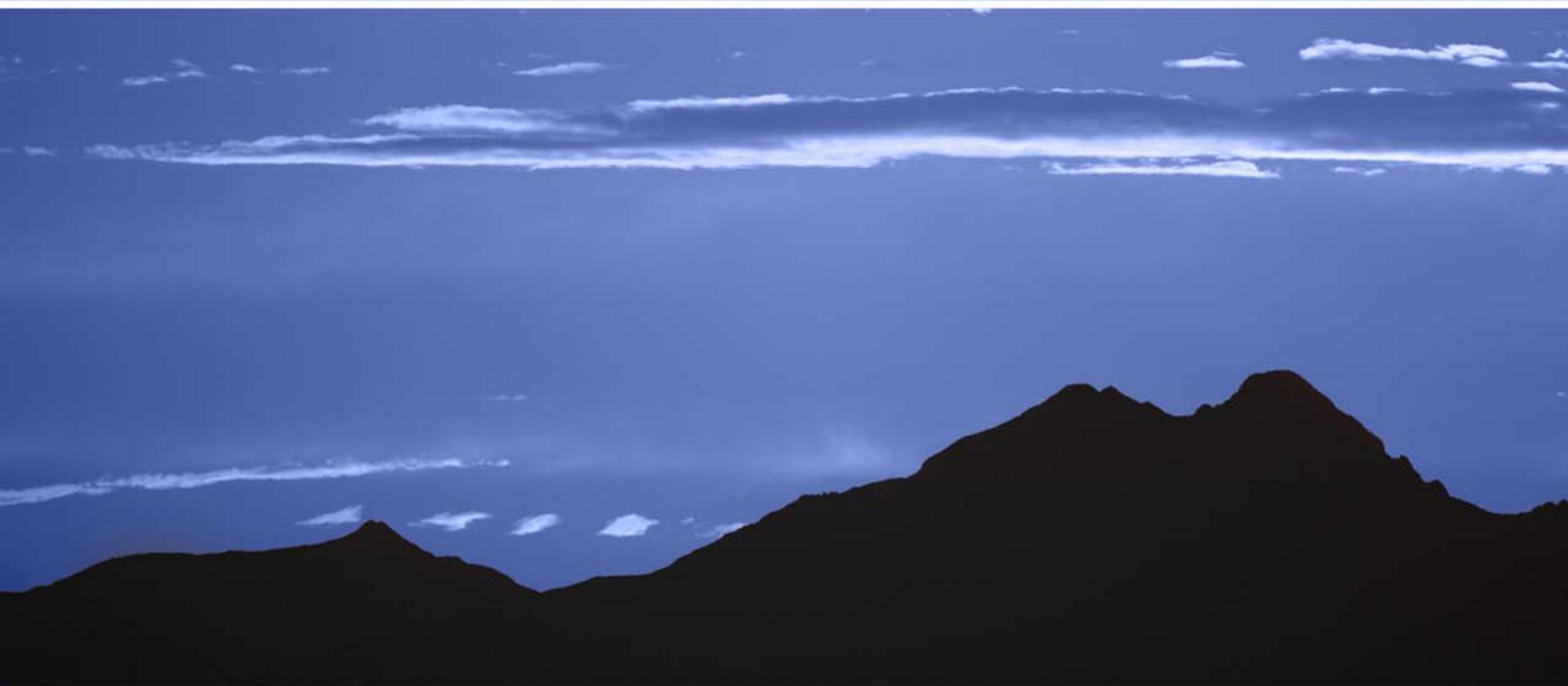




FIRESTONE COLORADO



**Comprehensive
Annual Financial Report**

December 31

TOWN OF FIRESTONE, COLORADO

Comprehensive Annual Financial Report

For The Fiscal Year Ended

December 31, 2010

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, 2010

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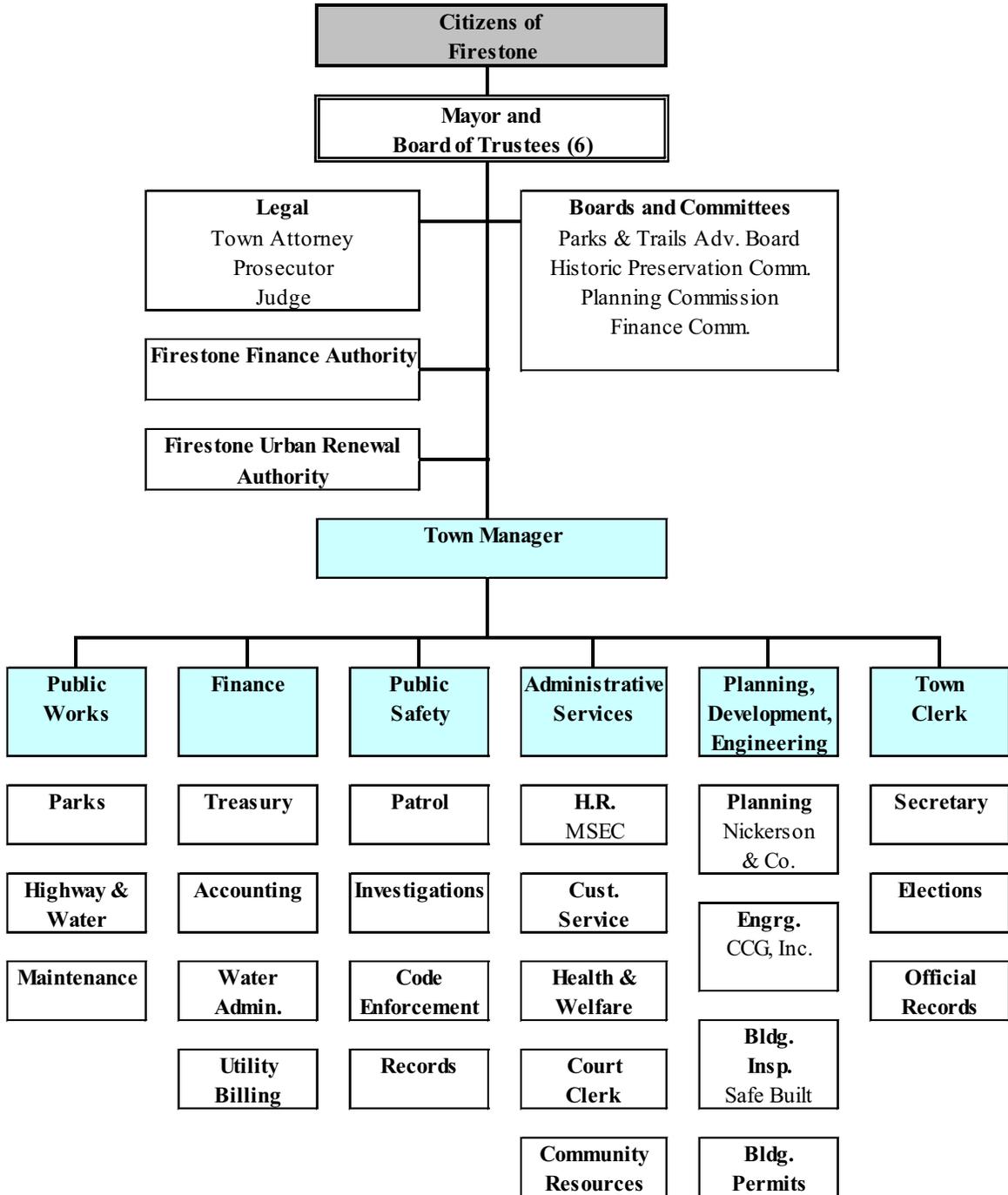
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Town of Firestone
 Organization Chart - by function
 As of December 31, 2010



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PRINCIPAL OFFICIALS

As of December 31, 2010

TOWN BOARD

CHAD AUER

Mayor
At-Large

PAUL SORENSEN

Board Trustee
At-Large
Mayor Pro-tem

MATT HOLCOMB

Board Trustee
At-Large

KELLY MORGAN

Board Trustee
At-Large

DARRELL WALSH

Board Trustee
At-Large

JENNIFER WEINBERGER

Board Trustee
At-Large

BOBBI SINDELAR

Board Trustee
At-Large

LEGAL AND COURT

SAM LIGHT

Town Attorney

ANDY AUSMUS

Prosecutor

PAUL BASSO

Municipal Court Judge

ADMINISTRATION

WESLEY LA VANCHY

Town Manager

RONALD W LAY, CPA

Town Treasurer/Finance Director

DAVID MONTGOMERY

Police Chief

JUDY HEGWOOD

Town Clerk

THEO ABKES

Public Works Director

BRUCE NICKERSON

Planner - Nickerson & Co.

DAVE LINDSAY

Engineer - Colorado Civil Group

BEVERLY MEDINA

Court Coordinator

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June 9, 2011

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, 2010.

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.

Anton Collins Mitchell LLP, a firm of licensed certified public accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2010 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 that, based upon the audit, there was a reasonable basis for rendering an unqualified opinion that the Town’s financial statements for the fiscal year ended December 31, 2010, 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 26 square miles and serves a population of about 10,150. 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 board 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, attorney, treasurer, and clerk. 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 Towns’ 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 finance director 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.

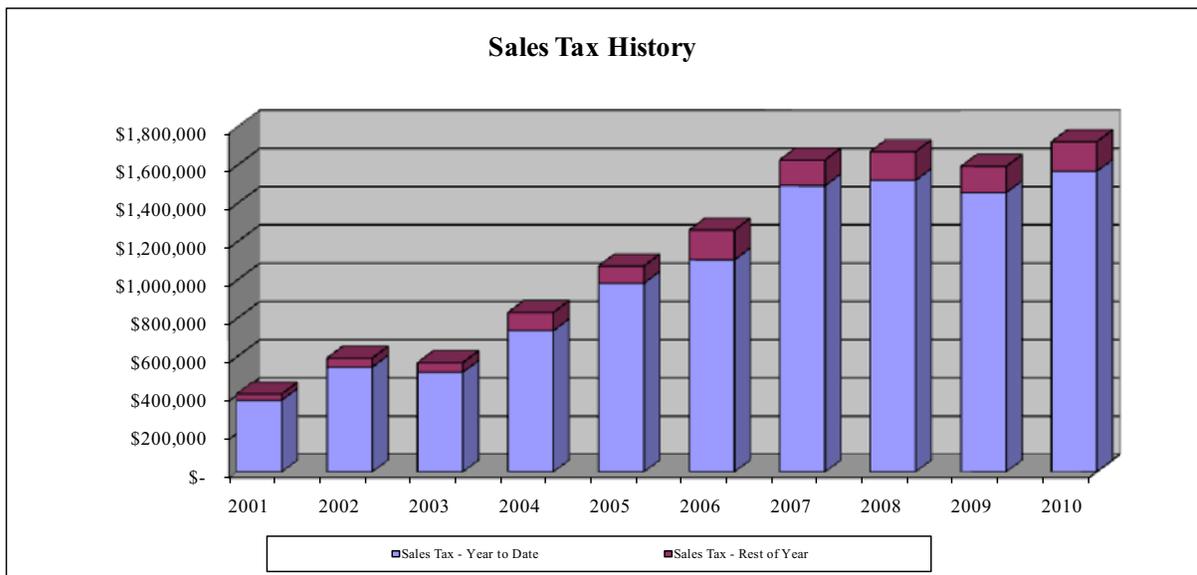
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway and Park Funds, these comparisons are presented on pages 64 – 66 as part of the required supplementary information. For all other governmental funds, the comparisons are presented in the other supplementary information subsection of this report, which begins on page 67.

Factors Affecting Financial Condition

Local Economy

The current adopted version of the Town’s Master Plan was amended in 2010 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 sectors. 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 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. In 2010, additional retail development adjacent to the Home Depot was completed or was currently under construction. The Town anticipates that the remaining lots available in the area will be developed over the next several years.

Because of the growth of the Town’s retail base, sales tax revenues have shown significant growth over the past ten 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 ten years (as of December of each year).



The Town’s commercial property development slowed significantly in 2008, 2009 and 2010 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 through 2010 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. The table below details the change in the Town’s total taxable assessed value (“AV”) for the past eight years.

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
2010 / 2011	\$ 116,860,720

The community has experienced a significant slowdown in residential construction building permits over the past nine 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 nine years:



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 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 occur 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 Town will be updating the water rate study in 2011.

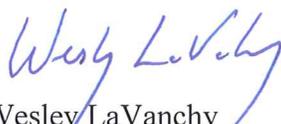
The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for its Board. The Town plans to make adjustments as warranted including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on revenues. For 2010, the Town forecasted 75 housing permits and 87 were actually issued.

Awards and Acknowledgments

For the fourth year in row, 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, 2009. 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 Anton Collins Mitchell LLP, 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, 2009

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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INDEPENDENT AUDITORS' REPORT

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, 2010, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, 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, as of December 31, 2010 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, certain errors resulting in an overstatement of net assets of the governmental activities, and an understatement of net assets of the business-type activities, the Stormwater Fund, and Water Fund as of December 31, 2009 were discovered by management of the Town during the current year. Accordingly, an adjustment has been made to each respective activity's or fund's net assets, or fund balance as of December 31, 2009, to correct the error.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the General, Highway and Park Funds on pages 3 through 16 and 64 through 66 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.

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Denver Office 17th & Grant Building · 303 East 17th Avenue, Suite 600 · Denver, Colorado 80203 · 303.830.1120 · Fax 303.830.8130





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 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.

Anton Collins Mitchell LLP

Greeley, Colorado
June 9, 2011

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

Management's Discussion and Analysis

As management of the Town of Firestone (the "Town"), 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, 2010. 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 sixteen basic funds: the General Fund, nine Special Revenue Funds, one Capital Project Fund, two Debt Service Funds, two Enterprise Funds, and one Fiduciary Fund.

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 2010 was set at 6.250 mills for general operations and .555 mills for debt service for a total mill levy of 6.805 mills.

Financial Highlights

- ❑ The Town's total reported net working capital increased by \$1,005,611 (or 15.49 percent) from December of 2009 to December of 2010. Total net working capital increased in both the governmental and business-type activities by \$474,990 and \$530,621, respectively. The increase is primarily due to the reduction in capital projects funding during fiscal year 2010.
- ❑ General revenues account for \$4,222,046 or 49.81 percent of total revenues. The Town had \$4,254,917 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$4,035,800 (or 94.85 percent) of the 2010 program specific revenues were derived from charges for services.
- ❑ The Town had \$6,888,618 in expenses related to governmental activities, which were offset by program specific charges for services and operating grants and contributions of \$1,723,144. General revenues consisting of property taxes ownership taxes of \$941,950, sales and use taxes of \$2,301,440, other revenues of \$967,921, and the planned use of reserves were adequate to provide for these programs.
- ❑ The Town had water and stormwater service income totaling \$2,402,312 with operating and capital grants and contributions totaling \$129,461. The cost of providing services totaled \$1,905,559.
- ❑ Outlays for capital assets were construction of street, water and storm water infrastructure; improvements to various parks; acquisition of police vehicles and

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

equipment, public works equipment and 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 capital leases and one general obligation bond outstanding which total \$347,022 at December 31, 2010.
- ❑ The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,700,000, 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 \$714,316 as of December 31, 2010.

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 overall financial 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 is how the various parts of this annual report are arranged and related to one another.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

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		Statistical Information
Compliance	Audited Information	Local Highway Finance Report

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

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 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, 2010

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 17-19 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 Towns' programs. Because this information does not encompass the long-term focus of the Towns' 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, 2010

difference) between them. The basic governmental fund financial statements can be found on pages 20-25 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.

- 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 26-29 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 30-31 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 32-63 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 supplementary information 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, 2010

Financial Analysis of the Town as a Whole

Net Assets and Changes in Net Assets

The Town's *combined* net assets were less on December 31, 2010 than they were the year before, decreasing by .34 percent to \$92,028,012. The decrease is primarily due to the reduction in net capital asset values. Table 3 provides a summary of the Town's net assets at December 31, 2010 with comparisons to 2009. 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	
	2010	2009	2010	2009	2010	2009
Assets						
Current Assets	\$ 5,979,768	\$ 6,014,450	\$ 3,132,578	\$ 2,552,324	\$ 9,112,346	\$ 8,566,774
Capital Assets, net	33,218,661	35,120,790	53,957,170	53,812,412	87,175,831	88,933,202
Total Assets	\$ 39,198,429	\$ 41,135,240	\$ 57,089,748	\$ 56,364,736	\$ 96,288,177	\$ 97,499,976
Liabilities						
Current Liabilities	\$ 1,091,733	\$ 1,601,405	\$ 198,995	\$ 149,362	\$ 1,290,728	\$ 1,750,767
Long-term Liabilities	2,523,742	2,819,267	445,695	584,716	2,969,437	3,403,983
Total Liabilities	\$ 3,615,475	\$ 4,420,672	\$ 644,690	\$ 734,078	\$ 4,260,165	\$ 5,154,750
Net Assets						
Invested in Capital						
Net of Related Debt	\$ 30,754,589	\$ 32,308,457	\$ 53,632,012	\$ 53,326,076	\$ 84,386,601	\$ 85,634,533
Restricted	3,034,596	2,682,197	-	-	3,034,596	2,682,197
Unrestricted	1,793,769	1,723,914	2,813,046	2,304,582	4,606,815	4,028,496
Total Net Assets	\$ 35,582,954	\$ 36,714,568	\$ 56,445,058	\$ 55,630,658	\$ 92,028,012	\$ 92,345,226

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

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

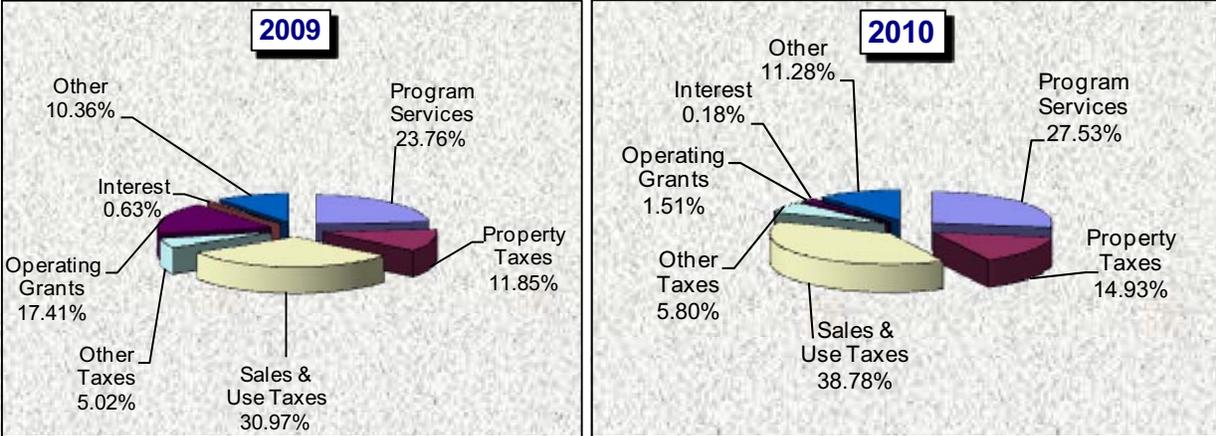
	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 1,633,488	\$ 1,608,800	\$ 2,402,312	\$ 1,918,992	\$ 4,035,800	\$ 3,527,792
Operating Grants	89,656	1,178,813	30,461	545,599	120,117	1,724,412
Capital Grants and Contributions	-	-	99,000	300,760	99,000	300,760
<u>General Revenues</u>						
Property Taxes	886,060	802,141	-	-	886,060	802,141
Sales and Use Taxes	2,301,440	2,097,477	-	-	2,301,440	2,097,477
Franchise Taxes	343,974	339,903	-	-	343,974	339,903
Investment Earnings	10,635	42,695	6,302	15,999	16,937	58,694
Other	669,202	701,848	4,433	-	673,635	701,848
Total Revenues	\$ 5,934,455	\$ 6,771,677	\$ 2,542,508	\$ 2,781,350	\$ 8,476,963	\$ 9,553,027
Expenses						
General Government	\$ 1,156,785	\$ 1,410,953	\$ -	\$ -	\$ 1,156,785	\$ 1,410,953
Public Safety	2,246,700	2,350,659	-	-	2,246,700	2,350,659
Public Works	2,588,250	2,563,019	-	-	2,588,250	2,563,019
Health and Welfare	95,917	103,002	-	-	95,917	103,002
Economic Development	18,905	15,298	-	-	18,905	15,298
Parks	699,652	700,636	-	-	699,652	700,636
Interest on Long-Term Debt	82,409	106,860	-	-	82,409	106,860
Water/Stormwater	-	-	1,905,559	1,711,670	1,905,559	1,711,670
Total Expenses	\$ 6,888,618	\$ 7,250,427	\$ 1,905,559	\$ 1,711,670	\$ 8,794,177	\$ 8,962,097
Revenues less Expenses	\$ (954,163)	\$ (478,750)	\$ 636,949	\$ 1,069,680	\$ (317,214)	\$ 590,930
Transfers	(177,451)	(269,778)	177,451	269,778	-	-
Increase(Decrease) In Net Assets	\$ (1,131,614)	\$ (748,528)	\$ 814,400	\$ 1,339,458	\$ (317,214)	\$ 590,930

The decrease 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 2009 and 2010, had no contributions to the endowments or permanent funds and no special items or extraordinary items to report in the financial statements.

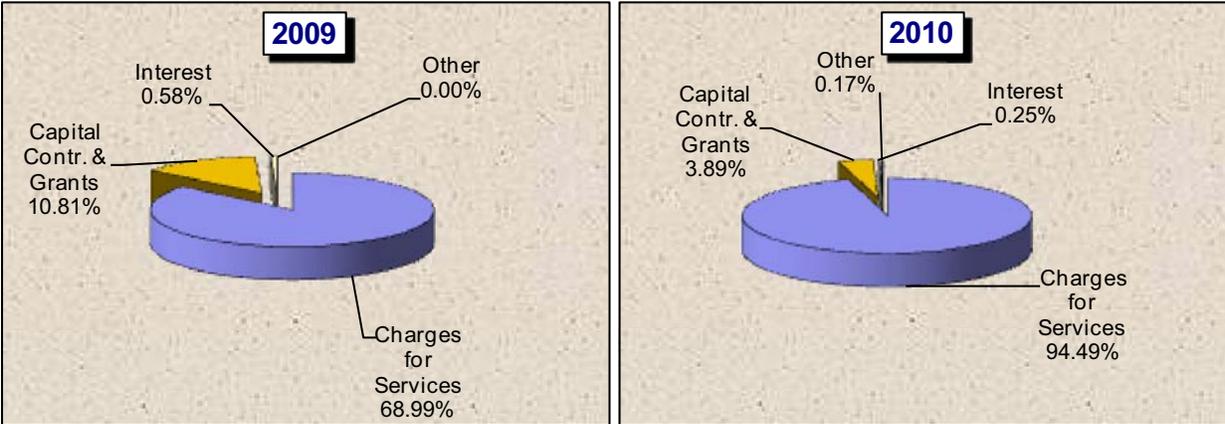
**Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010**

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**



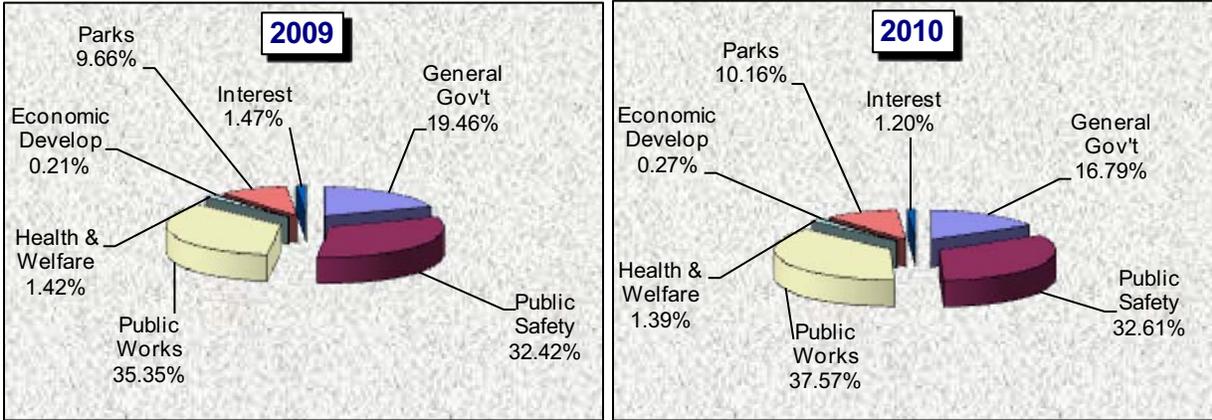
**Table 6
Sources of Revenues by Comparative Years:
Business-Type Activities**



Detailed below in Table 7 are charts displaying the percentage of program expenses for 2009 and 2010 for the governmental activities of the Town.

**Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010**

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



Governmental Activities

The \$1,131,614 decrease in net assets for governmental activities in 2010 is primarily due to the decrease in operating grant revenues and the planned use of reserves to cover operating expenses.

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 8 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted revenues.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

Table 8
Net Cost of Governmental Activities

	<u>2010</u>		<u>2009</u>
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 1,156,785	\$ (1,093,641)	\$ (945,607)
Public Safety	2,246,700	(2,047,371)	(2,135,393)
Public Works	2,588,250	(1,262,509)	(321,375)
Health and Welfare	95,917	(95,917)	(103,002)
Economic Development	18,905	(18,905)	(15,298)
Parks	699,652	(564,722)	(564,983)
Interest on Long-Term Debt	82,409	(82,409)	(106,860)
Total	<u>\$ 6,888,618</u>	<u>\$ (5,165,474)</u>	<u>\$ (4,192,518)</u>

Financial Analysis of Town Funds

General Fund

The purpose of the general fund is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization such as: 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 general fund anticipated that expenditures would exceed revenues by \$196,318. The actual results for the year show revenues exceeding expenditures by \$89,136.

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

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2010 the Town's TABOR reserve amounted to \$172,156.

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 2010, the Town had invested \$87,175,832, net of accumulated depreciation, 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 9 below). This amount represents a net decrease of \$1,757,369 (or 1.98 percent) from last year. 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 \$2,182,229 in the governmental activities and \$337,125 in the Town's business-type activities

Table 9
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 5,801,202	\$ 5,801,202	\$ 99,121	\$ 48,611	\$ 5,900,323	\$ 5,849,813
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	389,634	359,808	448,762	280,118	838,396	639,926
Land Improvements	3,353,953	3,674,376	-	-	3,353,953	3,674,376
Buildings and Improvements	1,037,226	1,099,187	-	-	1,037,226	1,099,187
Streets and Storm Drainage	21,990,362	23,443,578	-	-	21,990,362	23,443,578
Utility Systems	-	-	12,659,961	12,730,107	12,659,961	12,730,107
Machinery and Equipment	646,284	742,639	139,162	143,411	785,446	886,050
Total	\$33,218,661	\$35,120,790	\$53,957,170	\$53,812,411	\$87,175,831	\$88,933,201

**Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010**

Long-Term Debt

At year end the Town had \$147,022 of outstanding capital leases, \$200,000 in 1999 general obligation bonds reported in the governmental funds and \$27,892 of outstanding capital leases in the business-type fund. Developer Reimbursement Obligation was at \$417,050 for the governmental funds and at \$297,266 for the business-type funds. For 2010, the Town experienced a 15.44 percent decrease overall in outstanding debt from 2009.

**Table 10
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	200,000	260,000	-	-	200,000	260,000
Certificate of Participation	1,700,000	1,775,000	-	-	1,700,000	1,775,000
Capital Leases	147,022	221,009	27,892	23,891	174,914	244,900
Developer Reim. Obligation	417,050	556,324	297,266	462,444	714,316	1,018,768
Total	2,464,072	2,812,333	325,158	486,335	2,789,230	3,298,668

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 percent of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit. See Note 7 in the notes to the financial statements and the statistical section of the CAFR for more details.

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.

Town of Firestone
Management's Discussion and Analysis
For the fiscal year ended December 31, 2010

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 2011 incorporates general property tax revenue of \$794,109 (based on a net assessed valuation for the Town of \$116,694,880 and a mill levy of 6.161 mills for operations and 0.644 mills for debt service) with a budget of \$8,800,696 in expenditures for 2011.
- 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 was no funding budgeted for 2010 or 2011; 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 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 fee revenues and corresponding capital projects. The Town's 2009 through 2011 budgets were based on significantly reduced estimates for new construction consistent with the current market conditions.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's officials, citizens, taxpayers, 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.

Basic Financial Statements

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Town of Firestone
Firestone, Colorado
Statement of Net Assets
December 31, 2010

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 4,741,454	\$ 2,885,208	\$ 7,626,662
Receivables	1,209,994	216,157	1,426,151
Internal Balances	19,564	(19,564)	-
Other Current Assets	8,756	50,777	59,533
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	5,801,202	40,709,285	46,510,487
Construction in Progress	389,634	448,762	838,396
Land Improvements	3,353,953	-	3,353,953
Buildings and Improvements	1,037,226	-	1,037,226
Streets and Storm Drainage	21,990,362	-	21,990,362
Utility Systems	-	12,659,961	12,659,961
Equipment and Vehicles	646,284	139,162	785,446
Total Assets	39,198,429	57,089,748	96,288,177
LIABILITIES			
Accounts Payable and Other Current Liabilities	262,467	198,282	460,749
Accrued Interest Payable	14,583	713	15,296
Unearned Revenue	794,109	-	794,109
Developer Deposits	20,574	-	20,574
Noncurrent Liabilities:			
Customer Deposits	-	109,030	109,030
Accrued Compensated Absences	53,343	11,507	64,850
Due Within One Year	244,853	11,690	256,543
Due in More Than One Year	1,802,169	16,202	1,818,371
Net Pension Obligation	6,327	-	6,327
Developer Reimbursement Obligations	417,050	297,266	714,316
Total Liabilities	3,615,475	644,690	4,260,165
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	30,754,589	53,632,012	84,386,601
Restricted for:			
TABOR Emergency Reserve	172,156	-	172,156
Capital Improvements	2,246,810	-	2,246,810
Other Purposes	615,630	-	615,630
Unrestricted	1,793,769	2,813,046	4,606,815
Total Net Assets	\$ 35,582,954	\$ 56,445,058	\$ 92,028,012

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

Town of Firestone
 Firestone, Colorado
Statement of Activities
 Year Ended December 31, 2010

Functions / Programs	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contrib.	Capital Grants and Contrib.
Governmental Activities:				
General Government	\$ 1,156,785	\$ 43,364	\$ 19,780	\$ -
Public Safety	2,246,700	173,518	25,811	-
Public Works	2,588,250	1,318,295	7,446	-
Health and Welfare	95,917	-	-	-
Economic Development	18,905	-	-	-
Parks and Open Space	699,652	98,311	36,619	-
Interest on Long-Term Debt	82,409	-	-	-
Total Government Activities	6,888,618	1,633,488	89,656	-
Business Type Activities:				
Water	1,857,559	2,296,168	16,406	99,000
Stormwater	48,000	106,144	14,055	-
Total Business-Type Activities	1,905,559	2,402,312	30,461	99,000
Total Primary Government	\$ 8,794,177	\$ 4,035,800	\$ 120,117	\$ 99,000

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 at Beginning of Period (as previously reported)
- Prior Period Adjustment
- Adjusted Net Assets at Beginning of Period

Net Assets Ending

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

Net (Expenses) Revenue
and Changes in Net Assets

Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,093,641)	\$ -	\$ (1,093,641)
(2,047,371)	-	(2,047,371)
(1,262,509)	-	(1,262,509)
(95,917)	-	(95,917)
(18,905)	-	(18,905)
(564,722)	-	(564,722)
(82,409)	-	(82,409)
(5,165,474)	-	(5,165,474)
-	554,015	554,015
-	72,199	72,199
-	626,214	626,214
(5,165,474)	626,214	(4,539,260)
813,795	-	813,795
72,265	-	72,265
55,890	-	55,890
2,301,440	-	2,301,440
454,967	-	454,967
343,974	-	343,974
10,635	6,302	16,937
158,345	4,433	162,778
(177,451)	177,451	-
4,033,860	188,186	4,222,046
(1,131,614)	814,400	(317,214)
36,818,902	55,593,397	92,412,299
(104,334)	37,261	(67,073)
36,714,568	55,630,658	92,345,226
\$ 35,582,954	\$ 56,445,058	\$ 92,028,012

Town of Firestone
Firestone, Colorado
Balance Sheet
Governmental Funds
December 31, 2010

	General	Highway	Parks	Capital Improvement
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 802,420	\$ 509,592	\$ 853,785	\$ 2,185,472
Cash with Fiscal Agent	21,953	6,177	-	-
Receivables	1,073,176	43,814	-	-
Due From Employees	131	-	-	-
Due From Other Funds	69,564	-	-	-
Prepaid Items	8,625	-	-	-
Total Assets	\$ 1,975,869	\$ 559,583	\$ 853,785	\$ 2,185,472
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 129,477	\$ 35,227	\$ 2,984	\$ -
Accrued Payables	85,337	9,442	-	-
Due To Other Funds	-	-	-	-
Developer Deposits	20,574	-	-	-
Deferred Revenue	718,957	-	-	-
Total Liabilities	954,345	44,669	2,984	-
Fund Balances:				
Reserved for Emergencies	172,156	-	-	-
Reserved for Prepaid Items	8,625	-	-	-
Reserved for Streets and Highways	-	514,914	-	-
Reserved for Capital Improvements	-	-	-	2,185,472
Reserved for Debt Service	-	-	-	-
Undesignated	840,743	-	850,801	-
Total Fund Balances	1,021,524	514,914	850,801	2,185,472
Total Liabilities and Fund Balances	\$ 1,975,869	\$ 559,583	\$ 853,785	\$ 2,185,472

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

Other Govtl. Funds	Total Govtl. Funds
\$ 362,055	\$ 4,713,324
-	28,130
93,004	1,209,994
-	131
-	69,564
-	8,625
\$ 455,059	\$ 6,029,768

\$ -	\$ 167,688
-	94,779
50,000	50,000
-	20,574
75,152	794,109
125,152	1,127,150

-	172,156
-	8,625
66,350	581,264
61,338	2,246,810
25,741	25,741
176,478	1,868,022
329,907	4,902,618
\$ 455,059	\$ 6,029,768

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Town of Firestone
 Firestone, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
 December 31, 2010

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

Total Fund Balances - Governmental Funds	\$ 4,902,618
--	--------------

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

Cost of Capital Assets	\$ 49,134,872	
Accumulated Depreciation	<u>(15,916,211)</u>	
		33,218,661

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	\$ (1,700,000)	
Bonds Payable	(200,000)	
Capital Leases Payable	(147,022)	
Developer Reimbursement Obligation	(417,050)	
Accrued Interest Payable	<u>(14,583)</u>	
		(2,478,655)

Accrued compensated absences are not due and payable in the current period and therefore not reported in the funds.	(53,343)
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Net pension obligation is shown in the long-term liabilities in the Statement of Net Assets but is not included in the Balance Sheet.	(6,327)
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Total Net Assets - Governmental Activities	<u><u>\$ 35,582,954</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010

	General	Highway	Parks	Capital Improvement
REVENUES				
Taxes and Impact Fees	\$ 3,516,163	\$ 514,138	\$ -	\$ 894,396
Licenses and Permits	333,176	-	64,500	-
Intergovernmental	55,134	7,446	-	-
Charges for Services	-	114,445	-	-
Fines	170,647	-	-	-
Investment Earnings	1,710	1,434	2,082	4,690
Miscellaneous	62,383	18,217	23,389	-
Total Revenues	4,139,213	655,680	89,971	899,086
EXPENDITURES				
Current:				
General Government	1,092,822	68,958	12,923	-
Public Safety				
Police	1,986,743	-	-	-
Building Inspection	177,469	-	-	-
Public Works (Roads, Facilities, etc)	65,332	781,773	-	-
Parks	339,602	-	27,043	-
Health and Welfare	95,917	-	-	-
Economic Development	18,905	-	-	-
Capital Outlay	29,427	208,011	54,016	-
Debt Service:				
Principal	201,939	47,766	6,732	-
Interest	5,709	4,572	616	-
Total Expenditures	4,013,865	1,111,080	101,330	-
Excess (Deficiency) of Revenues				
Over Expenditures	125,348	(455,400)	(11,359)	899,086
OTHER FINANCING SOURCES (USES)				
Transfers In	177,045	180,518	7,500	-
Transfers Out	(225,175)	-	-	(387,339)
Proceeds from Sale of Capital Assets	11,918	-	-	-
Proceeds from Capital Lease	-	15,319	27,857	-
Total Other Financing Sources (Uses)	(36,212)	195,837	35,357	(387,339)
Net Change in Fund Balances	89,136	(259,563)	23,998	511,747
Fund Balances:				
Beginning of Period (As previously reported)	932,388	774,477	826,803	1,507,763
Prior Period Adjustment	-	-	-	165,962
Adjusted Net Assets at Beginning	932,388	774,477	826,803	1,673,725
End of Period	<u>\$ 1,021,524</u>	<u>\$ 514,914</u>	<u>\$ 850,801</u>	<u>\$ 2,185,472</u>

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

Other Govtl. Funds	Total Govtl. Funds
\$ 105,529	\$ 5,030,226
-	397,676
36,619	99,199
-	114,445
-	170,647
719	10,635
-	103,989
142,867	5,926,817
1,565	1,176,268
-	1,986,743
-	177,469
-	847,105
-	366,645
-	95,917
-	18,905
-	291,454
135,000	391,437
75,140	86,037
211,705	5,437,980
(68,838)	488,837
140,843	505,906
(70,843)	(683,357)
7,074	18,992
-	43,176
77,074	(115,283)
8,236	373,554
321,671	4,363,102
-	165,962
321,671	4,529,064
\$ 329,907	\$ 4,902,618

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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, 2010

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

Total net change in fund balance - Governmental Funds		\$ 373,554
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized 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 depreciation exceeds capital outlay in the period:</p>		
Expenditures for Capital Assets	\$ 291,454	
Less current year depreciation	(2,182,229)	
Less current year dispositions, net accumulated depreciation	<u>(11,354)</u>	
		(1,902,129)
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.		391,437
Decrease in accrued interest payable reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.		3,628
Decrease in accrued compensated absences reflected in expenses in the Statement of Activities and not reflected in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.		44,465
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 Revenues, Expenditures and Changes in Fund Balances		(43,176)
Decrease in net pension obligation 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 Balance		607
Change in Net Assets - Governmental Activities		<u><u>\$ (1,131,614)</u></u>

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

Town of Firestone
Firestone, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
ASSETS			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 2,885,208	\$ -	\$ 2,885,208
Receivables	177,820	38,337	216,157
Other Current Assets	50,777	-	50,777
Total Current Assets	<u>3,113,805</u>	<u>38,337</u>	<u>3,152,142</u>
Noncurrent Assets			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Construction in Progress	352,882	95,880	448,762
Utility Systems	14,337,686	262,015	14,599,701
Equipment	369,593	-	369,593
Less Accumulated Depreciation	(2,162,399)	(7,772)	(2,170,171)
Total Capital Assets (Net of Accumulated Depreciation)	<u>53,607,047</u>	<u>350,123</u>	<u>53,957,170</u>
Total Noncurrent Assets	<u>53,607,047</u>	<u>350,123</u>	<u>53,957,170</u>
Total Assets	<u>\$ 56,720,852</u>	<u>\$ 388,460</u>	<u>\$ 57,109,312</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 171,248	\$ 11,164	\$ 182,412
Accrued Payables	16,583	-	16,583
Due to Other Funds	-	19,564	19,564
Capital Leases Payable - Current	11,690	-	11,690
Total Current Liabilities	<u>199,521</u>	<u>30,728</u>	<u>230,249</u>
Noncurrent Liabilities			
Customer Deposits	109,030	-	109,030
Accrued Compensated Absences	11,507	-	11,507
Capital Leases Payable	16,202	-	16,202
Developer Reimbursement Obligation	297,266	-	297,266
Total Noncurrent Liabilities	<u>434,005</u>	<u>-</u>	<u>434,005</u>
Total Liabilities	<u>633,526</u>	<u>30,728</u>	<u>664,254</u>
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	53,281,889	350,123	53,632,012
Unrestricted	2,805,437	7,609	2,813,046
Total Net Assets	<u>\$ 56,087,326</u>	<u>\$ 357,732</u>	<u>\$ 56,445,058</u>

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

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2010

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Operating Revenues			
Charges for Services	\$ 2,296,168	\$ 106,144	\$ 2,402,312
Miscellaneous	4,433	-	4,433
Total Operating Revenues	2,300,601	106,144	2,406,745
Operating Expenses			
Operations	1,045,887	23,117	1,069,004
Administration	478,852	19,687	498,539
Depreciation	331,929	5,196	337,125
Total Operating Expenses	1,856,668	48,000	1,904,668
Operating Income	443,933	58,144	502,077
Nonoperating Revenues (Expenses)			
Investment Earnings	6,302	-	6,302
Interest Expense	(891)	-	(891)
Intergovernmental	16,406	14,055	30,461
Total Nonoperating Revenues (Expenses)	21,817	14,055	35,872
Income Before Contributions and Transfers	465,750	72,199	537,949
Capital Contributions	99,000	-	99,000
Transfers In	225,175	32,226	257,401
Transfers Out	-	(79,950)	(79,950)
Change in Net Assets	789,925	24,475	814,400
Net Assets			
Beginning of Period (As previously reported)	55,094,178	499,219	55,593,397
Prior Period Adjustment	203,223	(165,962)	37,261
Adjusted Net Assets - Beginning	55,297,401	333,257	55,630,658
Net Assets - Ending	\$ 56,087,326	\$ 357,732	\$ 56,445,058

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

Town of Firestone
Firestone, Colorado
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2010

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,285,725	\$ 84,329	\$ 2,370,054
Cash Payments to Suppliers for Goods and Services	(885,690)	(54,104)	(939,794)
Cash Payments to Employees for Services	(533,393)	-	(533,393)
Total Cash Provided by Operating Activities	866,642	30,225	896,867
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	-	(79,950)	(79,950)
Transfers from Other Funds	225,175	32,226	257,401
Operating Grants Received	369,515	171,461	540,976
Decrease in Due to Other Funds	-	(130,553)	(130,553)
Net Cash Flows from Noncapital Financing Activities	594,690	(6,816)	587,874
Cash Flows from Capital and Related Financing Activities			
Proceeds from Capital Leases	15,321	-	15,321
Contributed Capital	22,597	-	22,597
Acquisition of Capital Assets	(442,069)	(23,409)	(465,478)
Net Change in Developer Reimbursement Obligations	(165,178)	-	(165,178)
Principal Paid on Debt	(11,320)	-	(11,320)
Interest Paid on Debt	(891)	-	(891)
Net Cash Flows from Capital and Related Related Financing Activities	(581,540)	(23,409)	(604,949)
Net Cash Flow Provided by Investing Activities			
Investment Earnings	6,302	-	6,302
Net Cash Flow from Investing Activities	6,302	-	6,302
Net Increase in Cash and Cash Equivalents	886,094	-	886,094
Cash and Cash Equivalents at the Beginning of Year	1,999,114	-	1,999,114
Cash and Cash Equivalents at the End of Year	\$ 2,885,208	\$ -	\$ 2,885,208

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

Town of Firestone
 Firestone, Colorado
**Reconciliation of Operating Income to
 Net Cash Provided by Operating Activities
 Proprietary Funds**
 Year Ended December 31, 2010

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Reconciliation of Operating Income to Net Cash Flows from Operating Activities			
Operating Income	\$ 443,933	\$ 58,144	\$ 502,077
Adjustments to Reconcile Operating Income to Net CashFlows From Operating Activities			
Depreciation	331,929	5,196	337,125
(Increase) Decrease in Assets:			
Accounts Receivable	34,796	(21,815)	12,981
Other Assets	(27,105)		(27,105)
Increase (Decrease) in Liabilities:			
Accounts Payable	71,408	(11,300)	60,108
Accrued Payables	1,356	-	1,356
Customer Deposits	10,325	-	10,325
Net Cash Flows From Operating Activities	\$ 866,642	\$ 30,225	\$ 896,867

Non-Cash Investing, Capital and Financing Activities

Developer Contributions received by the Town which were added to capital assets and net assets during 2010	\$ 59,997	\$ -	\$ 59,997
Capital Contributions included in Receivables	\$ 16,406	\$ -	\$ 16,406

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

Town of Firestone
 Firestone, Colorado
Statement of Fiduciary Net Assets
 December 31, 2010

	<u>Old-Hire Pension Trust Fund</u>
ASSETS	
Investments Held by FPPA	\$ 15,718
Total Assets	<u>15,718</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET ASSETS	
Net Assets Held in Trust for Pension Benefits	<u>\$ 15,718</u>

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

Town of Firestone
 Firestone, Colorado
Statement of Changes in Fiduciary Net Assets
 Year Ended December 31, 2010

	<u>Old-Hire Pension Trust Fund</u>
Additions	
Employer Contributions	\$ 11,530
FPPA Earnings	234
Realized/Unrealized Gain on Investments	1,003
Total Additions	<u>12,767</u>
Deductions	
Pension Benefits Paid	9,690
Pension Fees	73
Total Deductions	<u>9,763</u>
Change in Net Assets	<u>3,004</u>
Net Assets - Beginning	12,714
Net Assets - Ending	<u><u>\$ 15,718</u></u>

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

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Notes to Financial Statements

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Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

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, the 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, 2010:

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, 2010

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, 2010

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, 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 used by the Town to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Old Hire Pension fund is the only fiduciary fund held by the Town. The pension fund accounts for the Town's contribution to the Old Hire Pension Plan.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

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 a reconciliation 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 and a modified accrual basis of accounting. 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, 2010

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 and accrual basis of accounting. 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, 2010

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 changes 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 stormwater 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 legal level of budgetary control is at the fund level as total expenditures cannot exceed the amount appropriated for a fund without board approval but may be legally reallocated within the fund without board approval.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

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 2010:

	Original Budget	Total Revisions	Revised Budget
Government Funds:			
General Fund	\$ 3,992,252	\$ 364,449	\$ 4,356,701
Special Revenue Funds -			
Highway Fund	1,455,314	-	1,455,314
Parks Fund	250,208	-	250,208
Conservation Trust Fund	-	50,000	50,000
Open Space Fund	35,000	-	35,000
Replacement and Reserve Funds -			
Storm Drainage	-	-	-
Streets	-	-	-
Parks	-	-	-
Fleet	-	-	-
Buildings	-	-	-
Capital Improvements Fund	933,827	-	933,827
Debt Service Fund	73,765	815	74,580
Firestone Finance Authority Fund	140,625	-	140,625
Business-Type Funds:			
Water Fund	3,147,519	-	3,147,519
Stormwater Fund	249,500	-	249,500
Fiduciary Funds:			
Old Hire Pension Trust Fund	9,690	-	9,690
Total Funds	\$ 10,287,700	\$ 415,264	\$ 10,702,964

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

Note 1: Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items in the government-wide financial statements, and will be reported as expenditures in the following year. These payments are treated as expenditures in the governmental fund financial statements.

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.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

Note 1: Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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.

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 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 \$64,850 at December 31, 2010. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statement, and 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.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

Note 1: Summary of Significant Accounting Policies (continued)

Fund Equity and Net Assets

In the government-wide and proprietary fund 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.

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 capital assets, or from grants or outside contributions of resources for capital acquisition and construction.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

Note 1: Summary of Significant Accounting Policies (continued)

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 2010.

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). In 2010, it was determined that certain assets had been inadvertently omitted from the calculations. The result of these corrections was a decrease to opening net assets in the government-wide financial statements of \$270,296.

During 2010, management of the Town determined that certain expenditures made to the Northern Integrated Supply Project (the “NISP Project”) in 2008 and 2009 were incorrectly classified as expenditures. It was determined that the proper treatment is to capitalize these expenditures as Construction in Progress until the NISP Project is completed. The result of these corrections was an increase to opening net assets in the government-wide financial statements of \$203,223. The Net Assets invested in Capital Assets balance in the Water Fund was increased.

Management also determined in 2010 that a transfer of impact fees to the Stormwater Fund in 2009 was in error. A transfer of impact fees from the Stormwater Fund to the Capital Improvement Fund was made. The result of this correction was to increase the restricted balance in the Capital Improvement Fund and to decrease the unrestricted balance in the Stormwater Fund by \$165,962 respectively.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

Note 3: Cash and Investments

The composition of the Town’s cash and cash equivalents, including restricted cash and investments, on December 31, 2010 is as follows:

	Cost Basis	Market Value	S&P Rating	Moody's Rating
Cash on Hand	\$ 940	\$ 940	-	-
Cash with County Treasurer	28,130	28,130	-	-
Checking	545,450	545,450	-	-
Certificates of Deposit	695,586	695,586	-	-
CSAFE	6,356,556	6,356,556	AAAm	Aaa
Investments Held by FPPA	14,715	15,718	-	-
Total Funds	<u>\$7,641,377</u>	<u>\$7,642,380</u>		

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 (“PDPA”). PDPA requires financial institutions to pledge collateral having a market value of at least 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.

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.

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, 2010

Note 3: Cash and Investments (Continued)

Credit Risk – Investments (Continued)

At December 31, 2010, the Town had invested \$6,356,556 in the Colorado Secure Assets Fund (“CSAFE”), a 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, 2010. Of the Town’s investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2010. 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, 2010

Note 4: Receivables

Receivables at December 31, 2010, consist of the following:

<u>Receivables</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Taxes	\$ 1,120,942	\$ -	\$ 1,120,942
Accounts	12,918	183,627	196,545
Intergovernmental	-	16,406	16,406
Other	7,499	16,124	23,623
Developers	103,441	-	103,441
	<u>1,244,800</u>	<u>\$ 216,157</u>	<u>1,460,957</u>
Less allowance for doubtful accounts	(34,806)	\$ -	(34,806)
Total	<u><u>\$ 1,209,994</u></u>	<u><u>\$ 216,157</u></u>	<u><u>\$ 1,426,151</u></u>

Note 5: Interfund Transactions

Interfund transfers for the year ended December 31, 2010, were as follows:

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds -		
General Fund	\$ 177,045	\$ 225,175
Highway Fund	180,518	-
Park Fund	7,500	-
Capital Improvement Fund	-	387,339
Total Major Funds	<u>365,063</u>	<u>612,514</u>
Nonmajor Funds -	140,843	70,843
Total Governmental Funds	<u>505,906</u>	<u>683,357</u>
Proprietary Funds:		
Major Funds -		
Water Fund	225,175	-
Stormwater Fund	32,226	79,950
Total Transfers	<u><u>\$ 763,307</u></u>	<u><u>\$ 763,307</u></u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

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.

Note 6: Capital Assets

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

	Capital Assets 12/31/2009	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2010
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated -				
Land and Water Shares	\$ 5,801,202	\$ -	\$ -	\$ 5,801,202
Construction in Progress	359,808	29,826	-	389,634
Total Capital Assets, not being depreciated-	6,161,010	29,826	-	6,190,836
Capital Assets, being depreciated -				
Land Improvements	5,294,282	12,426	-	5,306,708
Buildings and Improvements	1,637,173	-	-	1,637,173
Streets and Storm Drainage	33,458,498	157,797	-	33,616,295
Machinery and Equipment	2,309,484	91,405	(17,029)	2,383,860
Total Capital Assets, being depreciated	42,699,437	261,628	(17,029)	42,944,036
Less Accumulated Depreciation for:				
Land Improvements	(1,619,906)	(332,849)	-	(1,952,755)
Buildings and Improvements	(537,986)	(61,961)	-	(599,947)
Streets and Storm Drainage	(10,014,920)	(1,611,013)	-	(11,625,933)
Machinery and Equipment	(1,566,845)	(176,406)	5,675	(1,737,576)
Total Accumulated Depreciation	(13,739,657)	(2,182,229)	5,675	(15,916,211)
Total Capital Assets, being depreciated- Net	28,959,780	(1,920,601)	(11,354)	27,027,825
Governmental Activities Capital Assets - Net	\$ 35,120,790	\$ (1,890,775)	\$ (11,354)	\$ 33,218,661

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

Note 6: Capital Assets (continued)

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

General Government	\$ 20,063
Parks	332,850
Public Works	1,742,218
Public Safety	87,098
 Total Depreciation Expense - Governmental Activities	 \$ 2,182,229

Capital asset activity for the year ended December 31, 2010 for business-type activities was as follows:

	Capital Assets 12/31/2009 (Restated)	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2010
<u>Business-Type Activities:</u>				
Capital Assets, not being depreciated -				
Land	\$ 48,611	\$ 50,510	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress (as restated)	280,118	168,644	-	448,762
Total Capital Assets, not being depreciated-	40,938,893	219,154	-	41,158,047
 Capital Assets, being depreciated -				
Machinery & Equipment	343,891	25,702	-	369,593
Utility System	14,362,673	237,028	-	14,599,701
Total Capital Assets, being depreciated-	14,706,564	262,730	-	14,969,294
 Less Accumulated Depreciation for:				
Machinery & Equipment	(200,480)	(29,951)	-	(230,431)
Utility System	(1,632,566)	(307,174)	-	(1,939,740)
Total Accumulated Depreciation	(1,833,046)	(337,125)	-	(2,170,171)
 Total Capital Assets, being depreciated- Net	12,873,518	(74,395)	-	12,799,123
 Business-Type Activities				
Capital Assets - Net	\$ 53,812,411	\$ 144,759	\$ -	\$ 53,957,170

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

Note 7: Long-Term Debt

Pledged Revenues

During 2006, the Town 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, 2010

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, 2010:

	<u>Outstanding 12/31/2010</u>
Capital Leases:	
March 1, 2007, a 60 month lease with Key Government Finance, Inc., maturing March 1, 2012, 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.	\$ 16,274
September 23, 2010, a 48 month lease with Key Government Finance, Inc., maturing March 1, 2011, to acquire a 2010 Kubota 4wd Tractor with cab at a cost of \$58,497. Annual payments of \$15,431 principal and interest at 3.59%. Allocated 26.19% to the Water Fund, 47.62% to the Parks Fund, and 26.19% for the Highway Fund.	11,618
Developer Reimbursement Obligation	 297,266
Starting in 2006, two reimbursement agreements were executed with a developer for public improvements paid through sales tax collected. The Town is reflecting the balance due as the difference between the value of assets that have been accepted by the Town and sales tax provided by the agreement for the years 2006-2010.	
 Total Enterprise Fund Debt	 <u><u>\$ 325,158</u></u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

Note 7: Long-Term Debt (continued)

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2010:

	Balance 12/31/2009	Additions	Retired	Balance 12/31/2010	Due Within One Year
Capital Leases					
Mar. 1, 2007 Lease (25%)	\$ 23,891	\$ -	\$ 7,617	\$ 16,274	\$ 7,959
Sep 23, 2010 Lease (26.19%)	-	15,321	3,703	11,618	3,731
Developer Reimbursement Obligation					
	462,444	59,997	225,175	297,266	-
Total	<u>\$ 486,335</u>	<u>\$ 75,318</u>	<u>\$ 236,495</u>	<u>\$ 325,158</u>	<u>\$ 11,690</u>

The annual requirements to amortize all of the Town's Business-Type Activities debt as of December 31, 2010, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2011	\$ 11,690	\$ 1,039	\$ 12,729
2012	12,185	544	12,729
2013	4,017	26	4,043
Total	<u>\$ 27,892</u>	<u>\$ 1,609</u>	<u>\$ 29,501</u>

The developer reimbursement obligation has been excluded from the above table, as principal payments become due as specific sales taxes are collected. Accordingly, there is no established payment schedule.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

Note 7: Long-Term Debt (continued)

Governmental Activities Debt

The following is a summary of outstanding Governmental Activities long-term debt of the Town as of December 31, 2010:

	<u>Outstanding</u> <u>12/31/2010</u>
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%.	\$ 200,000
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 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.	1,700,000
Capital Leases:	
March 1, 2007, a 60 month lease with Key Government Finance, Inc., maturing March 1, 2012, 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.	48,824

Town of Firestone
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Notes to Financial Statements
December 31, 2010

Note 7: Long-Term Debt (continued)

May 24, 2007, a sixty-month lease with Key Government Finance, Inc., maturing May 24, 2012 to acquire a modular building costing \$175,000. Annual payments of \$42,687 principal and interest, at 4.43%. 40,877

September 14, 2009, a twenty-four month lease with Key Government Finance, Inc., maturing September 14, 2011, to acquire two 2009 Dodge Charger patrol units costing \$73,788. Annual payments of \$25,686 principal and interest, at 4.5% 24,580

September 23, 2010, a 48 month lease with Key Government Finance, Inc., maturing September 23, 2014, to acquire a 2010 Kubota 4wd Tractor with cab at a cost of \$58,497. Annual payments of \$15,431 principal and interest at 3.59%. Allocated 26.19% to the Water Fund, 47.62% to the Parks Fund, and 26.19% for the Highway Fund. 32,741

Developer Reimbursement Obligation

Starting in 2006, two reimbursement agreements were executed with a developer for public improvements paid through sales tax collected. The Town is reflecting the balance due between assets that have been accepted and sales tax provided by the agreement for the years 2006-2010. 417,050

Total Governmental Funds Debt

\$ 2,464,072

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

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, 2010:

	Balance 12/31/2009 (Restated)	Additions	Retired	Balance 12/31/2010	Due Within One Year
General Obligation Debt					
Series 1999	\$ 260,000	\$ -	\$ 60,000	\$ 200,000	\$ 65,000
Certificates of Participation					
May 31, 2006, COPs	1,775,000	-	75,000	1,700,000	80,000
Capital Leases					
December 13, 2005 Lease	21,213	-	21,213	-	-
March 1, 2007 Lease (75%)	71,674	-	22,850	48,824	23,876
May 24, 2007 Lease	80,021	-	39,144	40,877	40,877
September 14, 2009 Lease	48,101	-	23,521	24,580	24,580
September 23, 2010 Lease		43,176	10,435	32,741	10,520
Developer Reimbursement Obligation					
	556,324	225,175	364,449	417,050	-
Total	<u>\$ 2,812,333</u>	<u>\$ 268,351</u>	<u>\$ 616,612</u>	<u>\$ 2,464,072</u>	<u>\$ 244,853</u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

Note 7: Long-Term Debt (continued)

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2010, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2011	\$ 244,853	\$ 92,891	\$ 337,744
2012	185,857	85,609	271,466
2013	171,312	80,459	251,771
2014	90,000	72,250	162,250
2015	95,000	67,750	162,750
2016-2020	550,000	262,500	812,500
2021-2025	710,000	109,750	819,750
Total	<u>\$ 2,047,022</u>	<u>\$ 771,209</u>	<u>\$2,818,231</u>

The developer reimbursement obligation has been excluded from the above table, as principal payments become due as specific sales taxes are collected. Accordingly, there is no established payment schedule.

The assets acquired through capital lease and certificates of participation are as follows:

Assets	Governmental Activities	Business-Type Activities
Land	\$ 1,985,000	\$ 47,611
Building	270,614	-
Machinery and Equipment	697,880	53,816
Less Accumulated Depreciation	(470,784)	(11,113)
Total	<u>\$ 2,482,710</u>	<u>\$ 90,314</u>

Town of Firestone
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Notes to Financial Statements
December 31, 2010

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 31, 2010, 2009, and 2008, were \$117,791, \$118,253, and \$109,321, respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

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 (\$16,500 for the calendar years 2010 and 2009). Catch-up contributions up to \$5,500 for the calendar years 2010 and 2009 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2010, 2009, and 2008, the 457 Plan member contributions from the Town of Firestone were \$1,300, \$1,300, and \$1,300, 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.

Contributions

One former employee is covered by this plan and makes no contributions. An actuarial valuation as of January 1, 2010, 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.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2010

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

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, 2010, in accordance with GASB Statement No. 25 and GASB Statement No. 27.

	<u>2010</u>	<u>2008</u>	<u>2006</u>
GASB 25 Disclosures			
Actuarial Value of Assets	15,999	30,893	44,681
Actuarial Accrued Liability	49,684	86,991	94,319
Excess of Accrued Liability over Assets	(33,685)	(56,098)	(49,638)
Funded ratio	32%	36%	47%

	<u>2010</u>	<u>2009</u>	<u>2008</u>
GASB 27 Disclosures			
Estimated Net Pension Obligation - Jan. 1st	\$ 6,934	\$ 7,490	\$ 8,090
Interest on Net Pension Obligation	555	599	647
Adjustment to Annual Required Contribution	(1,162)	(1,155)	(1,247)
Estimated Annual Required Contribution	11,530	11,530	6,426
Annual Contribution for the Plan Year	<u>(11,530)</u>	<u>(11,530)</u>	<u>(6,426)</u>
Estimated Net Pension Obligation - Dec. 31st	<u>\$ 6,327</u>	<u>\$ 6,934</u>	<u>\$ 7,490</u>

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

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 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 2.20 percent of the total payroll for the calendar year 2010 (1.80 percent of total payroll for the calendar year 2009, and 1.40 percent of total payroll for the calendar year 2008). Additionally, the Town of Firestone is required to pay a supplemental amortization equalization disbursement (“SAED”) equal to 1.50 percent of the total payroll for the calendar year 2010 (1.00 percent of total payroll for the calendar year 2009, and 0.50 percent of total payroll for the calendar year 2008). If the Town 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 31, 2010, 2009, and 2008, the Town of Firestone’s employer contributions to the LGDTF were \$172,902, \$159,669, and \$138,744, respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2010

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 31, 2010, 2009, and 2008, the Town of Firestone’s employer contributions to the HCTF were \$13,778, \$13,868, and \$11,892, 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, 2010

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 (\$16,500 for the calendar years 2010 and 2009). Catch-up contributions up to \$5,500 for the calendar years 2010 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 31, 2010, 2009, and 2008, the 401(k) Plan member contributions from the Town of Firestone were \$2,958, \$3,339, and \$2,697, 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, 2009, (date of latest available information), Weld 911 had a fund balance of \$5,375,576. Total revenues for 2009 were \$1,976,806 and total expenses were \$1,571,534 resulting in an excess of revenues over expenses of \$405,272. 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, 2010

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>	
General Fund	A portion restricted for emergencies as defined under TABOR.
General Fund	Payments made to vendors for services that will benefit periods beyond year end.
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.
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 restricted for operations, maintenance and future capital expenditures related to street and highway operations.
Parks Fund	Fund balance restricted 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, 2010

Note 16: Risk Management

Beginning January 1, 2010, the Town became a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) which provides liability and property, and workers' compensation insurance coverages to the Town. Between January 1, 2008 and January 1, 2010, the Town 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 Pinnacol 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 (the “Amendment”) 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 Town 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 \$172,156 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 Towns 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, 2010

Note 18: Commitments and Contingent Liabilities

Management is not aware of any 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 (see also Note 7):

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 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 9, 2011, 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.

Required Supplementary Information

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General and Highway Funds
Year Ended December 31, 2010

	General Fund			
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,162,566	\$ 3,527,015	\$ 3,516,163	\$ (10,852)
Licenses and Permits	255,500	255,500	333,176	77,676
Intergovernmental	38,031	38,031	55,134	17,103
Charges for Services	-	-	-	-
Fines	176,000	176,000	170,647	(5,353)
Investment Earnings	5,200	5,200	1,710	(3,490)
Miscellaneous	28,500	28,500	62,383	33,883
Total Revenues	3,665,797	4,030,246	4,139,213	108,967
EXPENDITURES				
Current:				
General Government	1,121,333	1,121,333	1,092,822	28,511
Public Safety				
Police	2,069,621	2,069,621	1,986,743	82,878
Building Inspection	130,000	130,000	177,469	(47,469)
Public Works (Roads, Facilities, etc)	75,240	75,240	65,332	9,908
Parks	394,384	394,384	339,602	54,782
Health & Welfare	103,800	103,800	95,917	7,883
Economic Development	22,000	22,000	18,905	3,095
Capital Outlay	7,500	7,500	29,427	(21,927)
Debt Service:				
Principal	61,648	200,922	201,939	(1,017)
Interest	6,726	6,726	5,709	1,017
Total Expenditures	3,992,252	4,131,526	4,013,865	117,661
Excess (Deficiency) of Revenue Over Expenditures	(326,455)	(101,280)	125,348	226,628
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	130,137	(95,038)	(48,130)	46,908
Proceeds from Disposal of Capital Assets	-	-	11,918	11,918
Proceeds from Capital Lease	-	-	-	-
Total Other Financing Sources (Uses)	130,137	(95,038)	(36,212)	58,826
Net Change in Fund Balances	\$ (196,318)	\$ (196,318)	89,136	\$ 285,454
Fund Balance at Beginning of Year			932,388	
Fund Balances at End of Year			\$ 1,021,524	

See accompanying Independent Auditors' Report

Highway Fund

Budgeted Amounts		Actual	Variance with
Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
\$ 509,000	\$ 509,000	\$ 514,138	\$ 5,138
-	-	-	-
-	-	7,446	7,446
116,000	116,000	114,445	(1,555)
-	-	-	-
5,200	5,200	1,434	(3,766)
2,500	2,500	18,217	15,717
<u>632,700</u>	<u>632,700</u>	<u>655,680</u>	<u>22,980</u>
43,030	43,030	68,958	(25,928)
-	-	-	-
-	-	-	-
825,344	825,344	781,773	43,571
-	-	-	-
-	-	-	-
-	-	-	-
553,800	553,800	208,011	345,789
29,922	29,922	47,766	(17,844)
3,218	3,218	4,572	(1,354)
<u>1,455,314</u>	<u>1,455,314</u>	<u>1,111,080</u>	<u>344,234</u>
<u>(822,614)</u>	<u>(822,614)</u>	<u>(455,400)</u>	<u>367,214</u>
464,800	464,800	180,518	(284,282)
-	-	-	-
-	-	15,319	15,319
<u>464,800</u>	<u>464,800</u>	<u>195,837</u>	<u>(268,963)</u>
<u>\$ (357,814)</u>	<u>\$ (357,814)</u>	<u>(259,563)</u>	<u>\$ 98,251</u>
		774,477	
		<u>\$ 514,914</u>	

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Park Fund
 Year Ended December 31, 2010

	Park Fund			
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 51,000	\$ 51,000	\$ 64,500	\$ 13,500
Investment Earnings	4,000	4,000	2,082	(1,918)
Miscellaneous	6,000	6,000	23,389	17,389
Total Revenues	61,000	61,000	89,971	28,971
EXPENDITURES				
Current:				
General Government	14,100	14,100	12,923	1,177
Parks	26,500	26,500	27,043	(543)
Capital Outlay	196,750	196,750	54,016	142,734
Debt Service:				
Principal	12,858	12,858	6,732	6,126
Interest	-	-	616	(616)
Total Expenditures	250,208	250,208	101,330	148,878
Excess (Deficiency) of Revenue Over Expenditures	(189,208)	(189,208)	(11,359)	177,849
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	167,000	167,000	7,500	(159,500)
Proceeds from Capital Lease	-	-	27,857	27,857
Total Other Financing Sources (Uses)	167,000	167,000	35,357	(131,643)
Net Change in Fund Balances	\$ (22,208)	\$ (22,208)	23,998	\$ 46,206
Fund Balances at Beginning of Year			826,803	
Fund Balances at End of Year			\$ 850,801	

See accompanying Independent Auditors' Report

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, 2010

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Impact Fees	\$ 691,500	\$ 691,500	\$ 894,396	\$ 202,896
Investment Earnings	34,000	34,000	4,690	(29,310)
Total Revenues	<u>725,500</u>	<u>725,500</u>	<u>899,086</u>	<u>173,586</u>
OTHER FINANCING USES				
Transfers Out	(933,827)	(933,827)	(387,339)	546,488
Total Other Financing Uses	<u>(933,827)</u>	<u>(933,827)</u>	<u>(387,339)</u>	<u>546,488</u>
Net Change in Fund Balances	<u>\$ (208,327)</u>	<u>\$ (208,327)</u>	511,747	<u>\$ 720,074</u>
Fund Balances at Beginning of Year			1,507,763	
Prior Period Adjustment			165,962	
Fund Balances at End of Year			<u>\$ 2,185,472</u>	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Combining Balance Sheet
Other Governmental Funds
 December 31, 2010

	Firestone Finance Authority	Conservation Trust	Open Space	Debt Service
ASSETS				
Cash and Cash Equivalents	\$ 21,739	\$ 202,644	\$ 5,982	\$ 4,002
Receivables	-	-	17,852	75,152
Total Assets	\$ 21,739	\$ 202,644	\$ 23,834	\$ 79,154
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	\$ -	\$ -	\$ -	\$ 75,152
Due to Other Funds	-	50,000	-	-
Total Liabilities	-	50,000	-	75,152
Fund Balances:				
Reserved	21,739	-	-	4,002
Undesignated	-	152,644	23,834	-
Total Fund Balances	21,739	152,644	23,834	4,002
Total Liabilities and Fund Balances	\$ 21,739	\$ 202,644	\$ 23,834	\$ 79,154

See accompanying Independent Auditors' Report

Storm Water Facilities Replacement	Street & Highway Replacement	Park Replacement	Fleet Replacement	Building Replacement	Total Govtl. Funds
\$ 21,528	\$ 66,350	\$ 13,270	\$ 13,270	\$ 13,270	\$ 362,055
-	-	-	-	-	93,004
<u>\$ 21,528</u>	<u>\$ 66,350</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 455,059</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,152
-	-	-	-	-	50,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,152</u>
21,528	66,350	13,270	13,270	13,270	153,429
-	-	-	-	-	176,478
<u>21,528</u>	<u>66,350</u>	<u>13,270</u>	<u>13,270</u>	<u>13,270</u>	<u>329,907</u>
<u>\$ 21,528</u>	<u>\$ 66,350</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 455,059</u>

Town of Firestone
Firestone, Colorado
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Other Governmental Funds
Year Ended December 31, 2010

	Firestone Finance Authority	Conservation Trust	Open Space	Debt Service
REVENUES				
Taxes and Impact Fees	\$ -	\$ -	\$ 33,264	\$ 72,265
Intergovernmental	-	36,619	-	-
Investment Earnings	69	282	11	49
Total Revenues	69	36,901	33,275	72,314
EXPENDITURES				
Current:				
Administration	-	-	-	1,565
Debt Service:				
Principal	75,000	-	-	60,000
Interest	62,125	-	-	13,015
Total Expenditures	137,125	-	-	74,580
Excess (Deficiency) of Revenues Over Expenditures	(137,056)	36,901	33,275	(2,266)
OTHER FINANCING SOURCES (USES)				
Transfers In	140,843	-	-	-
Transfers Out	-	(50,000)	(20,843)	-
Proceeds from Sale of Assets	7,074	-	-	-
Total Other Financing Sources (Uses)	147,917	(50,000)	(20,843)	-
Net Change in Fund Balances	10,861	(13,099)	12,432	(2,266)
Fund Balances at Beginning of Year	10,878	165,743	11,402	6,268
Fund Balances at End of Year	\$ 21,739	\$ 152,644	\$ 23,834	\$ 4,002

See accompanying Independent Auditors' Report

Storm Water Facilities Replacement	Street & Highway Replacement	Park Replacement	Fleet Replacement	Building Replacement	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,529
-	-	-	-	-	36,619
52	160	32	32	32	719
<u>52</u>	<u>160</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>142,867</u>
-	-	-	-	-	1,565
-	-	-	-	-	135,000
-	-	-	-	-	75,140
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,705</u>
52	160	32	32	32	(68,838)
-	-	-	-	-	140,843
-	-	-	-	-	(70,843)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,074</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,074</u>
52	160	32	32	32	8,236
21,476	66,190	13,238	13,238	13,238	321,671
<u>\$ 21,528</u>	<u>\$ 66,350</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 13,270</u>	<u>\$ 329,907</u>

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

	Firestone Finance Authority Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	150	150	69	(81)
Miscellaneous	150	150	-	(150)
Total Revenues	300	300	69	(231)
 EXPENDITURES				
Current:				
Administration	3,500	3,500	-	3,500
Debt Service:				
Principal	75,000	75,000	75,000	-
Interest	62,125	62,125	62,125	-
Total Expenditures	140,625	140,625	137,125	3,500
Excess (Deficiency) of Revenues Over Expenditures	(140,325)	(140,325)	(137,056)	3,269
 OTHER FINANCING SOURCES (USES)				
Transfers In	140,000	140,000	140,843	843
Transfers Out	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	7,074	7,074
Total Other Financing Sources (Uses)	140,000	140,000	147,917	7,917
Net Change in Fund Balances	\$ (325)	\$ (325)	10,861	\$ 11,186
Fund Balances at Beginning of Year			10,878	
Fund Balances at End of Year			\$ 21,739	

See accompanying Independent Auditors' Report

Town of Firestone
Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
Year Ended December 31, 2010

Conservation Trust			
Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Budget Basis	Positive (Negative)
\$ 37,000	\$ 37,000	\$ 36,619	\$ (381)
900	900	282	(618)
-	-	-	-
<u>37,900</u>	<u>37,900</u>	<u>36,901</u>	<u>(999)</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>37,900</u>	<u>37,900</u>	<u>36,901</u>	<u>(999)</u>
-	-	-	-
-	(50,000)	(50,000)	-
-	-	-	-
<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
<u>\$ 37,900</u>	<u>\$ (12,100)</u>	<u>(13,099)</u>	<u>\$ (999)</u>
		165,743	
		<u>\$ 152,644</u>	

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

	Open Space			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Taxes	\$ 35,000	\$ 35,000	\$ 33,264	\$ (1,736)
Investment Earnings	150	150	11	(139)
Total Revenues	35,150	35,150	33,275	(1,875)
EXPENDITURES				
Current:				
Administration	-	-		-
Debt Service:				
Principal	-	-		-
Interest	-	-		-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	35,150	35,150	33,275	(1,875)
OTHER FINANCING USES				
Transfers Out	(35,000)	(35,000)	(20,843)	14,157
Total Other Financing Sources Uses	(35,000)	(35,000)	(20,843)	14,157
Net Change in Fund Balances	\$ 150	\$ 150	12,432	\$ 12,282
Fund Balances at Beginning of Year			11,402	
Fund Balances at End of Year			\$ 23,834	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

Debt Service			
Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Budget Basis	Positive (Negative)
\$ 73,617	\$ 73,617	\$ 72,265	\$ (1,352)
150	150	49	(101)
73,767	73,767	72,314	(1,453)
750	1,565	1,565	-
60,000	60,000	60,000	-
13,015	13,015	13,015	-
73,765	74,580	74,580	-
2	(813)	(2,266)	(1,453)
-	-	-	-
-	-	-	-
\$ 2	\$ (813)	(2,266)	\$ (1,453)
		6,268	
		\$ 4,002	

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

	Stormwater Facilities Replacement			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Investment Earnings	\$ 150	\$ 150	\$ 52	\$ (98)
Total Revenues	150	150	52	(98)
Net Change in Fund Balances	\$ 150	\$ 150	52	\$ (98)
Fund Balances at Beginning of Year			21,476	
Fund Balances at End of Year			\$ 21,528	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

Street and Highway Replacement			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
\$ 350	\$ 350	\$ 160	\$ (190)
350	350	160	(190)
\$ 350	\$ 350	160	\$ (190)
		66,190	
		\$ 66,350	

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

	Park Replacement			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Investment Earnings	\$ 75	\$ 75	\$ 32	\$ (43)
Total Revenues	75	75	32	(43)
Net Change in Fund Balances	\$ 75	\$ 75	32	\$ (43)
Fund Balances at Beginning of Year			13,238	
Fund Balances at End of Year			\$ 13,270	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

Fleet Replacement				
Budgeted Amounts		Actual	Variance with	
Original	Final	Amounts	Budget	Final Budget
		Basis	Positive	
		(Negative)		
\$ 75	\$ 75	\$ 32	\$ (43)	
75	75	32	(43)	
\$ 75	\$ 75	32	\$ (43)	
		13,238		
		\$ 13,270		

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2010

	Building Replacement			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Investment Earnings	\$ 75	\$ 75	\$ 32	\$ (43)
Total Revenues	<u>75</u>	<u>75</u>	<u>32</u>	<u>(43)</u>
Net Change in Fund Balances	<u>\$ 75</u>	<u>\$ 75</u>	32	<u>\$ (43)</u>
Fund Balances at Beginning of Period			13,238	
Fund Balances at End of Period			<u>\$ 13,270</u>	

See accompanying Independent Auditors' Report

Town of Firestone
Firestone, Colorado
Water Fund
Statement of Revenues, Expenditures, and Changes in Net Assets -
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive Negative
	Original	Final		
Operating Revenues				
Charges for Services	\$ 2,057,000	\$ 2,057,000	\$ 2,296,168	\$ 239,168
Miscellaneous	-	-	4,433	4,433
Total Operating Revenues	2,057,000	2,057,000	2,300,601	243,601
Operating Expenses				
Operations	1,241,574	1,241,574	1,045,887	195,687
Administration	340,398	340,398	478,852	(138,454)
Depreciation	-	-	331,929	(331,929)
Total Operating Expenses	1,581,972	1,581,972	1,856,668	(274,696)
Operating Income	475,028	475,028	443,933	(31,095)
Nonoperating Revenues (Expenditures)				
Capital Contributions	810,000	810,000	1,043,400	233,400
Investment Earnings	26,000	26,000	6,302	(19,698)
Transfers In	-	-	225,175	225,175
Interest Expense	(1,073)	(1,073)	(891)	182
Principal Paid	(19,549)	(19,549)	(11,320)	8,229
Capital Outlay	(809,925)	(809,925)	(494,474)	315,451
Tap Fees Paid	(735,000)	(735,000)	(944,400)	(209,400)
Intergovernmental Revenues	-	-	16,406	16,406
Total Nonoperating Revenues (Expenditures)	(729,547)	(729,547)	(159,802)	569,745
Excess (Deficiency) of Revenues Over Expenditures- Budgetary Basis	\$ (254,519)	\$ (254,519)	284,131	\$ 538,650
Reconciliation to a GAAP Basis				
Capital Outlay			494,474	
Principal Paid			11,320	
Change in Net Assets			789,925	
Fund Balances at Beginning of Year			55,094,178	
Prior Period Adjustment			203,223	
Adjusted Fund Balance at Beginning of Year			55,297,401	
Fund Balances at End of Year			\$ 56,087,326	

See accompanying Independent Auditors' Report

Town of Firestone
Firestone, Colorado
Stormwater Fund
Statement of Revenues, Expenditures, and Changes in Net Assets -
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 102,000	\$ 102,000	\$ 106,144	\$ 4,144
Total Operating Revenues	<u>102,000</u>	<u>102,000</u>	<u>106,144</u>	<u>4,144</u>
Operating Expenses				
Operations	22,710	22,710	23,117	(407)
Administration	-	-	19,687	(19,687)
Depreciation	-	-	5,196	(5,196)
Total Operating Expenses	<u>22,710</u>	<u>22,710</u>	<u>48,000</u>	<u>(25,290)</u>
Operating Income	79,290	79,290	58,144	(21,146)
Nonoperating Revenues (Expenditures)				
Investment Earnings	200	200	-	(200)
Transfers In	146,840	146,840	32,226	(114,614)
Transfers Out	(79,950)	(79,950)	(79,950)	-
Intergovernmental	-	-	14,055	14,055
Capital Outlay	(146,840)	(146,840)	(23,409)	123,431
Total Nonoperating Revenues (Expenditures)	<u>(79,750)</u>	<u>(79,750)</u>	<u>(57,078)</u>	<u>22,672</u>
Excess (Deficiency) of Revenues Over Expenditures- Budgetary Basis	<u>\$ (460)</u>	<u>\$ (460)</u>	1,066	<u>\$ 1,526</u>
Reconciliation to a GAAP Basis				
Capital Outlay			23,409	
Change in Net Assets			<u>24,475</u>	
Fund Balances at Beginning of Year			499,219	
Prior Period Adjustment			<u>(165,962)</u>	
Adjusted Fund Balance at Beginning of Year			333,257	
Fund Balances at End of Year			<u>\$ 357,732</u>	

See accompanying Independent Auditors' Report

Capital Assets Used in the Operation of
Governmental Activities

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

December 31, 2010

Function and Activity	Land	Land Improvements	Building and Improvements	Equipment and Vehicles	Infrastructure	TOTAL
General Government	\$ -	\$ -	\$ -	\$ 141,654	\$ -	\$ 141,654
Public Works	-	-	-	1,308,402	-	1,308,402
Parks, Cultural and Open Space	5,801,202	5,306,708	-	-	-	11,107,910
Public Safety	-	-	-	933,804	-	933,804
Building	-	-	1,637,173	-	-	1,637,173
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	33,616,295	33,616,295
Construction in Progress	-	-	-	-	25,336	25,336
Total Government Funds Capital Assets	\$ 5,801,202	\$ 5,306,708	\$ 2,001,471	\$ 2,383,860	\$ 33,641,631	\$ 49,134,872

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

December 31, 2010

Function and Activity	Capital Assets 12/31/2009	Additions	Deletions	Capital Assets 12/31/2010
General Government	\$ 139,296	\$ 2,358	\$ -	141,654
Public Works	1,241,935	66,467	-	1,308,402
Parks, Cultural and Open Space	11,095,484	12,426	-	11,107,910
Public Safety	928,253	22,580	17,029	933,804
Building	1,637,173	-	-	1,637,173
Construction in Progress	359,809	4,489	-	364,298
Streets and Related Infrastructure	33,458,498	157,797	-	33,616,295
Construction in Progress	-	25,336	-	25,336
Total Government Funds Capital Assets	<u><u>\$ 48,860,448</u></u>	<u><u>\$ 291,453</u></u>	<u><u>\$ 17,029</u></u>	<u><u>\$ 49,134,872</u></u>

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

December 31, 2009 and 2010

GENERAL FIXED ASSETS	<u>2009</u>	<u>2010</u>
Land	\$ 5,801,202	\$ 5,801,202
Land Improvements	5,294,282	5,306,708
Building and Improvements	1,637,173	1,637,173
Building - Construction in Progress	359,808	364,298
Equipment and Vehicles	2,309,484	2,383,860
Infrastructure	33,458,498	33,616,295
Infrastructure - Construction in Progress	-	25,336
TOTAL GENERAL FIXED ASSETS	<u><u>\$ 48,860,447</u></u>	<u><u>\$ 49,134,872</u></u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>2009</u>	<u>2010</u>
Contributions and Donations	\$ 26,199,792	\$ 26,199,793
Developer Reimbursement Obligations	217,107	487,403
General Obligation Bonds	773,917	773,917
Grants	1,416,104	1,416,104
Operating Revenues and Impact Fees	18,268,527	18,272,655
Certificates of Participation	1,985,000	1,985,000
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u><u>\$ 48,860,447</u></u>	<u><u>\$ 49,134,872</u></u>

Statistical Section

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Town of Firestone
Statistical Section

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2010

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> Information on the Town's financial performance and health over time.	87-92
<i>Revenue:</i> Information on the Town's ability to generate tax revenue over time.	93-99
<i>Debt Capacity:</i> Information on the Town's outstanding debt and that of overlapping governments.	100-103
<i>Demographics:</i> Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	104-107
<i>Operating Information:</i> Information on the Town's operations, staffing and other data.	108-109

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**Town of Firestone
Net Assets by Component
Last Seven Years**

	Fiscal Year						
	2004 ⁽¹⁾	2005	2006	2007	2008	2009	2010
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	\$ 32,308,457	\$ 30,754,589
Restricted	3,259,099	4,103,582	5,173,757	4,661,782	4,722,885	2,682,197	3,034,596
Unrestricted	635,609	1,052,457	1,476,557	2,751,531	1,748,080	1,723,914	1,793,769
Total governmental activities assets	\$ 30,069,337	\$ 31,865,414	\$ 35,438,294	\$ 36,866,010	\$ 37,600,379	\$ 36,714,568	\$ 35,582,954
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	\$ 53,326,076	\$ 53,632,012
Restricted	181,339	203,818	262,187	-	-	-	-
Unrestricted	1,876,625	2,392,705	1,242,711	1,744,886	2,399,424	2,304,582	2,813,046
Total business-type activities net assets	\$ 40,809,621	\$ 44,177,071	\$ 49,195,244	\$ 53,198,382	\$ 54,291,201	\$ 55,630,658	\$ 56,445,058
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	\$ 85,634,533	\$ 84,386,601
Restricted	3,440,438	4,307,400	5,435,944	4,661,782	4,722,885	2,682,197	3,034,596
Unrestricted	2,512,234	3,445,162	2,719,268	4,496,417	4,147,504	4,028,496	4,606,815
Total primary government net assets	\$ 70,878,958	\$ 76,042,485	\$ 84,633,538	\$ 90,064,392	\$ 91,891,580	\$ 92,345,226	\$ 92,028,012

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.

**Town of Firestone
Changes in Net Assets
Last Seven Years**

	Fiscal Year						
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾
Expenses							
Governmental activities:							
General Government	\$ 812,740	\$ 869,905	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785
Public Safety	1,770,667	1,957,514	2,357,338	2,169,622	2,230,778	2,350,659	2,246,700
Public Works	419,351	427,030	2,105,134	2,186,471	2,308,808	2,563,019	2,588,250
Health & Welfare	33,905	58,585	73,744	74,408	86,964	103,002	95,917
Economic Development	48,877	3,092	14,389	11,561	13,844	15,298	18,905
Parks & Recreation	112,763	202,246	534,021	458,506	635,834	700,636	699,652
Interest on long-term debt	36,738	87,585	114,083	124,480	120,026	106,860	82,409
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	7,250,427	6,888,618
Business-type activities:							
Water	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,698,657	1,857,559
Stormwater						13,013	48,000
Total business-type activities expenses	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,711,670	1,905,559
Total primary government activities expenses	\$ 5,664,773	\$ 6,318,998	\$ 7,444,015	\$ 7,757,677	\$ 8,307,635	\$ 8,962,097	\$ 8,794,177

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.

**Town of Firestone
Changes in Net Assets
Last Seven Years**

	Fiscal Year						
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾
Program Revenues							
Governmental activities:							
Charges for services							
General Government	\$ 921,986	\$ 1,115,731	\$ 1,928	\$ 21,709	\$ 22,980	\$ 30,887	\$ 43,364
Public safety	-	-	166,738	175,676	144,515	209,212	173,518
Public works	192,015	83,341	2,726,309	1,444,132	908,196	1,274,954	1,318,295
Parks	269,391	-	343,367	111,000	54,000	93,748	98,311
Operating grants and contributions				33,921	285,623	1,178,813	89,656
Capital grants and contributions							
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	2,395,411	1,928,189	6,312,326	3,476,698	2,952,346	2,787,613	1,723,144
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	2,296,168
Stormwater						76,817	106,144
Operating grants and contributions						545,599	30,461
Capital grants and contributions	1,885,901	3,066,407	4,446,399	3,737,731	1,382,707	300,760	99,000
Total business-type activities program revenues	3,003,153	4,400,160	6,124,903	5,379,866	3,104,159	2,765,351	2,531,773
Total primary government program revenues	\$ 5,398,564	\$ 6,328,349	\$ 12,437,229	\$ 8,856,564	\$ 6,056,505	\$ 5,552,964	\$ 4,254,917
Net (expense) revenue							
Governmental activities	(2,286,973)	(3,282,743)	116,087	(2,749,032)	(3,598,688)	(4,462,813)	(5,165,474)
Business-type activities	2,020,764	3,292,094	4,877,127	3,847,919	1,347,558	1,053,681	626,214
Total primary government net expense	\$ (266,209)	\$ 9,351	\$ 4,993,214	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)

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.

**Town of Firestone
Changes in Net Assets
Last Seven Years**

	Fiscal Year						
	2004 ⁽¹⁾	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽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	\$ 813,795
Property taxes - debt service	66,315	69,272	69,975	69,600	67,958	70,490	72,265
Specific ownership taxes	-	-	-	-	-	-	55,890
Sales and use tax	1,472,821	1,952,157	1,990,320	2,092,775	2,308,510	2,097,477	2,301,440
Hwy users, road & bridge, motor vehicle taxes	-	-	-	-	-	-	454,967
Franchise taxes	255,614	324,072	286,774	298,572	338,077	339,903	343,974
Impact fees	1,674,980	1,861,574	-	-	-	-	-
License and permits	13,713	5,850	-	-	-	-	-
Grants and contributions - not restricted for specific	19,785	178,098	-	-	-	-	-
Investment earnings	72,167	165,340	260,008	362,983	196,461	42,695	10,635
Other miscellaneous	47,475	321,640	324,482	419,767	655,611	701,848	158,345
Gain on sale of capital assets	89,562	412	8,000	406,541	-	-	-
Transfers	-	-	-	-	(192,958)	(269,778)	(177,451)
Total governmental activities	4,052,809	5,308,523	3,456,793	4,250,438	4,081,631	3,714,286	4,033,860
Business-type activities							
Investment earnings	10,064	68,356	141,046	81,529	65,128	15,999	6,302
Other miscellaneous	-	-	-	-	-	0	4,433
Transfers	-	-	-	-	192,958	269,778	177,451
Total business-type activities	10,064	68,356	141,046	81,529	258,086	285,777	188,186
Total primary government	\$ 4,062,873	\$ 5,376,879	\$ 3,597,839	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063	\$ 4,222,046
Changes in Net Assets							
Governmental activities	\$ 1,765,836	\$ 2,025,780	\$ 3,572,880	\$ 1,501,406	\$ 482,943	\$ (748,528)	\$ (1,131,614)
Business-type activities	2,030,828	3,360,450	5,018,173	3,929,448	1,605,644	1,339,458	814,400
Total primary government	\$ 3,796,664	\$ 5,386,230	\$ 8,591,053	\$ 5,430,854	\$ 2,088,587	\$ 590,930	\$ (317,214)
Special Item	\$	(229,703)					
		<u>\$ 5,156,527</u>					

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.

**Town of Firestone
Fund Balances of Governmental Funds
Last Ten Years**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 155,427	\$ 151,215	\$ 169,234	\$ 160,160	\$ 251,830	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431	\$ 180,781
Unreserved	1,034,526	883,728	625,702	479,821	605,977	936,462	1,081,552	933,910	676,957	840,743
Total general fund	\$ 1,189,953	\$ 1,034,943	\$ 794,936	\$ 639,981	\$ 857,807	\$ 1,135,824	\$ 1,299,182	\$ 1,116,900	\$ 932,388	\$ 1,021,524
All other governmental funds										
Reserved	\$ 1,754	\$ 514,384	\$ 1,801	\$ 3,098,939	\$ 3,857,775	\$ 4,974,395	\$ 4,444,152	\$ 4,533,125	\$ 2,426,766	\$ 2,853,815
Unreserved, reported in:										
Special revenue funds	4,745,220	3,119,564	3,266,349	207,400	494,558	605,645	1,748,934	882,638	1,003,948	1,027,279
Total of all other governmental funds	\$ 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	\$ 3,881,094

Source: Town of Firestone Finance Department

**Town of Firestone
Changes in Fund Balances of Governmental Funds
Last Ten Years**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes and impact fees	\$ 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	\$ 5,030,226
Licenses and permits	627,104	566,688	547,322	868,093	996,593	859,251	594,967	362,823	369,179	397,676
Intergovernmental	128,751	510,735	282,536	289,176	470,411	461,473	657,631	576,069	1,191,114	99,199
Charges for services	2,782,274	2,160,790	2,243,932	169,789	83,341	234,317	981,874	613,685	111,773	114,445
Fines	29,337	43,472	59,244	67,606	124,988	166,738	175,676	144,515	199,991	170,647
Investment earnings	-	-	-	72,167	165,340	260,008	362,983	198,904	42,695	10,635
Miscellaneous	3,656,879	145,607	7,605,214	1,081,720	758,442	3,252,617	772,562	217,409	101,144	103,989
Total revenues	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	5,926,817
Expenditures										
General government	400,465	680,478	778,463	794,555	869,960	945,495	1,110,438	1,136,935	1,430,492	1,176,268
Public safety	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	2,164,212
Public works	291,886	459,014	645,961	419,351	427,030	699,887	807,155	695,554	801,422	847,105
Health & Welfare	13,584	17,927	58,861	33,905	58,585	73,744	74,408	310,137	368,531	95,917
Economic Development	-	-	-	48,877	3,092	14,389	11,561	86,964	36,121	18,905
Parks	-	-	-	112,763	202,246	346,286	261,401	13,844	82,178	366,645
Capital Outlay	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	291,454
Debt service	-	-	-	-	-	-	-	-	-	-
Interest	47,186	43,648	37,851	33,601	85,029	113,598	120,130	267,399	375,959	391,437
Principal	112,492	169,583	113,169	142,672	161,931	126,148	242,369	337,526	111,070	86,037
Total expenditures	6,080,666	6,334,569	13,103,249	6,742,767	7,964,978	8,343,583	6,585,206	6,456,551	8,855,281	5,437,980
Excess of revenues over (under) expenditures	2,544,477	(1,378,698)	(639,750)	(384,109)	(728,680)	1,280,918	125,452	(766,648)	(2,091,080)	488,837
Other financing sources (uses)										
Proceeds from capital leases	-	110,032	33,945	177,781	1,985,000	216,806	289,470	-	73,788	43,176
Proceeds from sale of capital assets	-	-	-	89,562	7,500	8,000	435,172	-	13,174	18,992
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Operating transfers in	256,479	863,599	1,177,057	1,145,795	2,057,151	568,055	2,429,081	686,541	2,595,513	505,906
Operating transfers out	(256,479)	(863,599)	(1,177,057)	(1,145,795)	(2,057,151)	(568,055)	(2,502,771)	(879,499)	(3,031,253)	(683,357)
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	110,032	33,945	267,343	1,992,500	224,806	650,952	(192,958)	(348,778)	(115,283)
Net changes in fund balance	\$ 2,544,477	\$ (1,268,666)	\$ (605,805)	\$ (116,766)	\$ 1,263,820	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554
Debt service as a percentage of noncapital expenditures	9.31%	8.89%	5.30%	5.25%	6.56%	5.44%	7.74%	12.17%	9.09%	9.28%

Source: Town of Firestone Finance Department

**Town of Firestone
General Governmental Tax Revenues By Source
Last Ten Years**

Year	Specific										Total
	Property Tax	Franchise Tax	Ownership Tax	Sales & Use Tax	Severance Tax	Cigarette Tax	Other				
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
2010	886,060	343,973	55,890	2,301,440	30,009	17,135	407,824				4,042,331

Source: Town of Firestone Finance Department

Town of Firestone
Sales Tax Trends
Last Eight Years ⁽¹⁾

Sales Tax Trends by Category (based on month distributed to the Town)									
	2003	2004	2005	2006	2007	2008	2009	2010	Eight Year Change
Motor Vehicle Taxes	\$ 323,972	\$ 314,081	\$ 344,524	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 33,769
Hotel/Motels	10,608	13,625	13,934	15,671	18,712	17,136	21,026	21,148	10,540
Restaurants	55,724	93,580	132,577	167,167	219,181	231,424	234,598	224,575	168,851
Retail - Grocery	95,119	109,286	156,896	167,114	184,639	194,180	193,522	218,648	123,529
Retail - Other	34,042	64,459	139,632	227,121	444,138	419,858	422,475	471,706	437,664
Bars/Liquor Stores	33,193	36,095	54,967	62,758	59,547	57,872	60,413	48,599	15,406
Other	-	43,906	36,903	39,607	43,458	27,086	29,591	50,620	50,620
Services	-	14,129	23,163	15,646	16,030	41,039	3,788	35,431	35,431
Banking & Financial	18,494	4,090	2,805	3,691	2,442	3,641	287,696	3,857	(14,637)
Utilities & Communications	-	140,640	171,528	230,405	237,002	296,026	23,131	282,124	282,124
Developer Reimbursement Obligation ⁽²⁾	-	-	-	-	-	410,064	245,330	364,449	364,449
TOTAL	\$ 571,152	\$ 833,892	\$ 1,076,929	\$ 1,264,032	\$ 1,631,217	\$ 2,084,390	\$ 1,842,649	\$ 2,078,898	\$ 1,507,746

⁽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.

**Town of Firestone
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years**

Year ⁽¹⁾	Firestone						Other
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	
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	9,530,350	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
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870

Year ⁽¹⁾	Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value ⁽²⁾
	Tax Exempt Real Property				
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%
2010	4,646,970	116,860,720	6.805	865,276,097	14.04%

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

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

Year	Town of Firestone	Weld County	Weld County ¹²									
			REI/J School District	Frederick Fire Protection District	Mountain View Fire Protection District	Water Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	The Greens Metro District		
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	40,000	40,190	40,190
2006	6.929	16,804	38,035	13,360	7,977	1,000	40,000	40,000	40,000	40,000	40,190	40,190
2007	6.805	16,804	37,798	12,770	7,817	1,000	40,000	40,000	40,000	40,000	40,190	40,190
2008	6.805	16,804	46,285	12,526	11,747	1,000	-	-	-	-	-	-
2009	6.805	16,804	46,268	12,401	11,747	1,000	-	-	-	-	-	-
2010	6.805	16,804	46,268	12,401	11,747	1,000	-	-	-	-	-	-

Levy	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	211,781	293,275	405,737	500,426	587,095	669,431	778,032	804,406	902,652	794,109
	45,683,851	48,691,835	53,414,937	59,739,651	64,714,321	70,643,162	75,088,043	76,724,097	96,972,420	78,999,116
	10,535,268	13,701,751	14,614,834	16,656,447	19,653,853	21,713,602	24,691,076	31,603,051	36,441,473	35,375,547
	650,279	972,351	1,066,571	1,234,942	1,564,289	3,092,694	3,403,049	3,650,649	4,025,507	3,905,196
	1,734,822	1,973,426	2,085,244	2,435,015	82,889	82,889	3,148,362	5,047,144	6,115,352	5,838,491
	1,782,779	1,978,011	2,052,881	2,399,590	2,771,826	3,190,486	3,434,059	3,499,354	4,203,631	3,503,408
	-	-	-	-	-	758	24,148	19,772	-	-
	-	-	-	-	-	43,137	50,232	-	-	-
	-	-	-	-	-	10,940	6	6	-	-
	-	-	-	-	-	6,440	4,430	-	-	-
	-	-	-	-	-	21,660	61,260	31,935	-	-
	-	-	-	-	-	15,144	-	-	-	-

¹²Weld County Assessor's Office

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

Weld County ⁽²⁾																
Year	The Springs		Cottonwood		Cottonwood		Stoneridge		Neighbor's		Tri-Area		Carbon		High	
	Metro District	Hollow Res Metro District	Hollow Com Metro District	Hollow Com Metro District	Metro Dist	Point Metro Dist	Sanitation (3)	Sanitation (3)	Sanitation District	Special District (3)	Recreation District	Library District (5)				
Rates (In mills)																
2001	-	-	-	-	-	-	-	-	-	-	0.113	5.521	6.543	6.657	3.249	
2002	-	-	-	-	-	-	-	-	-	-	0.114	5.354	6.543	6.657	3.249	
2003	-	-	-	-	-	-	-	-	-	-	0.115	4.925	6.543	6.657	3.249	
2004	-	-	-	-	-	-	-	-	-	-	0.118	4.401	6.543	6.657	3.249	
2005	-	5,000	-	-	-	40,000	-	-	-	-	0.117	3.918	3,250	6.657	3.281	
2006	42,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	45,000	-	-	3,210	-	6.657	3,261	
2007	42,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	45,000	-	-	2,686	-	6.657	3,253	
2008	42,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	45,000	-	-	0.806	-	6.657	3,260	
2009	42,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	45,000	-	-	0.737	-	6.657	3,255	
2010	42,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	45,000	-	-	0.737	-	6.657	3,255	
Levy																
2001	-	-	-	-	-	-	-	-	-	-	3,478	492,705	603,578	708,751	6,446,561	
2002	-	-	-	-	-	-	-	-	-	-	4,103	632,645	763,813	929,887	7,009,411	
2003	-	-	-	-	-	-	-	-	-	-	4,613	643,906	608,149	1,051,704	7,111,739	
2004	-	-	-	-	-	-	-	-	-	-	5,094	652,837	1,074,342	1,176,502	8,618,092	
2005	-	78	-	-	-	770	-	-	-	-	5,562	682,260	611,522	1,356,335	10,591,984	
2006	564	9,678	3,987	3,987	49,218	-	-	-	-	-	-	698,882	-	1,561,222	12,141,237	
2007	561	9,866	3,476	3,476	210,028	28,044	-	-	-	-	-	739,139	-	1,771,833	12,738,340	
2008	5,770	16,168	1,575	1,575	332,159	27,933	-	-	-	-	-	312,351	-	1,801,510	13,028,371	
2009	52,188	20,123	2,326	2,326	334,662	20,849	-	-	-	-	-	322,948	-	1,994,957	16,628,403	
2010	64,476	10,723	1,594	1,594	317,757	38,992	-	-	-	-	-	324,544	-	2,017,502	13,310,811	

⁽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.

Town of Firestone
Principal Taxpayers
December 31, 2010

Taxpayer	Town of Firestone ⁽¹⁾				Town of Firestone ⁽¹⁾				Weld County ⁽²⁾			
	2010		2009		2008		1999		2008		1999	
	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County 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	\$ 7,550,890	2	0.87%	\$ 18,637,120	1	2.17%	\$ 146,511,560	3	3.21%			
American Furniture Warehouse	8,206,440	1	0.95%	8,386,060	2	0.98%						
Kerr-McGee Rocky Mountain Corp	4,132,240	3	0.48%	6,312,800	3	0.74%	465,886,260	2	10.20%			
Noble Energy	3,475,880	4	0.40%	5,389,210	4	0.63%	644,235,940	1	14.11%			
Dillon Companies Inc	2,114,480	5	0.24%	2,114,480	5	0.25%						
Home Depot	2,041,380	6	0.24%									
Advance Forming Technology	1,924,860	7	0.22%	1,924,860	6	0.22%						
High Plains Marketplace LLC	1,783,920	8	0.21%									
Safeway Stores 45 Inc	1,471,500	9	0.17%	1,471,500	8	0.17%						
Firestone Development LLC	1,313,120	10	0.15%									
12300 Pecos Street LLC				1,783,920	7	0.21%						
ART Investments LLC				1,160,000	9	0.14%						
MLMT 2005-CIPI Weld County Rd 13 LLC				1,160,000	10	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 Brockway Glass Container												
HS Resources, Inc.										112,716,210	1	6.89%
Prima 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%
	\$ 34,014,710		3.93%	\$ 48,339,950		5.64%	\$ 1,784,092,480		39.08%	\$ 392,763,920		24.00%

Sources: Weld County Assessor's Office

⁽¹⁾Town of Firestone information not available from 2008

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

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

Levy Year	Collection Year	Total Tax Levy ⁽¹⁾⁽²⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collection ⁽³⁾	Collections As a Percent of Tax Levy
2000	2001	160,244	156,642	97.75	(4)	156,642	97.75
2001	2002	211,781	201,734	95.26	(4)	201,734	95.26
2002	2003	293,275	293,125	99.95	(4)	293,125	99.95
2003	2004	405,738	406,693	100.24	(4)	406,693	100.24
2004	2005	495,838	499,380	100.71	(4)	499,380	100.71
2005	2006	583,960	587,200	100.55	283	587,483	100.60
2006	2007	669,431	667,785	99.75	125	667,910	99.77
2007	2008	797,602	775,686	97.25	676	776,362	97.34
2008	2009	804,405	801,808	99.68	18	801,826	99.68
2009	2010	902,633	885,585	98.11	512	886,097	98.17

⁽¹⁾Collection year follows levy year

⁽²⁾Weld County Assessor's Office

⁽³⁾Audited Financial Statements

⁽⁴⁾Information unavailable

Town of Firestone

Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	General			Governmental Activities			Business - Type Activities			Weld County	
	Obligation Bond	Participation of Certificates	Capital Leases	Developer Reimbursement Obligations	Water Loans	Water G.O. Bond	Capital Leases	Developer Reimbursement Obligations	Total Primary Government	Percentage of Personal Income	Per Capita
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	556,324	-	-	23,891	462,444	3,298,668	48.65%	\$ 362
2010	200,000	1,700,000	147,022	417,050	-	-	27,891	297,266	2,789,229	39.46%	\$ 275

Sources: Bureau of Economic Analysis

U.S. Census Bureau

Upstate Colorado

Town of Firestone Finance Department

(1) Information not available

**Town of Firestone
Ratio of General Bonded Debt Outstanding
Last Ten Years**

Year	Population (1)	Estimated Actual Taxable Value (2)	General Bonded Debt ⁽³⁾	General Bonded Debt to Actual Taxable Valuation		General Bonded Debt Per Capita
				General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita	
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	
2010	10,147	865,276,097	200,000	2.31%	20	

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.

**Town of Firestone
Direct and Overlapping General Bonded Debt
December 31, 2010**

	Outstanding General Obligation Bonded Debt⁽¹⁾	(2)	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt				
Town of Firestone	\$ 200,000		100%	\$ 200,000
Overlapping General Obligation Debt				
Frederick-Firestone Fire Protection District	3,055,000		37%	1,133,688
Mountain View Fire Protection District	-	(3)	24%	-
Northern Colorado Water Conservation District	-	(3)	3%	-
St Vrain Sanitation District	470,000		27%	124,727
Carbon Valley Recreation District	8,311,660		39%	3,204,947
St Vrain Valley School District	465,295,000		5%	22,634,550
Stoneridge Metropolitan District (a portion of the Town)	4,000,000		5%	217,529
Total Direct and Overlapping General Bonded Debt	\$ 481,331,660			\$ 27,515,441

(1) Provided by each government entity

(2) The following governments had no outstanding general obligation bonded debt as of December 31, 2010
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, 2010. 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.

**Town of Firestone
Pledged Revenue - Developer Reimbursement Obligations
December 31, 2010**

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
2010	303,707	60,742	-	59,997	139,274	225,175

Town of Firestone
 Legal Debt Margin Information
 Last Ten Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit - 3% of Actual Valuation	\$ 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	\$ 25,958,283
Total net debt applicable to limit	610,000	575,000	540,000	500,000	460,000	415,000	365,000	315,000	260,000	200,000
Legal debt margin	\$ 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	\$ 25,758,283
Total net debt applicable to the limit as a percentage of debt limit	9.23%	5.52%	3.83%	3.04%	2.42%	1.94%	1.46%	1.22%	1.01%	0.78%

Source: Town of Firestone Finance Department

**Town of Firestone
Demographic and Economic Statistics
Last Ten Years**

Year	Town Population	Weld County ⁽¹⁾				Unemploy- ment Rate ⁽²⁾
		Personal Income (amounts expressed in thousands)	Per Capita Income ⁽³⁾	Median Age	School Enrollment ⁽⁶⁾	
1996	1,900	\$ 3,131,716	20,057	30.8	16,871	4.7 %
1997	1,672	3,369,289	20,859	30.8	17,873	3.9
1998	1,736	3,752,251	22,530	30.9	18,397	4.5
1999	1,833	4,167,443	23,904	30.9	18,750	3.6
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
2010	10,147	6,926,000	27,186	31.1	26,724	10.0

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
⁽⁶⁾ From St Vrain Valley School District

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

	2010			2000(1)		
	Employees	Rank	Type of Business	Employees	Rank	Percentage of Total Town Employment
American Furniture Warehouse	235	1	Retail	-	-	
Firestone Home Depot	120	2	Retail	-	-	
Advance Forming Technology	120	2	Manufacturing	-	-	
King Soopers Store - Firestone	110	3	Retail	-	-	
Safeway Store - Firestone	90	4	Retail	-	-	
Coal Ridge Middle School	71	5	School	-	-	
Prairie Ridge Elementary School	62	6	School	-	-	
Centennial Elementary School	53	7	School	-	-	
Town of Firestone	48	8	Government	8	(1)	
Imagine Charter School	40	9	School	-	-	
Wendy's	32	10	Restaurant	-	-	
Saddleback Golf Club	25	11	Recreation	-	-	
Walgreens	24	12	Retail	-	-	
Blackjack Pizza	22	13	Restaurant	-	-	
Carl's Jr	21	14	Restaurant	-	-	
Westec Construction Management Company	20	15	Construction	-	-	
Total	1,093			8		0.00%
Total Town Employment (estimated)	2,500					43.72%

Source: Firestone Finance Department & Planning Department
 (1) Information not available

**Town of Firestone
Property Value and Construction
Last Ten Years**

Year	Estimated Actual Property Value ⁽²⁾			Commercial Construction ⁽³⁾		Residential Construction ⁽³⁾	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2010	117,160,690	665,235,050	782,395,740	2	1,088,501	87	19,037,912

Source:

⁽¹⁾Information not available

⁽²⁾Weld County Assessor's Office

⁽³⁾Town of Firestone Building Department (Safebilt)

**Town of Firestone
Full-Time Equivalent Town Government Employees by Function
Last Ten Years**

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	5.00	10.00	8.00	7.00	9.00	9.00	9.00	9.00	9.00	8.00
Public Safety										
Police	10.00	10.00	17.00	16.00	16.00	22.00	23.00	24.00	23.00	23.00
CSO	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Public Works	3.00	4.00	5.00	7.00	8.00	10.00	10.00	11.00	13.00	14.00
Water	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	19.00	27.00	33.00	34.00	37.00	45.00	46.00	48.00	48.00	48.00

Source: Town of Firestone Finance Department

**Town of Firestone
Miscellaneous Statistics
Last Three Years**

	2008	2009	2010
Date of Incorporation	1908		
Form of Government	Trustees & Town Manager		
Number of Employees			
Non-Exempt (Hourly)	37	40	40
Exempt (Salary)	9	8	8
Planning area in square miles	20	20	26
Town of Firestone's facilities and services			
Miles of streets	74	74	74
Parks:			
Number of parks	18	18	18
Number of park, open space, and undeveloped acres maintained	998	998	998
Number of trail & sidewalk miles maintained	5	5	5
Police Protection:			
Number of stations	1	1	1
Number of police personnel and officers	26	25	23
Number of patrol units	12	15	15
Water System:			
Linear Feet of water lines maintained	124,768	124,768	124,768
Number of customer accounts	3,071	3,125	3,219
Services not included in the reporting entity:			
Fire Protection Districts - Frederick Firestone Fire Protection District	1	1	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	2	2

Source: Town of Firestone Finance Department

⁽¹⁾Information not available for prior years
Therefore, ten years of data is not available but will be accumulated over time.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Firestone
		YEAR ENDING : December 2010
This Information From The Records Of Town of Firestone:	Prepared By: Phone:	Susan Watkins (303) 833-3291

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)	334,091
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	563,447
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	30,197
2. General fund appropriations		b. Snow and ice removal	18,419
3. Other local imposts (from page 2)	419,227	c. Other	78,472
4. Miscellaneous local receipts (from page 2)	149,575	d. Total (a. through c.)	127,088
5. Transfers from toll facilities		4. General administration & miscellaneous	34,118
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,058,744
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)	568,802	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	372,005	2. Notes:	
D. Receipts from Federal Government (from page 2)	10,727	a. Interest	4,235
E. Total receipts (A.7 + B + C + D)	951,534	b. Redemption	48,104
		c. Total (a. + b.)	52,339
		3. Total (1.c + 2.c)	52,339
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			1,111,083

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
	4,843,162	951,534	1,111,083	4,683,613	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	1,594
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	280,375	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	114,445
5. Specific Ownership &/or Other	138,852	g. Other Misc. Receipts	18,217
6. Total (1. through 5.)	419,227	h. Other	15,319
c. Total (a. + b.)	419,227	i. Total (a. through h.)	149,575
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	334,296	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	37,709	d. Federal Transit Admin	7,446
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	3,281
f. Total (a. through e.)	37,709	g. Total (a. through f.)	10,727
4. Total (1. + 2. + 3.f)	372,005	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		68,958	68,958
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		176,363	176,363
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		88,770	88,770
(5). Total Construction (1) + (2) + (3) + (4)	0	265,133	265,133
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	334,091	334,091
			(Carry forward to page 1)
Notes and Comments:			