund	176,409	-
Stormwater Fund	324,364	65,033
Total Transfers	<u><u>3,096,286</u></u>	<u><u>3,096,286</u></u>

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 5: Interfund Transactions (continued)

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move funds appropriated for debt service to the Firestone Finance Authority Fund as debt service payments become due; and (3) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary fund is shown within the transfer line for financial statement presentation.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 6: Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	Capital Assets 12/31/2008	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2009
Governmental Activities:				
Capital Assets, not being depreciated -				
Land	5,801,202	-	-	5,801,202
Construction in Progress	-	359,809	-	359,809
Total Capital Assets, not being depreciated-	5,801,202	359,809	-	6,161,011
Capital Assets, being depreciated -				
Land Improvements	5,199,419	94,863	-	5,294,282
Buildings and Improvements	1,637,173	-	-	1,637,173
Streets and Storm Drainage	30,566,149	2,898,349	(6,000)	33,458,498
Machinery and Equipment	2,198,857	143,289	(32,663)	2,309,483
Total Capital Assets, being depreciated-	39,601,598	3,136,501	(38,663)	42,699,436
Less Accumulated Depreciation for:				
Land Improvements	(1,287,884)	(332,021)	-	(1,619,905)
Buildings and Improvements	(476,025)	(61,961)	-	(537,986)
Streets and Storm Drainage	(8,412,096)	(1,603,124)	300	(10,014,920)
Machinery and Equipment	(1,368,593)	(230,916)	32,663	(1,566,846)
Total Accumulated Depreciation	(11,544,598)	(2,228,022)	32,963	(13,739,657)
Total Capital Assets, being depreciated- Net	28,057,000	908,479	(5,700)	28,959,779
Governmental Activities				
Capital Assets - Net	33,858,202	1,268,288	(5,700)	35,120,790

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 6: Capital Assets (continued)

	Capital Assets 12/31/2008	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2009
<u>Business-Type Activities:</u>				
Capital Assets, not being depreciated -				
Land	48,611	-	-	48,611
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	86,543	76,896	(86,543)	76,896
Total Capital Assets, not being depreciated-	40,745,318	76,896	(86,543)	40,735,671
Capital Assets, being depreciated -				
Machinery and Equipment	339,712	8,436	(4,256)	343,892
Utility System	12,918,656	1,444,016	-	14,362,672
Total Capital Assets, being depreciated-	13,258,368	1,452,452	(4,256)	14,706,564
Less Accumulated Depreciation for:				
Machinery and Equipment	(175,279)	(29,457)	4,256	(200,480)
Utility System	(1,344,889)	(287,677)	-	(1,632,566)
Total Accumulated Depreciation	(1,520,168)	(317,134)	4,256	(1,833,046)
Total Capital Assets, being depreciated- Net	11,738,200	1,135,318	-	12,873,518
Business-Type Activities				
Capital Assets - Net	52,483,518	1,212,214	(86,543)	53,609,189

Depreciation for governmental activities capital assets have been allocated as shown below:

General Government	21,420
Public Safety	332,021
Public Works	1,761,368
Parks	113,213
Total Depreciation Expense - Governmental Activities	<u>2,228,022</u>

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 7: Long-Term Debt

Pledged Revenues

Starting in fiscal year 2006, the Town has executed two Reimbursement Agreements (an Amended and Restated Public Improvements Reimbursement Agreement and Retail Infrastructure Funding Agreement) (the “Plan”) with a developer (the “Developer”). Pursuant to the Plan, the Town will reimburse the Developer for costs incurred in constructing certain assets that were conveyed to the Town upon completion. Reimbursements are made based on a percentage of revenues derived from sales tax charged by the Town, commencing with the date the assets were completed by the developer and conveyed to the Town. Any unpaid balance accrues interest at the Wall Street Journal Prime Rate, capped at 7% per annum, compounding monthly until the balance is paid in full.

The Town follows guidance provided in GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to account for the assets received, and payments made in connection with these agreements. Accordingly, the pledged revenues are treated as an obligation of the Town, until fully repaid. The assets have been capitalized and are depreciated over their useful lives in the Government-wide Financial Statements. The entire balance is reflected as current, as reimbursements are made as revenues are collected, and there is no stated maturity.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 7: Long-Term Debt (continued)

Business-Type Activities Debt

The following is a summary of outstanding Business-Type Activities long-term debt of the Town as of December 31, 2009:

	Outstanding 12/31/2009
Capital Leases:	
March 1, 2007, a 60 month lease with Key Government Finance, Inc. to acquire a 2006 International Plow Truck costing \$ 152,627. Annual payments of \$34,757 principal and interest at 4.49%. Allocated 25% to the Water Fund and 75% to the Highway Fund.	23,891
Developer Reimbursement Obligation	
Starting in 2006, two reimbursement agreements were executed with a developer for public improvements paid through sales taxes collected. The Town is reflecting the balance due between assets that have been accepted and sales tax provided by the agreement for the years 2006-2009.	462,444
Total Enterprise Fund Debt	486,335

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2009:

	Balance 12/31/2008	Additions	Retired	Balance 12/31/2009	Due Within One Year
Capital Leases					
Mar. 1, 2007 Lease (25%)	31,181	-	7,290	23,891	7,617
July 1, 2005 Lease	4,861	-	4,861	-	-
Developer Reimbursement Obligation	555,698	83,155	176,409	462,444	462,444
Total	591,740	83,155	188,560	486,335	470,061

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 7: Long-Term Debt (continued)

The annual requirements to amortize all of the Town's Business-Type Activities debt as of December 31, 2009, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2010	7,617	1,073	8,690
2011	7,959	731	8,690
2012	8,315	373	8,688
Total	23,891	2,177	26,068

Developer reimbursements are paid from future revenues as collected, and are not subject to an amortization schedule. Therefore, the amounts are not included in the future maturities schedule. Balances are reported as current in the accompanying statements of net assets.

Governmental Activities Debt

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2009:

	Outstanding 12/31/2009
General Obligation Debt:	
General Obligation Debt - March 1, 2000 General Obligation Municipal Building Bonds, original issue totaling \$700,000, due in annual principal amounts ranging from \$50,000 in 2008 to \$70,000 in 2013 with coupon rates ranging from 4.65% to 5.15%.	260,000
Certificates of Participation:	
May 31, 2005, Certificates of Participation - \$1,985,000 original issue by the Firestone Finance Authority used to acquire leased property from Knox Farm, LLC for future use as a park. The interest rate on this debt is (65%) of the Prime Rate as of October 15 of the prior year, reset every three years and may not be less than 3.50% nor more than 6.75%. The certificates mature December 1, 2025. The certificates are payable solely from revenues received from the Town under a lease agreement between itself and the Authority. This debt does not constitute a general obligation or other indebtedness of the Town within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt of other financial obligation.	1,775,000

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 7: Long-Term Debt (continued)

	<u>Outstanding 12/31/2009</u>
Capital Leases:	
December 13, 2005, a 48 month lease with Citizen's State Bank to acquire a 2007 Wagner 140H Road Grader costing \$79,000. Annual payments of \$22,229 principal and interest, at 4.79%, beginning January 2, 2007. Collateralized by the road grader.	21,213
March 1, 2007, a 60 month lease with Key Government Finance, Inc. to acquire a 2006 International Plow Truck costing \$ 152,627. Annual payments of \$34,757 principal and interest at 4.49%. Allocated 25% to the Water Fund and 75% to the Highway Fund.	71,674
May 24, 2007, a sixty-month lease with Key Government Finance, Inc. to acquire a modular building costing \$175,000. Annual payments of \$42,687 principal and interest, at 4.43%.	80,021
September 14, 2009, a twenty-four month lease with Key Government Finance, Inc. to acquire two 2009 Dodge Charger patrol units costing \$73,788. Annual payments of \$25,686 principal and interest, at 4.5%	48,101
Developer Reimbursement Obligation	
In 2006, a reimbursement agreement was reached with a developer for public improvements paid through sales taxes collected. The Town is reflecting the balances due between assets that have been accepted and sales tax provided by the agreement for the years 2006-2009.	286,028
Total Governmental Funds Debt	<u><u>2,542,037</u></u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 7: Long-Term Debt (continued)

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2009:

	Balance 12/31/2008	Additions	Retired	Balance 12/31/2009	Due Within One Year
General Obligation Debt					
Series 1999	315,000	-	55,000	260,000	60,000
Certificates of Participation					
May 31, 2006, COPs	1,850,000	-	75,000	1,775,000	75,000
Capital Leases					
March 4, 2004 Lease	24,139	-	24,139	-	-
December 13, 2005 Lease	41,457	-	20,244	21,213	21,213
March 10, 2006 Lease	29,767	-	29,767	-	-
November 6, 2006 Lease	17,850	-	17,850	-	-
Mar. 1, 2007 Lease (75%)	93,542	-	21,868	71,674	22,850
May 24, 2007 Lease	117,506	-	37,485	80,021	39,144
September 14, 2009 Lease	-	73,788	25,687	48,101	23,521
Developer Reimbursement Obligation	217,107	245,330	176,409	286,028	286,028
Total	<u>2,706,368</u>	<u>319,118</u>	<u>483,449</u>	<u>2,542,037</u>	<u>527,756</u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 7: Long-Term Debt (continued)

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2009, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2010	241,728	102,832	344,560
2011	234,333	91,713	326,046
2012	174,948	84,958	259,906
2013	160,000	80,355	240,355
2014	90,000	72,250	162,250
2015	95,000	67,750	162,750
2016	100,000	63,000	163,000
2017	105,000	58,000	163,000
2018	110,000	52,750	162,750
2019	115,000	47,250	162,250
2020	120,000	41,500	161,500
2021	130,000	35,500	165,500
2022	135,000	29,000	164,000
2023	140,000	22,250	162,250
2024	150,000	15,250	165,250
2025	155,000	7,750	162,750
Total	2,256,009	872,108	3,128,117

Developer reimbursements are paid from future revenues as collected, and are not subject to an amortization schedule. Therefore, the amounts are not included in the future maturities schedule. Balances are reported as current in the accompanying statements of net assets.

The Assets acquired through capital lease are as follows:

Assets	Governmental Activities	Business-Type Activities
Land	1,985,000	47,611
Building	270,614	-
Machinery & Equipment	664,611	38,157
less Accum. Depreciation	(397,052)	(10,330)
Total	2,523,173	75,438

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 8: Defined Benefit Pension Plan – Police Officers

Plan Description

The Town of Firestone contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (“FPPA”). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the FPPA. This is a non-contributory plan. All full-time, paid police officers of the Town of Firestone are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA(3772) from outside the metro area.

Basis of accounting for the Statewide Defined Benefit Plan

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

Funding Policy

Plan members and the Town of Firestone are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8.0% of covered salary and for the Town of Firestone is 8.0% of covered salary. The Town's contributions to the Statewide Defined Benefit Plan for the years ending December 31st, 2009, 2008, and 2007, were \$118,253, \$109,321, and \$82,115 respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 9: Defined Contribution Pension Plan – Police Officers

Plan Description

Employees of the Town of Firestone who are members of the FPPA Statewide Defined Benefit Plan (see Note 8) may voluntarily contribute to the FPPA 457 Plan (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is voluntary, and contributions are separate from others made to FPPA. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA(3772) from outside the metro area.

Funding Policy

The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$15,500 for the calendar year 2008 and \$16,500 for the calendar year 2009). Catch-up contributions up to \$5,000 for the calendar years 2008 and 2009 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31st, 2009, 2008, and 2007, the 457 Plan member contributions from the Town of Firestone were \$1,300, \$1,300, and \$100, respectively.

Note 10: Defined Benefit Pension Plan – Old Hire Marshalls

Plan Description

This plan is a single employer defined benefit pension plan established by resolution of the Town. All assets are held and invested by the FPPA. Police hired prior to April 8, 1978, who elected not to change to the "State Plan" are covered by this Town plan.

Members attaining the age of 55 years and who have 20 years or more of credited service may retire. Upon retirement a member is eligible to receive a monthly pension equal to one-half of their average monthly salary received the year before their retirement. Upon death of a member, the surviving spouse is entitled to receive half (50%) of the monthly pension the member was eligible to receive.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2009

Note 10: Defined Benefit Pension Plan – Old Hire Marshalls (continued)

Contributions

One former employee is covered by this plan and makes no contributions. An actuarial valuation as of January 1, 2008, has been performed to assess the plan's funding status and determine the actuarial accrued liability. The actuarial accrued liability is a standardized disclosure measure of the present value of pension benefits estimated to be payable in the future as a result of member service to date. Benefits and refunds (if any) of the plan are recognized when due and payable in accordance with the terms of the plan.

Funding

In accordance with GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the actuarial assumptions used are: (1) Actuarial Cost Method - entry age normal; (2) Amortization Method - level dollar, open; (3) Remaining Amortization Period - 10 years; (4) Asset Valuation Method - 3-year smoothed fair market value; (5) Investment Rate of Return - 8.00%; (6) Projected Salary Increase - 4.75%; and (7) includes a 3.5% inflation rate.

The Net Pension Obligation shown below is a standardized disclosure measure of the difference between the cumulative annual pension costs and contributions made to the Pension Fund since transition to this reporting standard. The Annual Required Contribution is a disclosure measure of the annual pension cost. Both standardized measures are calculated as of January 1, 2008, in accordance with GASB Statement No. 25 and GASB Statement No. 27.

	<u>2008</u>	<u>2006</u>	<u>2004</u>
GASB 25 Disclosures			
Actuarial Value of Assets	30,893	44,681	49,025
Actuarial Accrued Liability	86,991	94,319	101,725
Excess of Accrued Liability over Assets	(56,098)	(49,638)	(52,700)
Funded ratio	36%	47%	48%
	<u>2009</u>	<u>2008</u>	<u>2007</u>
GASB 27 Disclosures			
Estimated Net Pension Obligation - Jan. 1st	7,490	8,090	1,777
Interest on Net Pension Obligation	599	647	142
Adjustment to Annual Required Contribution	(1,155)	(1,247)	(255)
Estimated Annual Required Contribution	11,530	6,426	6,426
Annual Contribution for the Plan Year	<u>(11,530)</u>	<u>(6,426)</u>	<u>-</u>
Estimated Net Pension Obligation - Dec. 31st	<u>6,934</u>	<u>7,490</u>	<u>8,090</u>

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 11: Defined Benefit Pension Plan – Non-Police Staff

Plan Description

The Town of Firestone contributes to the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries.

All non-police officer employees of Town of Firestone are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy

The Town of Firestone is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the Town of Firestone it is 10.00 percent of covered salary. A portion of the Town of Firestone’s contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund (See Note 12). The Town is also required to pay an amortization equalization disbursement (“AED”) equal to 1.80 percent of the total payroll for the calendar year 2009 (1.40 percent of total payroll for the calendar year 2008, and 1.00 percent of total payroll for the calendar year 2007). Additionally, the Town of Firestone is required to pay a supplemental amortization equalization disbursement (“SAED”) equal to 1.00 percent of the total payroll for the calendar year 2009 (0.50 percent of total payroll for the calendar year 2008). If the Town of Firestone rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree; however no member contributions are required. For the years ending December 31st, 2009, 2008, and 2007, the Town of Firestone’s employer contributions to the LGDTF were \$159,669, \$138,744, and \$115,272 respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 12: Postemployment Health Care Benefits

Plan Description

The Town of Firestone contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy

The Town of Firestone is required to contribute at a rate of 1.02 percent of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. For the years ending December 31st, 2009, 2008, and 2007, the Town of Firestone’s employer contributions to the HCTF were \$13,868, \$11,892, and \$11,781, respectively, equal to their required contributions for each year.

Note 13: Defined Contribution Pension Plan – Non-Police Staff

Plan Description

Employees of the Town of Firestone who are members of the LGDTF (see Note 11) may voluntarily contribute to the Voluntary Investment Program (“401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

PERA issues a publicly available annual financial report for the 401(k) Plan. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 13: Defined Contribution Pension Plan – Non-Police Staff (continued)

Funding Policy

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$15,500 for the calendar year 2008 and \$16,500 for the calendar year 2009). Catch-up contributions up to \$5,000 for the calendar years 2008 and 2009 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v).5 The contribution requirements for the Town of Firestone are established under Title 24, Article 51, Section 1402 of the CRS, as amended. For the years ended December 31st, 2009, 2008, and 2007, the 401(k) Plan member contributions from the Town of Firestone were \$3,339, \$2,697, and \$7,505, respectively.

Note 14: Joint Ventures

Condensed financial information for the joint ventures in which the Town of Firestone has an interest is as follows:

Weld 911 Emergency Telephone Service Authority Board

At December 31, 2008, (date of latest available information), Weld 911 had a fund balance of \$4,970,304. Total revenues for 2008 were \$1,654,314 and total expenses were \$876,929 resulting in an excess of revenues over expenses of \$777,385. The amount of the Town's share of these amounts is based upon the percentage of the county wide telephone accesses to be served by the Weld 911 Authority.

Complete financial statements for these above joint ventures can be obtained from:

Weld County
P.O. Box 758
Greeley, Colorado 80632

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 15: Reserved Fund Balances / Net Assets

The following is a summary of the purposes of fund balance / net assets restricted or reserved in the various funds:

<u>Fund</u>	<u>Purpose</u>
General Fund	A portion restricted for emergencies as defined under TABOR.
Debt Service	Fund balance restricted for future payments on outstanding General Obligation Debt.
Firestone Finance Authority	Fund balance restricted for future payments on Certificates of Participation issued to finance land acquisition for a future park.
Water Fund	Fund balance designated for operations, maintenance and future capital expenditures related to water operations.
Capital Improvements	Fund balance restricted for future transfers to appropriate funds to be used for the construction of capital improvements funded by the impact fees collected in this fund.
Highway Fund	Fund balance designated for operations, maintenance and future capital expenditures related to street and highway operations.
Parks Fund	Fund balance designated for future capital expenditures related to park infrastructure.
Old Hire Pension	Fund balance restricted for future retirement benefits.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 16: Risk Management

Prior to 2008, the Town was a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides liability and property, and workers' compensation insurance coverages to the Town. Beginning January 1, 2008 the Town has entered into various commercially provided insurance contracts to limit large losses and minimize exposure on large risks. Property and casualty coverage was provided sufficient to protect against property damage to all of the Town’s fixed assets and equipment. Other coverage includes general liability coverage as well as supplemental liability coverages for employee benefits, employment practices, law enforcement activities, vehicles and auto liability, crimes against the Town and a general umbrella liability policy. The Town maintains the State required workers compensation insurance with Pinnacle Assurance, the primary provider of workers compensation coverage in Colorado.

Note 17: Taxes, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) also known as the Taxpayer’s Bill of Rights (“TABOR”) which limits the revenue raising and spending abilities of state and local governments.

The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary of fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has reserved \$253,045 for this purpose.

On April 2, 1996, the voting citizens of the Town of Firestone authorized the Town to collect, retain, and expend the full proceeds of the Town's sales and use tax, property tax revenues, non federal grants, fees and other revenues collected and received during the year 1996 and each subsequent year, for capital projects, basic municipal services or other lawful municipal purposes, notwithstanding any state limitation on fiscal year revenue and spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution or any other law. This effectively removed all revenue and spending limits imposed by TABOR.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 18: Commitments and Contingent Liabilities

The Town has been named as a defendant in a case with the City of Longmont, Colorado whereby both municipalities have challenged each other's annexation proceedings related to properties and rights-of-way generally located north and west of the intersection of Interstate 25 and Colorado State Highway 119. The core dispute involves overlapping portions of public rights-of-way, Firestone's annexation of two parcels referred to as the Firelight Park Annexation and the Union Annexation, and Longmont's annexation of two parcels in the area. None of the actions assert any claims for monetary damages and no damages may be awarded under the applicable statutes pursuant to which the actions are brought. Each party asserts it is entitled to its attorneys fees and costs in the event it prevails in the litigation. Therefore, the primary financial exposure to the Town is the costs of defense of the litigation, and the potential risk of an award of attorney's fees against it. The private owners of the Firelight Park and Union Annexations have agreed to reimburse the Town for defense costs as incurred and have agreed to indemnify and hold the Town harmless from and against all liability, claims and demands, including attorney's fees and court costs, which arise out of or which are in any manner connected with the annexations.

Management is not aware of any other outstanding claims or other financial contingencies that could have a material adverse effect on the Town's financial statements.

Note 19: Developer Agreements

The Town of Firestone is involved in developer agreements to promote commercial growth within its boundaries. These agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, the Town of Firestone is not obligated to fund the expenditures from other sources. These agreements fall under Government Accounting Standard Board Statement No 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* for pledged revenues. The obligations to be repaid through these pledged revenues are summarized below:

American Furniture Warehouse ("AFW") and THF/TFD Firestone Development, L.L.C.

An Amended and Restated Public Improvements Reimbursement Agreement (the "PIRA") between AFW and THF/TFD Firestone Development (the "Developers") was approved by the Town on July 31, 2006. The PIRA will finance the construction of certain public improvements in connection with the City Centre development, located at I-25 and Firestone Blvd. Under the PIRA, the Developers will receive 1.25% (the "Credit PIF") of the Town's 2% sales and use tax on the sale or provision of goods in the development. The amount of eligible cost that could be reimbursed to the Developers from Credit PIF Revenues is limited to \$11,000,000, plus interest

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2009

Note 19: Developer Agreements (continued)

accruing at the Wall Street Journal Prime Rate, capped at 7% per annum. The Developers have 20 years (2026) to receive the maximum reimbursable amount.

THF Firestone Development, L.L.C.

A Retail Infrastructure Funding Agreement (the “RIFA”) with THF Firestone Development (the “Developer”) was approved by the Town on September 4, 2008. The RIFA supplements the PIRA and is intended to help finance the construction of additional public improvements in connection with the development of a portion of the retail area at I-25 and Firestone Blvd. Under the RIFA, the Developer imposes a Retail Transaction Fee (“RTF”) in the amount of 0.25% of the Town’s 2% sales and use tax on the sale or provision of goods in the project area. The amount of eligible cost that could be reimbursed to the Developers from RTF Revenues is limited to \$4,000,000, plus interest accruing at the Wall Street Journal Prime Rate, capped of 7% per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.

Note 20: Subsequent Events

Management of the Town has evaluated subsequent events through June 11, 2010, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to, or disclosure in the financial statements were identified.

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Other Supplementary Information

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Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Capital Improvement Fund
 Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Impact Fees	482,645	482,645	877,288	394,643
Investment Earnings	81,500	81,500	25,639	(55,861)
Total Revenues	564,145	564,145	902,927	338,782
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	30,000	30,000	-
Transfer Out	(864,077)	(2,978,037)	(2,774,884)	203,153
Proceeds from Capital Lease	-	-	-	-
Total Other Financing Sources (Uses)	(834,077)	(2,948,037)	(2,744,884)	203,153
Net Change in Fund Balances	(269,932)	(2,383,892)	(1,841,957)	541,935
Fund Balances at Beginning of Period			3,349,680	
Fund Balances at End of Period			1,507,723	

See the accompanying Independent Auditors' Report.

Schedule 1

Town of Firestone
 Firestone, Colorado
Combining Balance Sheet
Other Governmental Funds
 December 31, 2009

	Firestone Finance Authority	Conservation Trust	Open Space	Debt Service
ASSETS				
Cash and Cash Equivalents	10,878	165,743	-	6,268
Receivables	-	-	12,020	73,617
Total Assets	10,878	165,743	12,020	79,885
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	-	-	-	73,617
Due to Bank	-	-	618	-
Total Liabilities	-	-	618	73,617
Fund Balances:				
Reserved	10,878	-	-	6,268
Undesignated	-	165,743	11,402	-
Total Fund Balances	10,878	165,743	11,402	6,268
Total Liabilities and Fund Balances	10,878	165,743	12,020	79,885

See the accompanying Independent Auditors' Report

Schedule 2

Storm Water Facilities Replacement	Street & Highway Replacement	Park Replacement	Fleet Replacement	Building Replacement	Total Govtl. Funds
21,476	66,190	13,238	13,238	13,238	310,269
-	-	-	-	-	85,637
<u>21,476</u>	<u>66,190</u>	<u>13,238</u>	<u>13,238</u>	<u>13,238</u>	<u>395,906</u>
-	-	-	-	-	73,617
-	-	-	-	-	618
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,235</u>
21,476	66,190	13,238	13,238	13,238	144,526
-	-	-	-	-	177,145
<u>21,476</u>	<u>66,190</u>	<u>13,238</u>	<u>13,238</u>	<u>13,238</u>	<u>321,671</u>
<u>21,476</u>	<u>66,190</u>	<u>13,238</u>	<u>13,238</u>	<u>13,238</u>	<u>395,906</u>

Schedule 2

Town of Firestone
Firestone, Colorado
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Other Governmental Funds
Year Ended December 31, 2009

	Firestone Finance Authority	Conservation Trust	Open Space	Debt Service
REVENUES				
Taxes and Impact Fees	-	-	36,380	70,490
Intergovernmental	-	36,906	-	-
Investment Earnings	403	599	194	104
Miscellaneous	150	-	-	-
Total Revenues	553	37,505	36,574	70,594
EXPENDITURES				
Current:				
Administration	1,200	-	-	1,512
Debt Service:				
Principal	75,000	-	-	55,000
Interest	81,215	-	-	15,628
Total Expenditures	157,415	-	-	72,140
Excess (Deficiency) of Revenue Over Expenditures	(156,862)	37,505	36,574	(1,546)
OTHER FINANCING SOURCES (USES)				
Transfers In	140,000	-	-	-
Transfer Out	-	-	(40,000)	-
Total Other Financing Sources (Uses)	140,000	-	(40,000)	-
Net Change in Fund Balances	(16,862)	37,505	(3,426)	(1,546)
Fund Balances at Beginning of Period	27,740	128,238	14,828	7,814
Fund Balances at End of Period	10,878	165,743	11,402	6,268

See the accompanying Independent Auditors' Report

Schedule 3

Storm Water Facilities Replacement	Street & Highway Replacement	Park Replacement	Fleet Replacement	Building Replacement	Total Govtl. Funds
-	-	-	-	-	106,870
-	-	-	-	-	36,906
126	314	63	63	63	1,929
-	-	-	-	-	150
<u>126</u>	<u>314</u>	<u>63</u>	<u>63</u>	<u>63</u>	<u>145,855</u>
-	-	-	-	-	2,712
-	-	-	-	-	130,000
-	-	-	-	-	96,843
-	-	-	-	-	<u>229,555</u>
126	314	63	63	63	(83,700)
5,000	25,000	5,000	5,000	5,000	185,000
-	-	-	-	-	(40,000)
<u>5,000</u>	<u>25,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>145,000</u>
5,126	25,314	5,063	5,063	5,063	61,300
16,350	40,876	8,175	8,175	8,175	260,371
<u>21,476</u>	<u>66,190</u>	<u>13,238</u>	<u>13,238</u>	<u>13,238</u>	<u>321,671</u>

Schedule 3

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

	Firestone Finance Authority Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	-	-	-	-
Investment Earnings	300	300	403	103
Miscellaneous	-	-	150	150
Total Revenues	300	300	553	253
EXPENDITURES				
Current:				
Administration	3,500	3,500	1,200	2,300
Debt Service:				
Principal	75,000	75,000	75,000	-
Interest	84,300	84,300	81,215	3,085
Total Expenditures	162,800	162,800	157,415	5,385
Excess (Deficiency) of Revenue Over Expenditures	(162,500)	(162,500)	(156,862)	(5,132)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	140,000	140,000	140,000	-
Total Other Financing Sources (Uses)	140,000	140,000	140,000	-
Net Change in Fund Balances	(22,500)	(22,500)	(16,862)	(5,132)
Fund Balances at Beginning of Period			27,740	
Fund Balances at End of Period			10,878	

See the accompanying Independent Auditors' Report

Schedule 4

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

Conservation Trust			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
35,000	35,000	36,906	1,906
2,000	2,000	599	(1,401)
-	-	-	-
<u>37,000</u>	<u>37,000</u>	<u>37,505</u>	<u>505</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>37,000</u>	<u>37,000</u>	<u>37,505</u>	<u>505</u>
(120,645)	(120,645)	-	120,645
<u>(120,645)</u>	<u>(120,645)</u>	<u>-</u>	<u>120,645</u>
<u>(83,645)</u>	<u>(83,645)</u>	37,505	<u>121,150</u>
		128,238	
		<u>165,743</u>	

See the accompanying Independent Auditors' Report

Schedule 5

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

	Open Space			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Taxes	-	-	-	-
Charges for Services	40,000	40,000	36,380	(3,620)
Investment Earnings	100	100	194	94
Total Revenues	40,100	40,100	36,574	(3,526)
EXPENDITURES				
Current:				
Administration	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenue Over Expenditures	40,100	40,100	36,574	(3,526)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(40,000)	(40,000)	(40,000)	-
Total Other Financing Sources (Uses)	(40,000)	(40,000)	(40,000)	-
Net Change in Fund Balances	100	100	(3,426)	(3,526)
Fund Balances at Beginning of Period			14,828	
Fund Balances at End of Period			11,402	

See the accompanying Independent Auditors' Report

Schedule 6

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

Debt Service			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
70,688	70,688	70,490	(198)
-	-	-	-
200	200	104	(96)
<u>70,888</u>	<u>70,888</u>	<u>70,594</u>	<u>(294)</u>
-	1,520	1,512	8
55,000	55,000	55,000	-
15,628	15,628	15,628	-
<u>70,628</u>	<u>72,148</u>	<u>72,140</u>	<u>8</u>
<u>260</u>	<u>(1,260)</u>	<u>(1,546)</u>	<u>(286)</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>260</u>	<u>(1,260)</u>	<u>(1,546)</u>	<u>(286)</u>
		<u>7,814</u>	
		<u>6,268</u>	

See the accompanying Independent Auditors' Report

Schedule 7

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

	Stormwater Facilities Replacement			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	500	500	126	(374)
Total Revenues	500	500	126	(374)
Excess (Deficiency) of Revenue Over Expenditures	500	500	126	(374)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	5,000	5,000	5,000	-
Total Other Financing Sources (Uses)	5,000	5,000	5,000	-
Net Change in Fund Balances	5,500	5,500	5,126	(374)
Fund Balances at Beginning of Period			16,350	
Fund Balances at End of Period			21,476	

See the accompanying Independent Auditors' Report

Schedule 8

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

Street & Highway Replacement			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
1,300	1,300	314	(986)
<u>1,300</u>	<u>1,300</u>	<u>314</u>	<u>(986)</u>
1,300	1,300	314	(986)
25,000	25,000	25,000	-
<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<u>26,300</u>	<u>26,300</u>	25,314	<u>(986)</u>
		40,876	
		<u>66,190</u>	

See the accompanying Independent Auditors' Report

Schedule 9

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

	Parks Replacement			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	300	300	63	(237)
Total Revenues	<u>300</u>	<u>300</u>	<u>63</u>	<u>(237)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>300</u>	<u>300</u>	<u>63</u>	<u>(237)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	5,000	5,000	5,000	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balances	<u>5,300</u>	<u>5,300</u>	5,063	<u>(237)</u>
Fund Balances at Beginning of Period			<u>8,175</u>	
Fund Balances at End of Period			<u>13,238</u>	

See the accompanying Independent Auditors' Report

Schedule 10

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

Fleet Replacement			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
300	300	63	(237)
300	300	63	(237)
300	300	63	(237)
5,000	5,000	5,000	-
5,000	5,000	5,000	-
5,300	5,300	5,063	(237)
		8,175	
		13,238	

See the accompanying Independent Auditors' Report

Schedule 11

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances -Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2009

	Building Replacement			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	300	300	63	(237)
Total Revenues	<u>300</u>	<u>300</u>	<u>63</u>	<u>(237)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>300</u>	<u>300</u>	<u>63</u>	<u>(237)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	5,000	5,000	5,000	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balances	<u>5,300</u>	<u>5,300</u>	5,063	<u>(237)</u>
Fund Balances at Beginning of Period			<u>8,175</u>	
Fund Balances at End of Period			<u>13,238</u>	

See the accompanying Independent Auditors' Report

Schedule 12

Town of Firestone
Firestone, Colorado
Water Fund
Statement of Revenues, Expenditures, and Changes in Net Assets -
Budget and Actual (Non GAAP Basis)
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	2,028,177	2,028,177	1,842,175	(186,002)
Miscellaneous	100,000	100,000	-	(100,000)
Total Operating Revenues	2,128,177	2,128,177	1,842,175	(286,002)
Operating Expenses				
Operations	1,337,783	1,337,782	1,165,201	(172,581)
Administration	483,376	483,375	422,121	(61,254)
Depreciation	-	-	314,558	314,558
Total Operating Expenses	1,821,159	1,821,157	1,901,880	80,723
Operating Income	307,018	307,020	(59,705)	(366,725)
Nonoperating Revenues (Expenses)				
Capital Contributions	1,144,000	1,499,600	1,186,560	(313,040)
Investment Earnings	60,400	60,400	17,126	(43,274)
Transfers In (Out)	-	-	176,409	176,409
Interest Expense	(1,400)	(1,400)	(1,127)	273
Principal Paid	(12,478)	(12,478)	(12,150)	328
Capital Outlay	(961,350)	(961,350)	(1,108,319)	(146,969)
Tap Fees Paid	(615,000)	(885,800)	(885,800)	-
Intergovernmental Revenues	617,332	617,332	369,515	(247,817)
				-
Total Other Financing Sources (Uses)	231,504	316,304	(257,786)	(574,090)
Net Income (Loss) Budgetary Basis	538,522	623,324	(317,491)	(940,815)
Reconciliation to a GAAP Basis				
Capital Outlay			1,108,319	
Principal Paid			12,150	
Changes in Net Assets			802,978	
Fund Balances - Beginning			54,858,887	
Prior Period Adjustment			(567,687)	
Adjusted Fund Balance - Beginning			54,291,200	
Fund Balances at End of Period			55,094,178	

See the accompanying Independent Auditors' Report

Schedule 13

Town of Firestone
Firestone, Colorado
Stormwater Fund
Statement of Revenues, Expenditures, and Changes in Net Assets -
Budget and Actual (Non GAAP Basis)
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	105,000	105,000	76,805	(28,195)
Miscellaneous	-	-	12	12
Total Operating Revenues	105,000	105,000	76,817	(28,183)
Operating Expenses				
Operations	16,700	16,700	10,437	(6,263)
Depreciation	-	-	2,576	2,576
Total Operating Expenses	16,700	16,700	13,013	(3,687)
Operating Income	88,300	88,300	63,804	(24,496)
Nonoperating Revenues (Expenses)				
Investment Earnings	300	-	-	-
Transfers In	313,300	313,300	324,364	11,064
Transfers Out	(65,033)	(65,033)	(65,033)	-
Intergovernmental	-	157,406	176,084	18,678
Capital Outlay	(313,300)	(331,590)	(334,486)	(2,896)
Total Other Financing Sources (Uses)	(64,733)	74,083	100,929	26,846
Net Income (Loss) Budgetary Basis	23,567	162,383	164,733	2,350
Reconciliation to a GAAP Basis				
Capital Outlay			334,486	
Changes in Net Assets			499,219	
Fund Balances at Beginning of Period			-	
Fund Balances at End of Period			499,219	

See the accompanying Independent Auditors' Report
Schedule 14

Capital Assets Used in the Operation of Governmental Activities

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Town of Firestone
 Capital Assets Used in the Operation of Governmental Activities
 Schedule by Activity and Source

December 31, 2009

Function and Activity	Land	Land Improvements	Building and Improvements	Equipment and Vehicles	Infrastructure	TOTAL
General Government	\$ -	\$ -	\$ -	\$ 139,295	\$ -	\$ 139,295
Public Works	-	-	-	1,241,935	-	1,241,935
Parks, Cultural and Open Space	5,801,202	5,294,282	-	-	-	11,095,484
Public Safety	-	-	-	928,253	-	928,253
Building	-	-	1,637,173	-	-	1,637,173
Building - Construction in Progress	-	-	359,809	-	-	359,809
Streets and Related Infrastructure	-	-	-	-	33,458,498	33,458,498
Total Government Funds Capital Assets	<u>\$ 5,801,202</u>	<u>\$ 5,294,282</u>	<u>\$ 1,996,982</u>	<u>\$ 2,309,483</u>	<u>\$ 33,458,498</u>	<u>\$ 48,860,447</u>

See accompanying Independent Auditors' Report.

Town of Firestone
 Capital Assets Used in the Operation of Governmental Activities
 Schedule of Changes by Function and Activity

December 31, 2009

Function and Activity	Capital Assets 12/31/2008	Additions	Deletions	Capital Assets 12/31/2009
General Government	\$ 116,051	\$ 23,244	\$ -	139,295
Public Works	1,206,978	34,957	-	1,241,935
Parks, Cultural and Open Space	11,000,621	94,863	-	11,095,484
Public Safety	875,828	85,088	32,663	928,253
Building	1,637,173	-	-	1,637,173
Construction in Progress	-	359,809	-	359,809
Streets and Related Infrastructure	30,566,149	2,898,349	6,000	33,458,498
Total Government Funds Capital Assets	<u><u>\$ 45,402,800</u></u>	<u><u>\$ 3,496,310</u></u>	<u><u>\$ 38,663</u></u>	<u><u>\$ 48,860,447</u></u>

See accompanying Independent Auditors' Report.

Town of Firestone
 Capital Assets Used in the Operation of Governmental Activities
 Comparative Schedule by Source

December 31, 2008 and 2009

GENERAL FIXED ASSETS	2008	2009
Land	\$ 5,801,202	\$ 5,801,202
Land Improvements	5,199,419	5,294,282
Building and Improvements	1,637,173	1,637,173
Building - Construction in Process	-	359,809
Equipment and Vehicles	2,198,857	2,309,483
Infrastructure	30,566,149	33,458,498
TOTAL GENERAL FIXED ASSETS	\$ 45,402,800	\$ 48,860,447

INVESTMENT IN GENERAL FIXED ASSETS	2008	2009
Contributions and Donations	\$ 26,199,793	\$ 26,199,793
Developer Reimbursement Obligations	217,107	217,107
General Obligation Bonds	773,917	773,917
Grants	323,328	1,416,104
Operating Revenues and Impact Fees	15,903,655	18,268,526
Certificates of Participation	1,985,000	1,985,000
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 45,402,800	\$ 48,860,447

See accompanying Independent Auditors' Report.

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Statistical Section

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Town of Firestone
Statistical Section

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2009

This part of the Town of Firestone's Comprehensive Annual Financial Report presents detailed information spanning multiple years to provide a historical context for understanding, interpreting and analyzing the information presented in the financial statements, note disclosures, and supplementary information about the Town's overall financial condition.

The Statistical Section is organized as follows -

	<u>Pages</u>
<i>Financial Trends:</i>	96 - 103
Information on the Town's financial performance and health over time.	
<i>Revenue:</i>	104 - 108
Information on the Town's ability to generate tax revenue over time.	
<i>Debt Capacity:</i>	109 - 113
Information on the Town's outstanding debt and that of overlapping governments.	
<i>Demographics:</i>	114 - 116
Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	
<i>Operating Information:</i>	117 - 118
Information on the Town's operations, staffing and other data.	

Town of Firestone
Net Assets by Component
Last Six Years
(Unaudited)

	Fiscal Year					
	2004 ⁽¹⁾	2005	2006	2007	2008	2009
Governmental activities						
Invested in capital assets, net of related debt	\$ 26,174,629	\$ 26,709,375	\$ 28,787,980	\$ 29,452,697	\$ 31,129,414	\$ 32,578,753
Restricted	3,259,099	4,103,582	5,173,757	4,661,782	4,722,885	2,682,197
Unrestricted	635,609	1,052,457	1,476,557	2,751,531	1,748,080	1,557,952
Total governmental activities assets	\$ 30,069,337	\$ 31,865,414	\$ 35,438,294	\$ 36,866,010	\$ 37,600,379	\$ 36,818,902
Business-type activities						
Invested in capital assets, net of related debt	\$ 38,751,657	\$ 41,580,548	\$ 47,690,346	\$ 51,453,496	\$ 51,891,777	\$ 53,122,854
Restricted	181,339	203,818	262,187	-	-	-
Unrestricted	1,876,625	2,392,705	1,242,711	1,744,886	2,399,424	2,470,543
Total business-type activities net assets	\$ 40,809,621	\$ 44,177,071	\$ 49,195,244	\$ 53,198,382	\$ 54,291,201	\$ 55,593,397
Primary government						
Invested in capital assets, net of related debt	\$ 64,926,286	\$ 68,289,923	\$ 76,478,326	\$ 80,906,193	\$ 83,021,191	\$ 85,701,607
Restricted	3,440,438	4,307,400	5,435,944	4,661,782	4,722,885	2,682,197
Unrestricted	2,512,234	3,445,162	2,719,268	4,496,417	4,147,504	4,028,495
Total primary government net assets	\$ 70,878,958	\$ 76,042,485	\$ 84,633,538	\$ 90,064,392	\$ 91,891,580	\$ 92,412,299

Source: Town of Firestone Finance Department

⁽¹⁾The Town implemented GASB 34, the new reporting standard, in fiscal year 2004.
Therefore, ten years of data is not available but will be accumulated over time.

See accompanying Independent Auditors' Report.

Town of Firestone
Changes in Net Assets
Last Six Years
(Unaudited)

	Fiscal Year					
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾
Expenses						
Governmental activities:						
General Government	\$ 812,740	\$ 869,905	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,140,657
Public Safety	1,770,667	1,957,514	2,357,338	2,169,622	2,230,778	2,350,659
Public Works	419,351	427,030	2,105,134	2,186,471	2,308,808	2,563,019
Health & Welfare	33,905	58,585	73,744	74,408	86,964	103,002
Economic Development	48,877	3,092	14,389	11,561	13,844	15,298
Parks & Recreation	112,763	202,246	534,021	458,506	635,834	700,636
Interest on long-term debt	36,738	87,585	114,083	124,480	120,026	106,860
Special Item	-	-	-	-	-	-
Depreciation Unallocated	1,447,343	1,604,975	-	-	-	-
Total governmental activities expenses	4,682,384	5,210,932	6,196,239	6,225,730	6,551,034	6,980,131
Business-type activities:						
Water	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,901,880
Stormwater						13,013
Total business-type activities expenses	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,914,893
Total primary government activities expenses	\$ 5,664,773	\$ 6,318,998	\$ 7,444,015	\$ 7,757,677	\$ 8,307,635	\$ 8,895,024

See accompanying Independent Auditors' Report.

Town of Firestone
Changes in Net Assets
Last Six Years
(Unaudited)

	Fiscal Year					
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾
Program Revenues						
Governmental activities:						
Charges for services						
General Government	\$ 921,986	\$ 1,115,731	\$ 1,928	\$ 21,709	\$ 22,980	\$ 30,887
Public safety	-	-	166,738	175,676	144,515	209,212
Public works	192,015	83,341	2,726,309	1,444,132	908,196	1,274,954
Parks			343,367	111,000	54,000	93,748
Operating grants and contributions	269,391	-	-	33,921	285,623	1,178,813
Capital grants and contributions						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	1,012,019	729,117	2,761,373	841,171	792,282	-
Parks	-	-	312,611	849,089	744,750	-
Total governmental activities program revenues	<u>2,395,411</u>	<u>1,928,189</u>	<u>6,312,326</u>	<u>3,476,698</u>	<u>2,952,346</u>	<u>2,787,613</u>
Business-type activities:						
Charges for services						
Water	1,117,252	1,333,753	1,678,504	1,642,135	1,721,452	1,842,175
Stormwater						76,817
Operating grants and contributions						545,599
Capital grants and contributions	1,885,901	3,066,407	4,446,399	3,737,731	1,382,707	300,760
Total business-type activities program revenues	<u>3,003,153</u>	<u>4,400,160</u>	<u>6,124,903</u>	<u>5,379,866</u>	<u>3,104,159</u>	<u>2,765,351</u>
Total primary government program revenues	<u>\$ 5,398,564</u>	<u>\$ 6,328,349</u>	<u>\$ 12,437,229</u>	<u>\$ 8,856,564</u>	<u>\$ 6,056,505</u>	<u>\$ 5,552,964</u>
Net (expense) revenue						
Governmental activities	(2,286,973)	(3,282,743)	116,087	(2,749,032)	(3,598,688)	(4,192,517)
Business-type activities	2,020,764	3,292,094	4,877,127	3,847,919	1,347,558	850,458
Total primary government net expense	<u>\$ (266,209)</u>	<u>\$ 9,351</u>	<u>\$ 4,993,214</u>	<u>\$ 1,098,887</u>	<u>\$ (2,251,130)</u>	<u>\$ (3,342,059)</u>

See accompanying Independent Auditors' Report.

Town of Firestone
Changes in Net Assets
Last Six Years
(Unaudited)

	Fiscal Year					
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes - general	\$ 340,377	\$ 430,108	\$ 517,234	\$ 600,200	\$ 707,972	\$ 731,651
Property taxes - debt service	66,315	69,272	69,975	69,600	67,958	70,490
Sales & Use Tax	1,472,821	1,952,157	1,990,320	2,092,775	2,308,510	2,097,477
Franchise taxes	255,614	324,072	286,774	298,572	338,077	339,903
Impact Fees	1,674,980	1,861,574	-	-	-	0
License & Permits	13,713	5,850	-	-	-	0
Grants & Contributions - Not Restricted for Specific	19,785	178,098	-	-	-	0
Investment earnings	72,167	165,340	260,008	362,983	196,461	42,695
Other miscellaneous	47,475	321,640	324,482	419,767	655,611	701,848
Gain on Sale of Capital Assets	89,562	412	8,000	406,541		
Transfers					(192,958)	(435,740)
Total governmental activities	4,052,809	5,308,523	3,456,793	4,250,438	4,081,631	3,548,324
Business-type activities						
Investment earnings	10,064	68,356	141,046	81,529	65,128	15,999
Other miscellaneous	-	-	-	-	192,958	435,740
Total business-type activities	10,064	68,356	141,046	81,529	258,086	451,739
Total primary government	\$ 4,062,873	\$ 5,376,879	\$ 3,597,839	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063
Changes in Net Assets						
Governmental activities	\$ 1,765,836	\$ 2,025,780	\$ 3,572,880	\$ 1,501,406	\$ 482,943	\$ (644,194)
Business-type activities	2,030,828	3,360,450	5,018,173	3,929,448	1,605,644	1,302,197
Total primary government	\$ 3,796,664	\$ 5,386,230	\$ 8,591,053	\$ 5,430,854	\$ 2,088,587	\$ 658,003
Special Item		\$ (229,703)				
		\$ 5,156,527				

Source: Town of Firestone Finance Department

⁽¹⁾ The Town implemented GASB 34, as a new reporting standard, in fiscal year 2004. Therefore, ten years of data is not available but will be accumulated over time.

⁽²⁾ The Town allocated depreciation per GAAP/GASB requirements.

See accompanying Independent Auditors' Report.

Town of Firestone
Fund Balances of Governmental Funds
Last Ten Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 115,727	\$ 155,427	\$ 151,215	\$ 169,234	\$ 160,160	\$ 251,830	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431
Unreserved	655,136	1,034,526	883,728	625,702	479,821	605,977	936,462	1,081,552	933,910	676,957
Total general fund	\$ 770,863	\$ 1,189,953	\$ 1,034,943	\$ 794,936	\$ 639,981	\$ 857,807	\$ 1,135,824	\$ 1,299,182	\$ 1,116,900	\$ 932,388
All other governmental funds										
Reserved	\$ 1,685	\$ 1,754	\$ 514,384	\$ 1,801	\$ 3,098,939	\$ 3,857,775	\$ 4,974,395	\$ 4,444,152	\$ 4,533,125	\$ 2,426,766
Unreserved, reported in:										
Special revenue funds	2,620,532	4,745,220	3,119,564	3,266,349	207,400	494,558	605,645	1,748,934	882,638	1,003,948
Total of all other governmental funds	\$ 2,622,217	\$ 4,746,974	\$ 3,633,948	\$ 3,268,150	\$ 3,306,339	\$ 4,352,333	\$ 5,580,040	\$ 6,193,086	\$ 5,415,763	\$ 3,430,714

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

Town of Firestone
Changes in Fund Balances of Governmental Funds
Last Ten Years
(Unaudited)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 913,473	\$ 1,400,598	\$ 1,528,579	\$ 1,725,251	\$ 3,810,107	\$ 4,637,183	\$ 4,390,097	\$ 3,164,965	\$ 3,576,498	\$ 4,748,305
Licenses and permits	500,491	627,104	566,688	547,322	868,093	996,593	859,251	594,967	362,823	369,179
Intergovernmental	110,492	128,751	510,735	282,536	289,176	470,411	461,473	657,631	576,069	1,191,114
Charges for services	1,918,687	2,782,274	2,160,790	2,243,932	169,789	83,341	234,317	981,874	613,685	111,773
Fines	22,931	29,537	43,472	59,244	67,606	124,988	166,738	175,676	144,515	199,991
Investment earnings	-	-	-	-	72,167	165,340	260,008	362,983	198,904	42,695
Miscellaneous	5,043,171	3,656,879	145,607	7,605,214	1,081,720	758,442	3,252,617	772,562	217,409	101,144
Total revenues	8,509,245	8,625,143	4,955,871	12,463,499	6,358,658	7,236,298	9,624,501	6,710,658	5,689,903	6,764,201
Expenditures										
General government	308,524	400,465	680,478	778,463	794,555	869,960	945,495	1,110,438	1,136,935	1,160,196
Public safety	617,035	850,404	1,029,061	1,217,347	1,770,667	1,957,514	2,089,142	2,053,556	2,123,736	2,153,198
Public works	196,059	291,886	459,014	645,961	419,351	427,030	699,887	807,155	695,554	801,422
Health & Welfare	13,436	13,584	17,927	58,861	33,905	58,585	73,744	74,408	310,137	368,531
Economic Development	-	-	-	-	48,877	3,092	14,389	11,561	86,964	36,121
Parks	-	-	-	-	112,763	202,246	346,286	261,401	13,844	82,178
Capital Outlay	5,235,922	4,364,649	3,934,858	10,251,597	3,386,376	4,199,591	3,934,894	1,904,188	1,484,456	3,496,310
Debt service										
Interest	39,120	47,186	43,648	37,851	33,601	85,029	113,598	120,130	267,399	375,959
Principal	90,669	112,492	169,583	113,169	142,672	161,931	126,148	242,369	337,526	111,070
Total expenditures	6,500,765	6,080,666	6,334,569	13,103,249	6,742,767	7,964,978	8,343,583	6,585,206	6,456,551	8,584,985
Excess of revenues over (under) expenditures	2,008,480	2,544,477	(1,378,698)	(639,750)	(384,109)	(728,680)	1,280,918	125,452	(766,648)	(1,820,784)
Other financing sources (uses)										
Proceeds from capital lease	205,215	-	110,032	33,945	177,781	1,985,000	216,806	289,470	-	73,788
Proceeds from sale of fixed asset	-	-	-	-	89,562	7,500	8,000	435,172	-	13,174
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Operating transfers in	112,379	256,479	863,599	1,177,057	1,145,795	2,057,151	568,055	2,429,081	686,541	2,595,513
Operating transfers out	(112,379)	(256,479)	(863,599)	(1,177,057)	(1,145,795)	(2,057,151)	(568,055)	(2,502,771)	(879,499)	(3,031,253)
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	205,215	-	110,032	33,945	267,343	1,992,500	224,806	650,952	(192,958)	(348,778)
Net changes in fund balance	\$ 2,213,695	\$ 2,544,477	\$ (1,268,666)	\$ (605,805)	\$ (116,766)	\$ 1,263,820	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,169,562)
Debt service as a percentage of noncapital expenditures	11.43%	10.26%	9.75%	5.59%	5.54%	7.02%	5.75%	8.39%	13.85%	10.58%

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

Town of Firestone
General Governmental Tax Revenues By Source
Last Ten Years
(Unaudited)

Year	Property Tax	Franchise Tax	Specific Ownership Tax	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
2000	122,300	59,321	15,088	711,528	3,293	1,943	-	913,473
2001	156,642	81,018	20,797	1,136,513	3,045	2,583	-	1,400,598
2002	201,734	93,769	25,408	1,200,430	4,063	3,175	-	1,528,579
2003	293,125	149,415	33,366	1,243,334	2,425	3,586	-	1,725,251
2004	406,692	170,323	49,846	3,147,801	8,993	4,333	22,119	3,810,107
2005	499,380	233,291	55,509	3,813,731	9,916	5,381	19,975	4,637,183
2006	587,209	286,774	59,995	3,435,669	6,887	6,627	6,936	4,390,097
2007	669,800	298,464	66,843	2,092,729	4,666	9,863	22,600	3,164,965
2008	778,804	327,495	72,898	2,308,510	27,484	14,116	35,374	3,564,681
2009	802,141	339,903	64,239	2,097,477	100,311	15,512	297,052	3,716,635

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

Town of Firestone
Sales Tax Trends
Last Seven Years ⁽¹⁾
(Unaudited)

Sales Tax Trends by Category (based on month distributed to the Town)								
	2003	2004	2005	2006	2007	2008	2009	Six Year Change
Motor Vehicle Taxes	\$ 323,972	\$ 314,081	\$ 344,524	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ (2,894)
Hotel/Motels	10,608	13,625	13,934	15,671	18,712	17,136	21,026	10,418
Restaurants	55,724	93,580	132,577	167,167	219,181	231,424	234,598	178,875
Retail - Grocery	95,119	109,286	156,896	167,114	184,639	194,180	193,522	98,403
Retail - Other	34,042	64,459	139,632	227,121	444,138	419,858	422,475	388,434
Bars/Liquor Stores	33,193	36,095	54,967	62,758	59,547	57,872	60,413	27,220
Other	-	43,906	36,903	39,607	43,458	27,086	29,591	29,591
Services	-	14,129	23,163	15,646	16,030	41,039	3,788	3,788
Banking & Financial	18,494	4,090	2,805	3,691	2,442	3,641	287,696	269,202
Utilities & Communications	-	140,640	171,528	230,405	237,002	296,026	23,131	23,131
Developer Reimbursement Obligation ⁽²⁾						410,064	245,330	245,330
TOTAL	\$ 571,152	\$ 833,892	\$ 1,076,929	\$ 1,264,032	\$ 1,631,217	\$ 2,084,390	\$ 1,842,649	\$ 1,271,497

⁽¹⁾ Sales tax data at this level of detail is not readily available from the Town's records prior to 2003.

⁽²⁾ Pledged revenues from sales tax for PIRA and RIFA agreements starting in 2008.

See accompanying Independent Auditors' Report.

Town of Firestone
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Firestone							
Year⁽¹⁾	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other
2000	8,178,470	1,331,030	5,263,140	324,050	1,732,140	2,737,930	2,518,250
2001	15,050,320	2,307,090	5,299,490	255,230	3,016,690	4,495,490	2,754,440
2002	25,310,630	5,107,310	4,405,190	276,170	3,171,850	8,376,870	1,269,470
2003	31,235,200	6,635,780	3,743,540	272,920	2,738,220	9,530,550	1,306,350
2004	36,664,850	6,496,130	3,885,450	253,080	12,744,790	8,873,400	1,309,770
2005	41,714,690	11,942,700	3,936,440	238,130	16,829,700	8,091,710	1,598,550
2006	47,042,840	14,696,740	3,838,940	135,220	23,456,920	6,667,570	2,320,560
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250

Year⁽¹⁾	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value⁽²⁾
2000	488,750	21,596,260	7.420	128,086,190	17.37%
2001	647,070	32,531,680	6.510	220,221,607	15.07%
2002	683,560	47,233,930	36414	347,449,046	13.79%
2003	773,590	54,688,970	7.419	469,834,400	11.80%
2004	810,600	69,416,870	7.209	548,252,146	12.81%
2005	1,064,260	83,287,660	7.049	633,596,606	13.31%
2006	1,545,820	96,612,970	6.929	714,755,270	13.73%
2007	1,661,280	114,332,430	6.805	835,545,237	13.88%
2008	1,888,420	118,208,020	6.805	858,575,320	13.99%
2009	2,402,890	132,642,530	6.805	857,705,156	15.74%

Sources: Weld County Assessor's Office

⁽¹⁾Taxes for the year assessed are collected in the following year. For example: 2005 assessed will be collected in 2006 calendar year.

⁽²⁾Includes tax-exempt property

⁽³⁾Information not available

See accompanying Independent Auditors' Report.

Town of Firestone
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years
(Unaudited)

Year	Town of Firestone	Weld County	RE1J School District	Weld County ⁽²⁾						
				Frederick Firestone Fire Protection District	Mountain View Fire Protection District	N. Colo. Water Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	The Greens Metro District
Rates (In mills)										
2000	7.420	22.038	42.173	9.560	8.367	1.000	-	-	-	-
2001	6.510	20.559	36.256	7.560	8.237	1.000	-	-	-	-
2002	6.209	20.056	41.025	9.560	8.197	1.000	-	-	-	-
2003	7.419	21.474	40.374	9.560	8.117	1.000	-	-	-	-
2004	7.209	19.957	40.089	9.560	8.107	1.000	-	-	-	-
2005	7.049	17.900	39.982	9.560	8.037	1.000	40.000	40.000	40.000	40.190
2006	6.929	16.804	38.035	13.360	7.977	1.000	40.000	40.000	40.000	40.190
2007	6.805	16.804	37.798	12.770	7.817	1.000	40.000	40.000	40.000	40.190
2008	6.805	16.804	46.285	12.526	11.747	1.000	-	-	-	40.190
2009	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
Levy										
2000	160,244	38,846,297	8,718,454	447,916	1,272,636	1,423,599	-	-	-	-
2001	211,781	45,683,851	10,535,268	650,279	1,734,822	1,782,779	-	-	-	-
2002	293,275	48,691,835	13,701,751	972,351	1,973,426	1,978,011	-	-	-	-
2003	405,737	53,414,937	14,614,834	1,066,571	2,085,244	2,052,881	-	-	-	-
2004	500,426	59,739,651	16,656,447	1,234,942	2,435,015	2,399,590	-	-	-	-
2005	587,095	64,714,321	19,653,853	1,564,289	82,889	2,771,826	10,940	758	6	15,144
2006	669,431	70,643,162	21,713,602	3,092,694	82,889	3,190,486	43,137	24,148	6,440	21,660
2007	778,032	75,088,043	24,691,076	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	-	-	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	-	-	-

See accompanying Independent Auditors' Report.

**Town of Firestone
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years
(Unaudited)**

Weld County ⁽²⁾											
Year	The Springs Metro District	Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	Tri-Area Sanitation (3)	Saint Vrain Sanitation District	Tri-Area Ambulance Special District (3)	Carbon Valley Recreation District	High Plains Library District ⁽⁵⁾	Total <i>(excluding Metro Districts)</i> ⁽⁶⁾
Rates (In mills)											
2000					-	0.129	10.466	6.543	6.657	3.249	109.235
2001					-	0.113	5.521	6.543	6.657	3.249	93.968
2002					-	0.114	5.354	6.543	6.657	3.249	99.767
2003					-	0.115	4.925	6.543	6.657	3.249	101.316
2004					-	0.118	4.401	6.543	6.657	3.249	98.783
2005		5.000	-	40.000	-	0.117	3.918	3.250	6.657	3.281	92.714
2006	42.000	40.000	40.000	40.000	-	-	3.210	-	6.657	3.261	89.256
2007	42.000	40.000	40.000	50.000	45.000	-	2.686	-	6.657	3.253	87.773
2008	42.000	40.000	40.000	50.000	45.000	-	0.806	-	6.657	3.260	94.143
2009	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255	93.927
Levy											
2000	-	-	-	-	-	3,098	571,466	424,846	521,093	5,056,154	56,173,167
2001	-	-	-	-	-	3,478	492,705	603,578	708,751	6,446,561	67,119,031
2002	-	-	-	-	-	4,103	632,645	763,813	929,887	7,009,411	74,977,082
2003	-	-	-	-	-	4,613	643,906	608,149	1,051,704	7,111,739	80,975,071
2004	-	-	-	-	-	5,094	652,837	1,074,342	1,176,502	8,618,092	92,057,923
2005	-	78	-	770	-	5,562	682,260	611,522	1,356,335	10,591,984	102,539,047
2006	564	9,678	3,987	49,218	-	-	698,882	-	1,561,222	12,141,237	113,710,716
2007	561	9,866	3,476	210,028	28,044	-	739,139	-	1,771,833	12,738,340	122,643,571
2008	5,770	16,168	1,575	332,159	27,933	-	312,351	-	1,801,510	13,028,371	131,423,789
2009	52,188	20,123	2,326	334,662	20,849	-	322,948	-	1,994,957	16,628,403	161,491,971

⁽¹⁾One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation

⁽²⁾Weld County Assessor's Office

⁽³⁾No longer collects on property within the Town's boundaries.

⁽⁴⁾Taxes for the year assessed are collected in the following year. The mills that are stated were collected in the following year. Collection year follows levy year.

⁽⁵⁾Formerly known as the Weld County Library District..

⁽⁶⁾Reflects property taxes paid in the majority of areas within the Town of Firestone - excludes metro districts and Mountain View Fire.

See accompanying Independent Auditors' Report.

**Town of Firestone
Principal Taxpayers
December 31, 2009
(Unaudited)**

Taxpayer	Town of Firestone ⁽¹⁾			Weld County ⁽²⁾						
	2009			2008			1999			
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value	
Principal Taxpayers										
Encana Oil & Gas (USA) Inc	\$ 18,637,120	1	2.17%	\$ 146,511,560	3	3.21%				
American Furniture Warehouse	8,386,060	2	0.98%							
Kerr-McGee Rocky Mountain Corp	6,312,800	3	0.74%	465,886,260	2	10.20%				
Noble Energy	5,389,210	4	0.63%	644,235,940	1	14.11%				
Dillon Companies Inc	2,114,480	5	0.25%							
Advance Forming Technology	1,924,860	6	0.22%							
12300 Pecos Street LLC	1,783,920	7	0.21%							
Safeway Stores 45 Inc	1,471,500	8	0.17%							
Art Investments LLC	1,160,000	9	0.14%							
MLMT 2005-CIPI Weld County Rd 13 LLC	1,160,000	9	0.14%							
Petroleum Development Corp.				114,541,120	4	2.51%				
Public Service Company of Colorado				90,839,600	5	1.99%	\$ 67,361,300	2	4.12%	
Petro Canada Resources (USA)				89,325,500	6	1.96%				
Rocky Mountain Energy Center				74,138,000	7	1.62%				
Kerr McGee Gathering LLC				53,956,900	8	1.18%				
Merit Energy				53,674,970	9	1.18%				
DCP Midstream LP				50,982,630	10	1.12%				
Owens Brockaway Glass Container										
HS Resources, Inc.							112,716,210	1	6.89%	
Patina Oil & Gas							66,141,250	3	4.04%	
Eastman Kodak Company							60,711,490	4	3.71%	
US West Communications Inc							20,638,500	5	1.26%	
Duke Energy Field Services							17,216,090	6	1.05%	
North American Resources Company							16,074,610	7	0.98%	
Hewlett Packard							11,580,870	8	0.71%	
Prima Oil & Gas							10,943,260	9	0.67%	
R.R. Donnelly & Sons							9,380,340	10	0.57%	
	<u>\$ 48,339,950</u>		<u>5.64%</u>	<u>\$ 1,784,092,480</u>		<u>39.08%</u>	<u>\$ 392,763,920</u>		<u>24.00%</u>	<u>%</u>

Sources: Weld County Assessor's Office

⁽¹⁾Town of Firestone information not available from 2000

⁽²⁾This is the latest information available for the County

See accompanying Independent Auditors' Report.

**Town of Firestone
Property Tax Levies and Collections
Last Ten Years
(Unaudited)**

Collection Year	Total Tax Levy ⁽¹⁾⁽²⁾	Total Tax Collection ⁽³⁾	Collections As a Percent of Tax Levy
2000	160,244	122,300	99.95
2001	211,781	156,642	97.75
2002	293,275	201,734	95.26
2003	405,737	293,125	99.95
2004	500,426	406,692	100.24
2005	587,095	500,239	99.96
2006	669,431	587,210	100.02
2007	778,032	669,800	100.06
2008	804,406	775,950	99.73
2009	733,718	802,141	99.72

⁽¹⁾Collection year follows levy year

⁽²⁾Weld County Assessor's Office

⁽³⁾Audited Financial Statements

See accompanying Independent Auditors' Report.

Town of Firestone
Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

Fiscal Year	Governmental Activities				Business - Type Activities				Total Primary Government	Weld County Percentage of Personal Income	Per Capita
	General Obligation Bond	Certificates of Participation	Capital Leases	Developer Reimbursement Obligation	Water Loans	Water G.O. Bond	Capital Leases	Developer Reimbursement Obligation			
2000	640,000		303,414		99,620	-	-		1,043,034	22.74%	\$ 547
2001	610,000		220,922		83,982	-	-		914,904	18.48%	\$ 300
2002	575,000		196,371		67,603	-	-		838,974	16.98%	\$ 202
2003	540,000		140,176		50,447	-	11,972		742,595	14.72%	\$ 148
2004	500,000		295,818		32,479	-	16,293		844,590	15.72%	\$ 134
2005	460,000	1,985,000	173,897		13,657	-	52,058		2,684,612	47.52%	\$ 340
2006	415,000	1,985,000	309,558		-	-	38,881		2,748,439	47.06%	\$ 312
2007	365,000	1,920,000	471,659		-	-	72,178		2,828,837	47.78%	\$ 318
2008	315,000	1,850,000	324,260		-	-	36,041		2,525,301	37.25%	\$ 281
2009	260,000	1,775,000	221,009	286,028	-	-	23,891	462,444	3,028,372	42.85%	\$ 333

Sources: Bureau of Economic Analysis
U.S. Census Bureau
Upstate Colorado
Town of Firestone Finance Department

⁽¹⁾Information not available

See accompanying Independent Auditors' Report.

Town of Firestone
Ratio of General Bonded Debt Outstanding
Last Ten Years
(Unaudited)

Year	Population (1)	Estimated Actual Taxable Value (2)	General Bonded Debt ⁽³⁾	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2000	1,908	128,086,190	640,000	49.97%	335
2001	3,047	220,221,607	610,000	27.70%	200
2002	4,159	347,449,046	575,000	16.55%	138
2003	5,034	469,834,400	540,000	11.49%	107
2004	6,300	548,252,146	500,000	9.12%	79
2005	7,899	633,596,606	460,000	7.26%	58
2006	8,800	714,755,270	415,000	5.81%	47
2007	8,900	835,545,237	365,000	4.37%	41
2008	9,000	858,575,320	315,000	3.67%	35
2009	9,100	857,705,156	260,000	3.03%	29

Sources: (1) Dept of Local Affairs/Town of Firestone
(2) Weld County Assessor's Office

(3) General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

See accompanying Independent Auditors' Report.

Town of Firestone
Direct and Overlapping General Bonded Debt
December 31, 2009
(Unaudited)

	Outstanding General Obligation Bonded Debt⁽¹⁾	(2)	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt				
Town of Firestone	\$ 260,000		100%	\$ 260,000
Overlapping General Obligation Debt				
Frederick-Firestone Fire Protection District	3,245,000		41%	1,316,146
Mountain View Fire Protection District	-	(3)	28%	-
Northern Colorado Water Conservation District	-	(3)	3%	-
St Vrain Sanitation District	915,000		31%	279,101
Carbon Valley Recreation District	6,750,000		44%	2,948,441
St Vrain Valley School District	391,990,000		5%	18,738,958
Stoneridge Metropolitan District (a portion of the Town)	4,000,000		6%	224,796
Total Direct and Overlapping General Bonded Debt	\$ 407,160,000			\$ 23,767,442

(1) Provided by each government entity

(2) The following governments had no outstanding general obligation bonded debt as of December 31, 2008
Tri-Area Ambulance, Weld County and High Plains Library District.

(3) The Mountain View Fire Protection District and the Northern Colorado Water Conservation District had no outstanding general obligation debt as of December 31, 2008. Both Districts may have active capital construction programs in the future that have at least a low probability of causing the need to issue general obligation debt which is why they are included in this exhibit.

See accompanying Independent Auditors' Report.

**Town of Firestone
 Legal Debt Margin Information
 Last Ten Years
 (Unaudited)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit - 3% of Actual Valuation	\$ 3,842,586	\$ 6,606,648	\$ 10,423,471	\$ 14,095,032	\$ 16,447,564	\$ 19,007,898	\$ 21,442,658	\$ 25,066,357	\$ 25,757,260	\$ 25,731,155
Total net debt applicable to limit	640,000	610,000	575,000	540,000	500,000	460,000	415,000	\$ 365,000	\$ 315,000	\$ 260,000
Legal debt margin	\$ 3,202,586	\$ 5,996,648	\$ 9,848,471	\$ 13,555,032	\$ 15,947,564	\$ 18,547,898	\$ 21,027,658	\$ 24,701,357	\$ 25,442,260	\$ 25,471,155
Total net debt applicable to the limit as a percentage of debt limit	16.66%	9.23%	5.52%	3.83%	3.04%	2.42%	1.94%	1.46%	1.22%	1.01%

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

Town of Firestone
Pledged Revenue - Developer Reimbursement Obligations
December 31, 2009
(Unaudited)

Fiscal Year	Sales Tax Collected		Assets Dedicated		Debt Service Payments	
	PIRA 1.25%	RIFA 0.25%	General Fund	Enterprise Fund	General Fund	Enterprise Fund
2006	35,718	-	149,224	512,825	8,051	27,667
2007	183,734	-	693,129	-	114,206	69,528
2008	190,613	-	-	235,831	94,850	95,763
2009	228,931	16,399	-	83,155	68,921	176,409

See accompanying Independent Auditors' Report.

**Town of Firestone
Demographic and Economic Statistics
Last Ten Years
(Unaudited)**

Year	Weld County ⁽¹⁾					
	Town Population	Personal Income (amounts expressed in thousands)	Per Capita Income ⁽³⁾	Median Age	School Enrollment ⁽²⁾	Unemploy- ment Rate ⁽²⁾
2000	1,908	4,586,448	25,031	31.0	19,539	3.4
2001	3,047	4,950,093	25,565	31.0	20,672	4.0
2002	4,159	4,939,537	24,159	31.1	21,333	6.0
2003	5,034	5,045,684	23,508	31.3	21,596	6.7
2004	6,300	5,374,013	24,246	31.4	22,180	5.4
2005	7,899	5,650,000 (2)	24,846	30.9	23,260	5.1
2006	8,800	5,840,000	25,260	31.2	24,462	3.8
2007	8,900	5,920,000	25,495	31.2	24,582	4.1
2008	9,000	6,780,196 (5)	27,238	31.1	24,750	6.3
2009	9,100	7,067,989 (5)	25,516 (5)	31.1	25,270	8.6

Sources: U.S. Census Bureau
Upstate Colorado
Bureau of Economic Analysis
Department of Local Affairs
Colorado State of Labor
St. Vrain Valley School District

⁽¹⁾ This information is for the entire county

⁽²⁾ Estimate from Upstate Colorado

⁽³⁾ Estimate from Colorado Labor & Employment

⁽⁴⁾ Information not available

⁽⁵⁾ From Bureau of Economic Analysis

See accompanying Independent Auditors' Report.

**Town of Firestone
Principal Employers
Current Year and Ten Years Ago
(Unaudited)**

Employer	2008				1998 ⁽¹⁾		
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
American Furniture Warehouse	235	1	Retail	9.40%	-		
Firestone Home Depot	120	2	Retail	4.80%	-		
Advance Forming Technology	120	2	Manufacturing	4.80%	-		
King Soopers Store - Firestone	110	3	Retail	4.40%	-		
Safeway Store - Firestone	90	4	Retail	3.60%	-		
Coal Ridge Middle School	71	5	School	2.84%	-		
Prairie Ridge Elementary School	62	6	School	2.48%	-		
Centennial Elementary School	53	7	School	2.12%	-		
Town of Firestone	48	8	Government	1.92%	8	(1)	
Imagine Charter School	40	9	School	1.60%	-		
Wendy's	32	10	Restaurant	1.28%	-		
Saddleback Golf Club	25	11	Recreation	1.00%	-		
Walgreens	24	12	Retail	0.96%	-		
Blackjack Pizza	22	13	Restaurant	0.88%	-		
Carl's Jr	21	14	Restaurant	0.84%	-		
Westec Construction Management Company	20	15	Construction	0.80%	-		
Total	1,093			43.72%	8		0.00%

Total Town Employment (estimated) 2,500

Source: Firestone Finance Department & Planning Department

⁽¹⁾Information not available

See accompanying Independent Auditors' Report.

**Town of Firestone
Property Value and Construction
Last Ten Years
(Unaudited)**

Year	Estimated Actual Property Value ⁽²⁾			Commercial Construction ⁽³⁾		Residential Construction ⁽³⁾	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2000	4,589,788	83,968,927	88,558,715	- (1)	-	358	55,933,780
2001	7,955,392	164,477,434	172,432,826	4	3,516,027	395	64,489,350
2002	17,611,323	276,610,478	294,221,801	8	1,066,510	338	48,313,103
2003	22,881,531	392,406,936	415,288,467	5	870,060	272	51,619,912
2004	22,400,604	460,620,540	483,021,144	30	11,593,427	244	46,217,458
2005	41,181,767	524,055,938	565,237,705	25	9,123,052	248	55,513,969
2006	50,678,496	590,991,630	641,670,126	7	16,854,860	198	47,651,559
2007	86,343,240	665,396,492	751,739,732	9	12,438,302	141	37,400,819
2008	97,684,172	712,208,417	809,892,589	4	6,342,700	72	18,949,677
2009	118,845,898	640,800,521	759,646,419	5	748,532	123	22,303,024

Source:

⁽¹⁾Information not available

⁽²⁾Weld County Assessor's Office

⁽³⁾Town of Firestone Building Department (Safebilt)

See accompanying Independent Auditors' Report.

Town of Firestone
Full-Time Equivalent Town Government Employees by Function
Last Ten Years
(Unaudited)

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	4.00	5.00	10.00	8.00	7.00	9.00	9.00	9.00	9.00	9.00
Public Safety										
Police	4.00	10.00	10.00	17.00	16.00	16.00	22.00	23.00	24.00	23.00
CSO	1.00	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00
Public Works	3.00	3.00	4.00	5.00	7.00	8.00	10.00	10.00	11.00	13.00
Water	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	12.00	19.00	27.00	33.00	34.00	37.00	45.00	46.00	48.00	48.00

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

Town of Firestone
Miscellaneous Statistics
December 31, 2009
(Unaudited)

Date of Incorporation	1908
Form of Government	Trustees & Town Manager
Number of Employees	
Non-Exempt (Hourly)	40
Exempt (Salary)	8
Planning area in square miles	18
Town of Firestone's facilities and services	
Miles of streets	105
Parks:	
Number of parks	25
Number of park, open space, and undeveloped acres maintained	998
Number of trail & sidewalk miles maintained	12
Police Protection:	
Number of stations	1
Number of police personnel and officers	25
Number of patrol units	15
Water System:	
Linear Feet of water lines maintained	124,768
Number of customer accounts	3,071
Services not included in the reporting entity:	
Fire Protection Districts - Frederick Firestone Fire Protection District	1
No municipal electricity services - (Xcel Energy or United Power)	-
No municipal gas services - (Source Gas)	-
No municipal sewer services - (St. Vrain Sanitation District)	-
School Districts - St Vrain Valley School District & Weld Co.	2

Source: Town of Firestone Finance Department

See accompanying Independent Auditors' Report.

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2009

This Information From The Records Of (example - City of _ or County of _)	Prepared By: Phone:
---	------------------------

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,998,935
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	512,830
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	18,663
2. General fund appropriations		b. Snow and ice removal	24,089
3. Other local imposts (from page 2)	437,921	c. Other	76,755
4. Miscellaneous local receipts (from page 2)	126,962	d. Total (a. through c.)	119,507
5. Transfers from toll facilities		4. General administration & miscellaneous	33,418
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,664,689
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	564,883	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,288,354	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	6,723
E. Total receipts (A.7 + B + C + D)	1,853,237	b. Redemption	54,181
		c. Total (a. + b.)	60,904
		3. Total (1.c + 2.c)	60,904
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,725,593

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,715,518	1,853,237	3,725,593	4,843,162	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2009	
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	3,731
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	282,470	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	111,773
5. Specific Ownership &/or Other	155,451	g. Other Misc. Receipts	11,458
6. Total (1. through 5.)	437,921	h. Other	
c. Total (a. + b.)	437,921	i. Total (a. through h.)	126,962
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	285,166	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	36,498	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	966,690	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,003,188	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,288,354	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		57,614	57,614
c. Construction:			
(1). New Facilities		2,859,859	2,859,859
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		81,462	81,462
(5). Total Construction (1) + (2) + (3) + (4)		0	2,941,321
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	2,998,935
			(Carry forward to page 1)
Notes and Comments:			