



FIRESTONE
COLORADO



2011

Comprehensive Annual Financial Report

December 31

TOWN OF FIRESTONE, COLORADO

Comprehensive Annual Financial Report

For The Fiscal Year Ended

December 31, 2011

Issued by:

**Town of Firestone,
Finance Department**



FIRESTONE

A COMMUNITY IN MOTION

This Page Left Blank Intentionally

Town of Firestone, Colorado
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2011

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	i
Awards	vi
Organization Chart – by Function.....	vii
Principal Officials	viii

FINANCIAL SECTION

Independent Auditors’ Report.....	1
Management’s Discussion and Analysis	3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Assets	17
Statement of Activities.....	18
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Assets	22
Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Governmental Funds Statement of Revenues,	
Expenditures and Changes in Fund Balances to the Statement of Activities	25
Proprietary Fund Financial Statements	
Statement of Net Assets – Proprietary Funds	26
Statement of Revenues, Expenses and Changes in	
Net Assets – Proprietary Funds.....	27
Statement of Cash Flows – Proprietary Funds.....	28
Reconciliation of Operating Income to Net Cash Provided	
By Operating Activities – Proprietary Funds.....	29
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets.....	30
Statement of Changes in Fiduciary Net Assets.....	31

Town of Firestone, Colorado
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2011

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies	32
Note 2. Cash and Investments.....	43
Note 3. Receivables	45
Note 4. Interfund Transactions	45
Note 5. Capital Assets.....	46
Note 6. Long Term Debt.....	48
Notes 7-12. Pension Plans.....	54
Notes 13-19. Other Information.....	59

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General, Highway, and Park Funds	64
---	----

Other Supplementary Information

Combining and Individual Statements and Schedules

Non-major Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Capital Improvements Fund.....	67
Combining Balance Sheet – Other Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Other Governmental Funds.....	70
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Firestone Finance Authority Fund	72
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Firestone Urban Renewal Authority Fund.....	73
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Conservation Trust Fund.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Open Space Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Debt Service Fund.....	76

Enterprise Funds

Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual (Non-GAAP Budgetary Basis) – Water Fund	77
Schedule of Revenues, Expenses and Changes in Net Assets Budget and Actual (Non-GAAP Budgetary Basis) – Stormwater Fund.....	78

Town of Firestone, Colorado
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2011

Capital Assets Used in the Operation of Governmental Activities	
Schedule by Activity and Source	79
Schedule of Changes by Function and Activity.....	80
Comparative Schedule by Source	81

STATISTICAL SECTION

Introduction.....	82
Net Assets by Component.....	83
Changes in Net Assets	84
Fund Balances of Governmental Funds	87
Changes in Fund Balances of Governmental Funds	88
General Governmental Tax Revenues by Source	89
Sales Tax Trends.....	90
Assessed and Estimated Actual Value of Taxable Property	91
Property Tax Levy from Direct and Overlapping Governments	92
Principal Taxpayers	94
Property Tax Levies and Collections.....	95
Ratios of Outstanding Debt by Type	96
Ratio of General Bonded Debt Outstanding	97
Direct and Overlapping General Bonded Debt.....	98
Pledged Revenue – Developer Reimbursement Obligations	99
Legal Debt Margin Information.....	100
Demographic and Economic Statistics	101
Principal Employers.....	102
Property Value and Construction.....	103
Full-Time Equivalent Town Government Employees by Function.....	104
Miscellaneous Statistics	105

COMPLIANCE

Local Highway Finance Report	106
------------------------------------	-----

This Page Left Blank Intentionally



June 27, 2012

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 auditing standards generally accepted in the United States 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, 2011.

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, 2011 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, 2011, 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 of Firestone

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 47.2 square miles and serves a population of about 11,096. 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, and open space; and stormwater and water utilities. Other utility services such as sewer, electricity, natural gas, and trash removal are provided by organizations not affiliated with the Town, and therefore, are not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation to the Town's finance director on or about the last day of August each year. The finance director and town 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 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. 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.

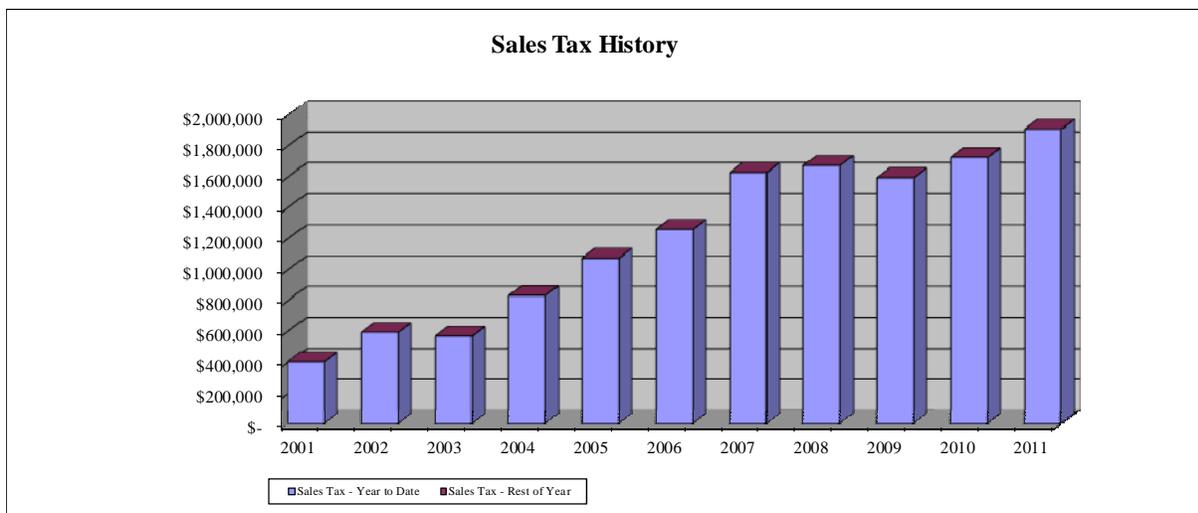
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. As for the General, Highway, and Park Funds, these comparisons are presented on pages 64 to 66 as part of the required supplementary information. For all other governmental 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 2009. In 2011, additional retail development adjacent to the Home Depot was completed with the opening of a Burger King, and a development center for several future tenants. Current tenants in that development center include Anytime Fitness and Pizza Hut. The Town anticipates that the remaining lots available in the area will be developed throughout the next several years.

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



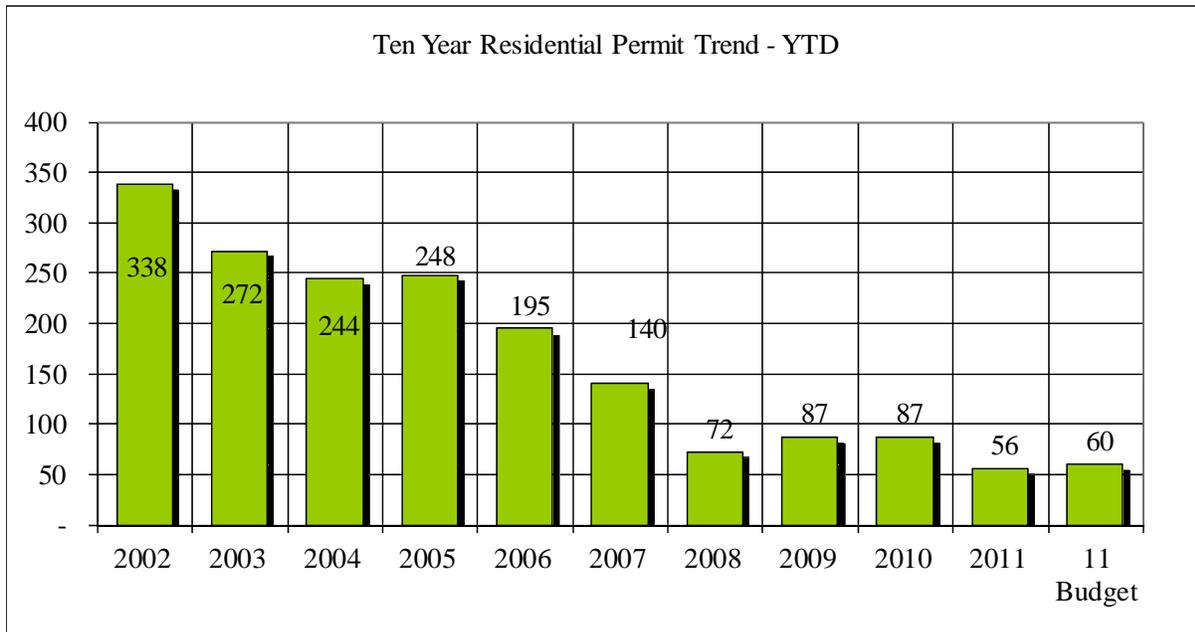
The Town's commercial property development slowed significantly in 2008, 2009, and 2010 following several years of rapid growth. This is in line with the national and regional economic

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 small growth in 2011.

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
2011 / 2012	\$ 132,306,920

The community has experienced a significant slowdown in residential construction building permits throughout the past ten 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. During 2011, the Town completed a water rate study and put in place the recommended rates effective January 1, 2012.

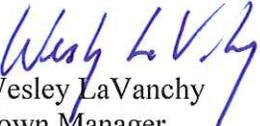
The Town continuously monitors the status of its budget and conducts a formal mid-year budget review for the Board. The Town plans to make adjustments, as warranted, including expense reductions and deferrals in response to the significant downturn in building and its subsequent effect on revenues. For 2011, the Town forecasted 60 housing permits and 56 were actually issued, which does not include an additional 77 new manufactured residential building permits issues on new lots, for a grand total of 133.

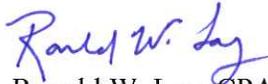
Awards and Acknowledgments

For the fifth year in a 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, 2010. 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

This Page Left Blank Intentionally

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, 2010

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.



Linda C. Davison

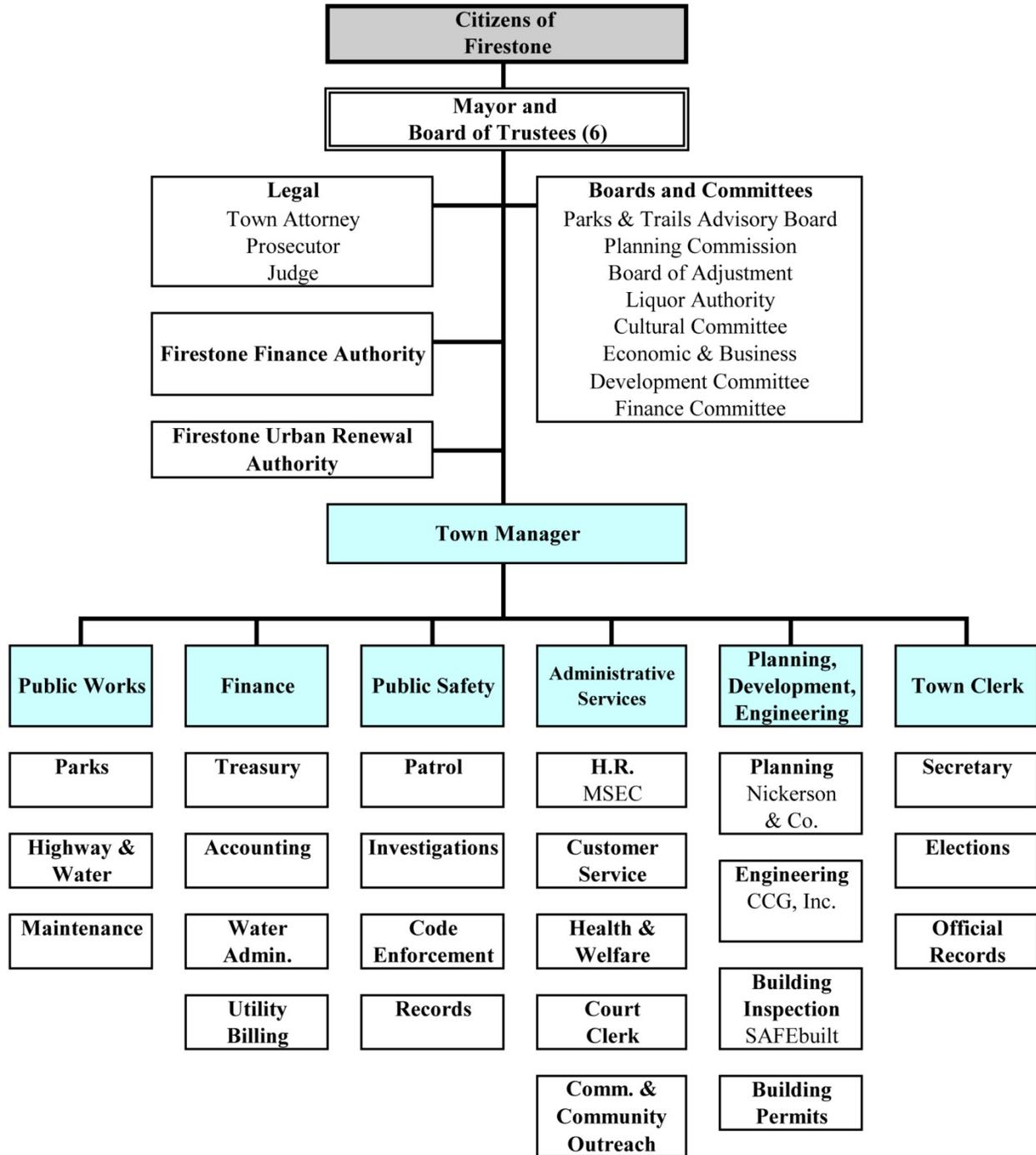
President

Jeffrey R. Emer

Executive Director

This Page Left Blank Intentionally

Town of Firestone
 Organization Chart - by function
 As of December 31, 2011



This Page Left Blank Intentionally

PRINCIPAL OFFICIALS

As of December 31, 2011

TOWN BOARD

CHAD AUER

Mayor

At-Large

PAUL SORENSEN

Board Trustee

At-Large

Mayor Pro-tem

Matt Holcomb

Board Trustee

At-Large

DARRELL WALSH

Board Trustee

At-Large

BOBBI SINDELAR

Board Trustee

At-Large

JENNIFER WEINBERGER

Board Trustee

At-Large

KATHRYN BIELAND

Board Trustee

At-Large

LEGAL AND COURT

SAM LIGHT

Town Attorney

ANDY AUSMUS

Prosecutor

PAUL BASSO

Municipal Court Judge

ADMINISTRATION

WESLEY LAVANCHY

Town Manager

RONALD W. LAY, CPA

Town Treasurer/Director of Finance & Administration

DAVID MONTGOMERY

Chief of Police

JUDY HEGWOOD

Town Clerk

THEO ABKES

Public Works Director

BRUCE NICKERSON

Planner – Nickerson & Co.

DAVID LINDSAY

Engineer – Colorado Civil Group

BEVERLY MEDINA

Court Coordinator

This Page Left Blank Intentionally



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, 2011, 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, 2011 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.

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.

www.acmlp.com

Northern Colorado Office 3545 West 12th Street, Suite 201 · Greeley, Colorado 80634 · 970.352.1700 · Fax 970.352.1708
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 27, 2012

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

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, 2011. 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 twelve basic funds: the General Fund, five Special Revenue Funds, one Capital Improvements 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 2011 was set at 6.161 mills for general operations and .644 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 \$802,623 (or 10.26 percent) from December of 2010 to December of 2011. Total net working capital increased in both the governmental and business-type activities by \$257,108 and \$545,515, respectively. The increase is primarily due to the reduction in capital projects funding during fiscal year 2011.
- General revenues account for \$4,484,989 or 51.89 percent of total revenues. The Town had \$4,157,988 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions. \$3,935,232 (or 94.64 percent) of the 2011 program specific revenues were derived from charges for services.
- The Town had \$6,633,535 in expenses related to governmental activities, which were offset by program specific charges for services, operating grants and contributions, and capital contributions of \$1,608,303. General revenues consisting of property taxes and specific ownership taxes of \$868,145, sales and use taxes of \$2,518,329, other revenues of \$1,088,416, and the planned use of reserves were adequate to provide for these programs.
- The Town had water and stormwater service income totaling \$2,465,489 with operating and capital grants and contributions totaling \$84,196. The cost of providing services totaled \$2,034,806.
- Outlays for capital assets were construction of street, water and stormwater infrastructure; improvements to various parks; acquisition of police vehicles and equipment, public works

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

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 \$185,305 at December 31, 2011.
- The Town has a long-term lease commitment to the Firestone Finance Authority in the amount of \$1,620,000, 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 \$271,512 as of December 31, 2011.

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, 2011**

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, 2011

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, 2011

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. Throughout 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

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, which is a nonmajor fund.

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 Police 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 supplemental data required for non-major fund information and budgetary comparison schedules.

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

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, 2011 than they were the year before, decreasing by .03 percent to \$92,002,648. 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, 2011 with comparisons to 2010. 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	
	2011	2010	2011	2010	2011	2010
Assets						
Current Assets	\$ 6,355,783	\$ 5,979,768	\$ 3,617,678	\$ 3,132,578	\$ 9,973,461	\$ 9,112,346
Capital Assets, net	31,796,207	33,218,661	53,874,975	53,957,170	85,671,182	87,175,831
Total Assets	\$ 38,151,990	\$ 39,198,429	\$ 57,492,653	\$ 57,089,748	\$ 95,644,643	\$ 96,288,177
Liabilities						
Current Liabilities	\$ 1,210,640	\$ 1,091,733	\$ 138,580	\$ 198,995	\$ 1,349,220	\$ 1,290,728
Long-term Liabilities	2,032,099	2,523,742	260,676	445,695	2,292,775	2,969,437
Total Liabilities	\$ 3,242,739	\$ 3,615,475	\$ 399,256	\$ 644,690	\$ 3,641,995	\$ 4,260,165
Net Assets						
Invested in Capital						
Net of Related Debt	\$ 29,832,381	\$ 30,754,589	\$ 53,745,675	\$ 53,632,012	\$ 83,578,056	\$ 84,386,601
Restricted	269,051	3,034,596	-	-	269,051	3,034,596
Unrestricted	4,807,819	1,793,769	3,347,722	2,813,046	8,155,541	4,606,815
Total Net Assets	\$ 34,909,251	\$ 35,582,954	\$ 57,093,397	\$ 56,445,058	\$ 92,002,648	\$ 92,028,012

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

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

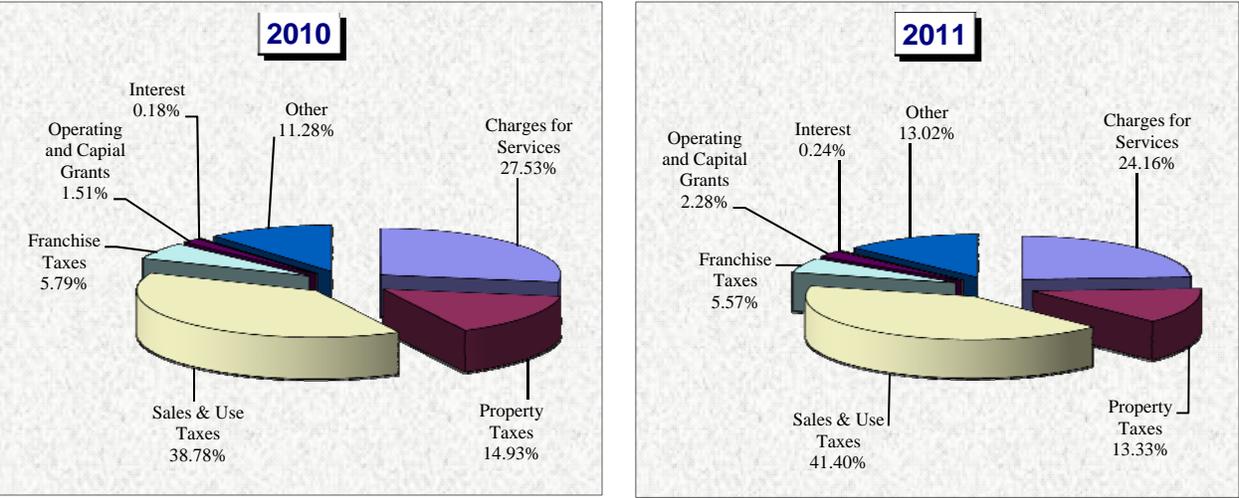
	Governmental Activities		Business Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
<u>Program Revenues</u>						
Charges for Services	\$ 1,469,743	\$ 1,633,488	\$ 2,465,489	\$ 2,402,312	\$ 3,935,232	\$ 4,035,800
Operating Grants and Contributions	25,400	89,656	26,696	30,461	52,096	120,117
Capital Grants and Contributions	113,160	-	57,500	99,000	170,660	99,000
<u>General Revenues</u>						
Property Taxes	810,956	886,060	-	-	810,956	886,060
Sales and Use Taxes	2,518,329	2,301,440	-	-	2,518,329	2,301,440
Franchise Taxes	338,780	343,974	-	-	338,780	343,974
Investment Earnings	14,705	10,635	9,391	6,302	24,096	16,937
Other	792,120	669,202	708	4,433	792,828	673,635
Total Revenues	\$ 6,083,193	\$ 5,934,455	\$ 2,559,784	\$ 2,542,508	\$ 8,642,977	\$ 8,476,963
Expenses						
General Government	\$ 1,106,283	\$ 1,156,785	\$ -	\$ -	\$ 1,106,283	\$ 1,156,785
Public Safety	2,169,999	2,246,700	-	-	2,169,999	2,246,700
Public Works	2,450,275	2,588,250	-	-	2,450,275	2,588,250
Health and Welfare	95,010	95,917	-	-	95,010	95,917
Economic Development	70,334	18,905	-	-	70,334	18,905
Parks	668,285	699,652	-	-	668,285	699,652
Interest on Long-Term Debt	73,349	82,409	-	-	73,349	82,409
Water/Stormwater	-	-	2,034,806	1,905,559	2,034,806	1,905,559
Total Expenses	\$ 6,633,535	\$ 6,888,618	\$ 2,034,806	\$ 1,905,559	\$ 8,668,341	\$ 8,794,177
Revenues less Expenses	\$ (550,342)	\$ (954,163)	\$ 524,978	\$ 636,949	\$ (25,364)	\$ (317,214)
Transfers	(123,361)	(177,451)	123,361	177,451	-	-
Changes in Net Assets	\$ (673,703)	\$ (1,131,614)	\$ 648,339	\$ 814,400	\$ (25,364)	\$ (317,214)

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 2010 and 2011, had no contributions to endowments or permanent funds, special items or extraordinary items to report in the financial statements.

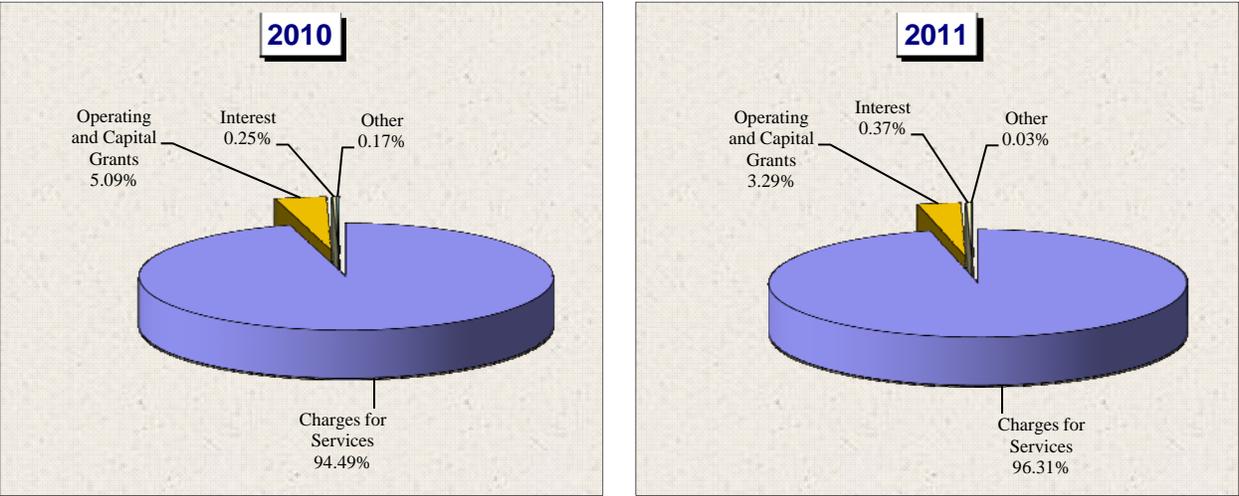
**Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011**

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

**Table 5
Sources of Revenues by Comparative Years:
Governmental Activities**



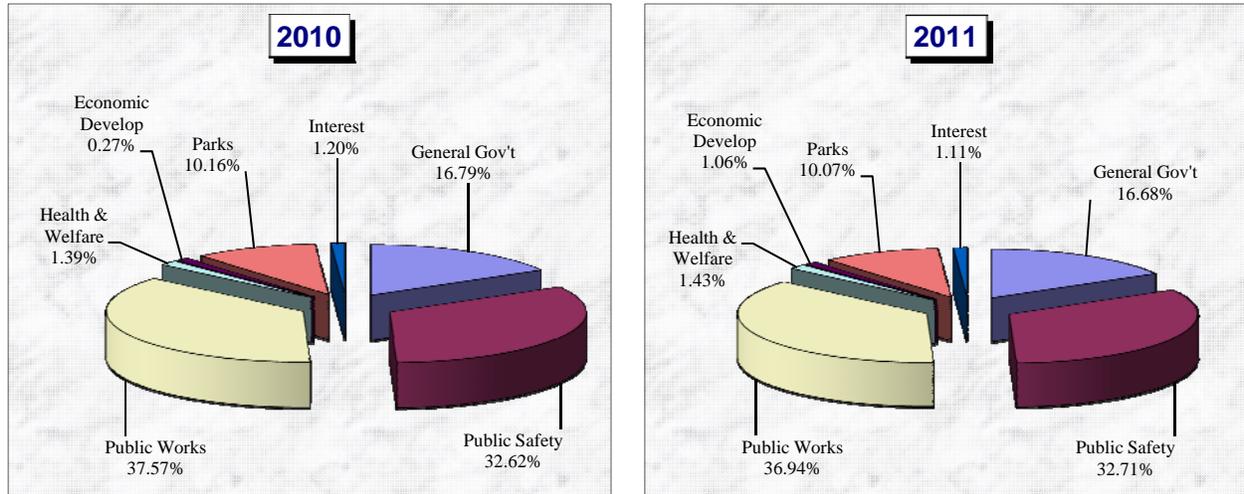
**Table 6
Sources of Revenues by Comparative Years:
Business-Type Activities**



**Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011**

Detailed below in Table 7 are charts displaying the percentage of program expenses for 2010 and 2011 for the governmental activities of the Town.

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



Governmental Activities

The \$673,703 decrease in net assets for governmental activities in 2011 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 property taxes.

**Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011**

**Table 8
Net Cost of Governmental Activities**

	<u>2011</u>		<u>2010</u>
	Total Cost of Service	Net Cost of Service	Net Cost of Service
General Government	\$ 1,106,283	\$ (1,021,443)	\$ (1,093,641)
Public Safety	2,169,999	(1,968,780)	(2,047,371)
Public Works	2,450,275	(1,202,374)	(1,262,509)
Health and Welfare	95,010	(95,010)	(95,917)
Economic Development	70,334	(70,334)	(18,905)
Parks	668,285	(593,942)	(564,722)
Interest on Long-Term Debt	73,349	(73,349)	(82,409)
Total	<u>\$ 6,633,535</u>	<u>\$ (5,025,232)</u>	<u>\$ (5,165,474)</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 revenues would exceed expenditures by \$74,729. The actual results for the year show revenues exceeding expenditures by \$345,149.

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, 2011

The Town must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2011 the Town's TABOR reserve amounted to \$125,132.

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 2011, the Town had invested \$85,671,182, 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 \$1,504,649 (or 1.73 percent) from last year. Additional information on The Town's capital assets can be found in Note 5 to the financial statements. Total depreciation expense for the year was \$2,200,110 in the governmental activities and \$347,553 in the Town's business-type activities.

Table 9
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 5,808,702	\$ 5,801,202	\$ 99,121	\$ 99,121	\$ 5,907,823	\$ 5,900,323
Water Shares	-	-	40,610,164	40,610,164	40,610,164	40,610,164
Construction in Progress	394,795	389,634	396,603	448,762	791,398	838,396
Land Improvements	3,267,971	3,353,953	-	-	3,267,971	3,353,953
Buildings and Improvements	975,265	1,037,226	-	-	975,265	1,037,226
Streets and Storm Drainage	20,837,750	21,990,362	-	-	20,837,750	21,990,362
Utility Systems	-	-	12,636,220	12,659,961	12,636,220	12,659,961
Machinery and Equipment	511,724	646,284	132,867	139,162	644,591	785,446
Total	\$31,796,207	\$33,218,661	\$53,874,975	\$53,957,170	\$85,671,182	\$87,175,831

Town of Firestone
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2011

Long-Term Debt

At year end, the Town had \$50,305 of outstanding capital leases, \$135,000 in 1999 general obligation bond reported in the governmental activities and \$16,309 of outstanding capital leases in the business-type activities. Developer Reimbursement Obligation was at \$158,521 for the governmental activities and at \$112,991 for the business-type activities. For 2011, the Town experienced a 24.96 percent decrease overall in outstanding debt from 2010.

Table 10
Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	135,000	200,000	-	-	135,000	200,000
Certificate of Participation	1,620,000	1,700,000	-	-	1,620,000	1,700,000
Capital Leases	50,305	147,022	16,309	27,892	66,614	174,914
Developer Reim. Obligations	158,521	417,050	112,991	297,266	271,512	714,316
Total	1,963,826	2,464,072	129,300	325,158	2,093,126	2,789,230

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. Please see Note 6 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 Police 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 percent 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, 2011

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 2012 incorporates General Property Tax revenue of \$898,148 (based on a net assessed valuation for the Town of \$131,980,920 and a mill levy of 6.244 mills for operations and .561 mills for debt service) with a budget of \$9,969,205 in expenditures for 2012.
- 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, 2011, or 2012; however, the Town continues to evaluate the future costs related to renewal and replacement of capital facilities. These reserve accounts have been included in the General Fund for reporting purposes.
- 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 2012 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, parents, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at the Town of Firestone, Finance Department, 151 Grant Avenue, P.O. Box 100, Firestone, Colorado 80520-0100.

Basic Financial Statements

This Page Left Blank Intentionally

Town of Firestone
Firestone, Colorado
Statement of Net Assets
December 31, 2011

	Primary Government		
	Govern- mental Activities	Business- Type Activities	TOTAL
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 4,915,280	\$ 3,367,227	\$ 8,282,507
Cash with Fiscal Agent	39,156	-	39,156
Receivables	1,390,982	207,626	1,598,608
Other Current Assets	10,365	42,825	53,190
Capital Assets (Net of Accumulated Depreciation):			
Land and Water Shares	5,808,702	40,709,285	46,517,987
Construction in Progress	394,795	396,603	791,398
Land Improvements	3,267,971	-	3,267,971
Buildings and Improvements	975,265	-	975,265
Streets and Storm Drainage	20,837,750	-	20,837,750
Utility Systems	-	12,636,220	12,636,220
Equipment and Vehicles	511,724	132,867	644,591
Total Assets	38,151,990	57,492,653	95,644,643
LIABILITIES			
Accounts Payable and Other Current Liabilities	289,727	138,580	428,307
Accrued Interest Payable	9,212	-	9,212
Unearned Revenue	898,418	-	898,418
Developer Deposits	13,283	-	13,283
Noncurrent Liabilities:			
Customer Deposits	-	116,686	116,686
Accrued Compensated Absences	63,280	14,690	77,970
Due Within One Year	186,163	12,295	198,458
Due in More Than One Year	1,619,142	4,014	1,623,156
Net Pension Obligation	4,993	-	4,993
Developer Reimbursement Obligations	158,521	112,991	271,512
Total Liabilities	3,242,739	399,256	3,641,995
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	29,832,381	53,745,675	83,578,056
Restricted	269,051	-	269,051
Unrestricted	4,807,819	3,347,722	8,155,541
Total Net Assets	\$ 34,909,251	\$ 57,093,397	\$ 92,002,648

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

Town of Firestone
Firestone, Colorado
Statement of Activities
Year Ended December 31, 2011

Functions / Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contrib.	Capital Grants and Contrib.
Governmental Activities:				
General Government	\$ 1,106,283	\$ 77,340	\$ -	\$ 7,500
Public Safety	2,169,999	201,219	-	-
Public Works	2,450,275	1,117,241	25,000	105,660
Health and Welfare	95,010	-	-	-
Economic Development	70,334	-	-	-
Parks and Open Space	668,285	73,943	400	-
Interest on Long-Term Debt	73,349	-	-	-
Total Governmental Activities	6,633,535	1,469,743	25,400	113,160
Business-Type Activities:				
Water	2,018,304	2,354,488	26,696	57,500
Stormwater	16,502	111,001	-	-
Total Business-Type Activities	2,034,806	2,465,489	26,696	57,500
Total Primary Government	\$ 8,668,341	\$ 3,935,232	\$ 52,096	\$ 170,660

General Revenues

Taxes:

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

Total General Revenues and Transfers

Changes in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

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

Net (Expense) Revenue
and Changes in Net Assets

Govern- mental Activities	Business- Type Activities	TOTAL
\$ (1,021,443)	\$ -	\$ (1,021,443)
(1,968,780)	-	(1,968,780)
(1,202,374)	-	(1,202,374)
(95,010)	-	(95,010)
(70,334)	-	(70,334)
(593,942)	-	(593,942)
(73,349)	-	(73,349)
(5,025,232)	-	(5,025,232)
-	420,380	420,380
-	94,499	94,499
-	514,879	514,879
(5,025,232)	514,879	(4,510,353)
720,123	-	720,123
75,271	-	75,271
15,562	-	15,562
57,189	-	57,189
2,518,329	-	2,518,329
467,408	-	467,408
338,780	-	338,780
14,705	9,391	24,096
267,523	708	268,231
(123,361)	123,361	-
4,351,529	133,460	4,484,989
(673,703)	648,339	(25,364)
35,582,954	56,445,058	92,028,012
\$ 34,909,251	\$ 57,093,397	\$ 92,002,648

Town of Firestone
Firestone, Colorado
Balance Sheet
Governmental Funds
December 31, 2011

	General	Highway	Park	Capital Improvements
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 1,289,095	\$ 474,463	\$ 855,402	\$ 2,082,265
Cash with Fiscal Agent	31,781	7,375	-	-
Receivables	1,215,030	60,254	-	-
Due From Other Funds	25,000	-	-	-
Prepaid Items	10,365	-	-	-
Total Assets	\$ 2,571,271	\$ 542,092	\$ 855,402	\$ 2,082,265
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 132,106	\$ 33,426	\$ 4,015	\$ -
Accrued Payables	107,217	12,653	-	-
Due To Other Funds	-	-	-	-
Developer Deposits	13,283	-	-	-
Deferred Revenue	824,304	-	-	-
Total Liabilities	1,076,910	46,079	4,015	-
Fund Balances:				
Nonspendable for Prepaid Items	10,365	-	-	-
Restricted for Emergencies	125,132	-	-	-
Restricted for Parks and Recreation	-	-	-	-
Committed for Capital Improvements	-	-	-	2,082,265
Assigned Fund Balance	128,100	496,013	851,387	-
Unassigned Fund Balance	1,230,764	-	-	-
Total Fund Balances	1,494,361	496,013	851,387	2,082,265
Total Liabilities and Fund Balances	\$ 2,571,271	\$ 542,092	\$ 855,402	\$ 2,082,265

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

Other Govtl. Funds	Total Govtl. Funds
\$ 214,055	\$ 4,915,280
-	39,156
115,698	1,390,982
-	25,000
-	10,365
<u>\$ 329,753</u>	<u>\$ 6,380,783</u>

\$ 310	\$ 169,857
-	119,870
25,000	25,000
-	13,283
74,114	898,418
<u>99,424</u>	<u>1,226,428</u>

-	10,365
-	125,132
143,919	143,919
-	2,082,265
86,410	1,561,910
-	1,230,764
<u>230,329</u>	<u>5,154,355</u>
<u>\$ 329,753</u>	<u>\$ 6,380,783</u>

This Page Left Blank Intentionally

Town of Firestone
 Firestone, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
 December 31, 2011

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

Total Fund Balances - Governmental Funds	\$ 5,154,355
--	--------------

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

Cost of Capital Assets	\$ 49,912,528	
Accumulated Depreciation	<u>(18,116,321)</u>	
		31,796,207

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

Long term liabilities at year end consist of:		
Certificates of Participation	\$ (1,620,000)	
Bonds Payable	(135,000)	
Capital Leases Payable	(50,305)	
Developer Reimbursement Obligations	(158,521)	
Accrued Interest Payable	<u>(9,212)</u>	
		(1,973,038)

Accrued compensated absences are not due and payable from current financial resources, and therefore, are not reported in the governmental funds.	(63,280)
---	----------

Net pension obligation is shown in the long-term liabilities in the Statement of Net Assets but is not included in the governmental funds.	(4,993)
--	---------

Total Net Assets - Governmental Activities	<u><u>\$ 34,909,251</u></u>
--	-----------------------------

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, 2011

	General	Highway	Park	Capital Improvements
REVENUES				
Taxes and Impact Fees	\$ 3,720,323	\$ 526,407	\$ -	\$ 707,134
Licenses and Permits	306,704	-	42,000	-
Intergovernmental	42,042	25,000	-	-
Charges for Services	-	117,303	-	-
Fines	159,002	-	-	-
Investment Earnings	2,849	1,552	2,771	7,178
Miscellaneous	71,331	7,270	20,796	-
Total Revenues	4,302,251	677,532	65,567	714,312
EXPENDITURES				
Current:				
General Government	955,870	58,282	32,163	-
Public Safety				
Police	1,950,017	-	-	-
Building Inspection	157,176	-	-	-
Public Works (Roads, Facilities, etc)	88,287	600,412	-	-
Parks and Open Space	315,481	-	2,321	-
Health and Welfare	95,010	-	-	-
Economic Development	70,334	-	-	-
Capital Outlay	26,294	350,294	294,998	-
Debt Service:				
Principal	326,969	28,276	-	-
Interest	3,975	5,140	-	-
Total Expenditures	3,989,413	1,042,404	329,482	-
Excess (Deficiency) of Revenues				
Over Expenditures	312,838	(364,872)	(263,915)	714,312
OTHER FINANCING SOURCES (USES)				
Transfers In	217,261	345,971	264,501	-
Transfers Out	(184,950)	-	-	(817,519)
Total Other Financing Sources (Uses)	32,311	345,971	264,501	(817,519)
Net Change in Fund Balances	345,149	(18,901)	586	(103,207)
Fund Balances at Beginning of Year	1,149,212	514,914	850,801	2,185,472
Fund Balances at End of Year	\$ 1,494,361	\$ 496,013	\$ 851,387	\$ 2,082,265

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

Other Govtl. Funds	Total Govtl. Funds
\$ 155,027	\$ 5,108,891
-	348,704
41,076	108,118
-	117,303
-	159,002
355	14,705
8,451	107,848
204,909	5,964,571
13,569	1,059,884
-	1,950,017
-	157,176
-	688,699
-	317,802
-	95,010
-	70,334
-	671,586
145,000	500,245
69,605	78,720
228,174	5,589,473
(23,265)	375,098
141,375	969,108
(90,000)	(1,092,469)
51,375	(123,361)
28,110	251,737
202,219	4,902,618
\$ 230,329	\$ 5,154,355

This Page Left Blank Intentionally

Town of Firestone
 Firestone, Colorado
**Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances to the
 Statement of Activities**
 Year Ended December 31, 2011

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

Total net change in fund balance - Governmental Funds		\$ 251,737
<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	\$ 664,497	
Donations of infrastructure	113,160	
Less current year depreciation	<u>(2,200,110)</u>	(1,422,453)
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.		500,245
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.		5,371
Increase 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.		(9,937)
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		1,334
Change in Net Assets - Governmental Activities		<u><u>\$ (673,703)</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, 2011

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
ASSETS			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,367,227	\$ -	\$ 3,367,227
Receivables	168,681	38,945	207,626
Other Current Assets	42,825	-	42,825
Total Current Assets	<u>3,578,733</u>	<u>38,945</u>	<u>3,617,678</u>
Noncurrent Assets			
Capital Assets:			
Land	99,121	-	99,121
Water Rights	40,610,164	-	40,610,164
Construction in Progress	300,723	95,880	396,603
Utility Systems	14,620,041	269,504	14,889,545
Equipment	397,266	-	397,266
Less Accumulated Depreciation	(2,504,712)	(13,012)	(2,517,724)
Total Capital Assets (Net of Accumulated Depreciation)	<u>53,522,603</u>	<u>352,372</u>	<u>53,874,975</u>
Total Noncurrent Assets	<u>53,522,603</u>	<u>352,372</u>	<u>53,874,975</u>
Total Assets	<u>57,101,336</u>	<u>391,317</u>	<u>57,492,653</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	114,010	-	114,010
Accrued Payables	24,570	-	24,570
Capital Leases Payable - Current	12,295	-	12,295
Total Current Liabilities	<u>150,875</u>	<u>-</u>	<u>150,875</u>
Noncurrent Liabilities			
Customer Deposits	116,686	-	116,686
Accrued Compensated Absences	14,690	-	14,690
Capital Leases Payable	4,014	-	4,014
Developer Reimbursement Obligations	112,991	-	112,991
Total Noncurrent Liabilities	<u>248,381</u>	<u>-</u>	<u>248,381</u>
Total Liabilities	<u>399,256</u>	<u>-</u>	<u>399,256</u>
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	53,393,303	352,372	53,745,675
Unrestricted	3,308,777	38,945	3,347,722
Total Net Assets	<u>\$ 56,702,080</u>	<u>\$ 391,317</u>	<u>\$ 57,093,397</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, 2011

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Operating Revenues			
Charges for Services	\$ 2,354,488	\$ 111,001	\$ 2,465,489
Miscellaneous	708	-	708
Total Operating Revenues	2,355,196	111,001	2,466,197
Operating Expenses			
Operations	1,096,394	245	1,096,639
Administration	578,836	11,017	589,853
Depreciation	342,313	5,240	347,553
Total Operating Expenses	2,017,543	16,502	2,034,045
Operating Income	337,653	94,499	432,152
Nonoperating Revenues (Expenses)			
Investment Earnings	9,391	-	9,391
Interest Expense	(761)	-	(761)
Intergovernmental	26,696	-	26,696
Total Nonoperating Revenues (Expenses)	35,326	-	35,326
Income Before Contributions and Transfers	372,979	94,499	467,478
Capital Contributions	57,500	-	57,500
Transfers In	184,275	7,489	191,764
Transfers Out	-	(68,403)	(68,403)
Changes in Net Assets	614,754	33,585	648,339
Net Assets at Beginning of Year	56,087,326	357,732	56,445,058
Net Assets at End of Year	\$ 56,702,080	\$ 391,317	\$ 57,093,397

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

Town of Firestone
Firestone, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,371,993	\$ 110,393	\$ 2,482,386
Cash Payments to Suppliers for Goods and Services	(1,166,282)	(22,426)	(1,188,708)
Cash Payments to Employees for Services	(547,066)	-	(547,066)
Net Cash Flows From Operating Activities	658,645	87,967	746,612
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	-	(68,403)	(68,403)
Transfers from Other Funds	184,275	7,489	191,764
Operating Grants Received	26,696	-	26,696
Decrease in Due to Other Funds	-	(19,564)	(19,564)
Net Cash Flows from Noncapital Financing Activities	210,971	(80,478)	130,493
Cash Flows from Capital and Related Financing Activities			
Contributed Capital	57,500	-	57,500
Acquisition of Capital Assets	(257,869)	(7,489)	(265,358)
Principal payments on Developer Reimbursement Obligations	(184,275)	-	(184,275)
Principal Paid on Debt	(11,583)	-	(11,583)
Interest Paid on Debt	(761)	-	(761)
Net Cash Flows from Capital and Related Financing Activities	(396,988)	(7,489)	(404,477)
Net Cash Flow Provided by Investing Activities			
Investment Earnings	9,391	-	9,391
Net Cash Flow from Investing Activities	9,391	-	9,391
Net Increase in Cash and Cash Equivalents	482,019	-	482,019
Cash and Cash Equivalents at the Beginning of Year	2,885,208	-	2,885,208
Cash and Cash Equivalents at the End of Year	\$ 3,367,227	\$ -	\$ 3,367,227

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, 2011

	Water Enterprise Fund	Stormwater Enterprise Fund	Total
Reconciliation of Operating Income to			
Net Cash Flows from Operating Activities			
Operating Income	\$ 337,653	\$ 94,499	\$ 432,152
Adjustments to Reconcile Operating Income to Net CashFlows From Operating Activities			
Depreciation	342,313	5,240	347,553
(Increase) Decrease in Assets:			
Accounts Receivable	9,139	(608)	8,531
Other Assets	7,952	-	7,952
Increase (Decrease) in Liabilities:			
Accounts Payable	(57,238)	(11,164)	(68,402)
Accrued Payables	11,170	-	11,170
Customer Deposits	7,656	-	7,656
Net Cash Flows From Operating Activities	\$ 658,645	\$ 87,967	\$ 746,612

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

Town of Firestone
 Firestone, Colorado
Statement of Fiduciary Net Assets
 December 31, 2011

	<u>Old-Hire Police Pension Trust Fund</u>
ASSETS	
<hr/>	
Investments Held by FPPA	\$ 13,637
Receivable from the Town	4,993
Total Assets	<u>18,630</u>
LIABILITIES	
<hr/>	
Total Liabilities	<u>-</u>
NET ASSETS	
<hr/>	
Net Assets Held in Trust for Pension Benefits	<u>\$ 18,630</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, 2011

	<u>Old-Hire Police Pension Trust Fund</u>
Additions	
Employer Contributions	\$ 12,084
FPPA Earnings	263
Realized/Unrealized Gain on Investments	350
Total Additions	<u>12,697</u>
Deductions	
Pension Benefits Paid	9,690
Pension Fees	95
Total Deductions	<u>9,785</u>
Change in Net Assets	<u>2,912</u>
Net Assets at Beginning of Year	15,718
Net Assets at Ending of Year	<u><u>\$ 18,630</u></u>

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

This Page Left Blank Intentionally

Notes to Financial Statements

This Page Left Blank Intentionally

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

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.

Blended Component Units

The Firestone Finance Authority was created to account for the acquisition and development of Central Park and its related debt service. The Firestone Urban Renewal Authority was established to develop and implement a plan to renew and revitalize portions of southern Firestone. The Town is financially accountable for each of the blended component units. The basis for blending is that the Town’s Board acts as the governing board for the entities.

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 13. The following is a description of the only joint venture in which the Town participated in during the 12 months ended December 31, 2011:

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Joint Ventures (continued)

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 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. Due to the implementation of GASB 54, the replacement reserve funds have been included in the General Fund for reporting purposes.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

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 Improvements 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.
- ***Other governmental funds*** – These are non-major funds and are Debt Service Funds (Firestone Finance Authority, Debt Service) or Special Revenue Funds (Firestone Urban Renewal Authority, Conservation Trust, Open Space) which have been 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 Police Pension Trust Fund is the only fiduciary fund held by the Town. The pension fund accounts for the Town's contribution to the Old Hire Police Pension Plan.

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 of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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.

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

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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 and fiduciary 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.

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.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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.

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 2011:

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

	Original Budget	Total Revisions	Revised Budget
	<u> </u>	<u> </u>	<u> </u>
Government Funds:			
General Fund	\$ 3,866,698	\$ 442,804	\$ 4,309,502
Special Revenue Funds -			
Highway Fund	827,063	345,971	1,173,034
Park Fund	286,296	53,801	340,097
Conservation Trust Fund	50,000	-	50,000
Open Space Fund	20,000	20,000	40,000
Firestone Urban Renewal Authority	13,895	-	13,895
Capital Improvements Fund	620,459	399,772	1,020,231
Debt Service Fund	76,705	-	76,705
Firestone Finance Authority Fund	143,000	-	143,000
Business-Type Funds:			
Water Fund	2,746,413	-	2,746,413
Stormwater Fund	115,572	-	115,572
Fiduciary Funds:			
Old Hire Pension Trust Fund	9,690	-	9,690
Total Funds	<u><u>\$ 8,775,791</u></u>	<u><u>\$ 1,262,348</u></u>	<u><u>\$ 10,038,139</u></u>

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 Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town 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.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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 are classified as due from other funds or due to other funds on the balance sheet.

Prepaid Items

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

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 personal leave that is expected to be liquidated with expendable

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

Accrued Compensated Absences Payable (*continued*)

available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds. The Town had a total liability for accrued compensated absences in the amount of \$77,970 at December 31, 2011.

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.

Fund Balance 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.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

- ***Nonspendable*** – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- ***Restricted*** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
- ***Committed*** – amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.
- ***Assigned*** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town Board has the authority to assign amounts for specific purposes.
- ***Unassigned*** – all other spendable amounts.

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

Contribution of Capital

Contributions of capital in proprietary fund 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, 2011

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 2011.

Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

New Pronouncement

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") effective for reporting periods after June 15, 2010. The statement established fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The Town adopted this in the fiscal year 2011 and has disclosed this information in Note 1 (Fund Balance and Net Assets). In addition, the statement established a new definition of a special revenue fund that requires that a substantial portion of the inflows be derived from restricted or committed revenue sources. Based on this definition the Stormwater Facilities Replacement, Street & Highway Replacement, Park Replacement, Fleet Replacement, and Building Replacement funds, previously special revenue funds, no longer meet the requirements of special revenue funds and for reporting purposes are included in the General Fund.

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 1: Summary of Significant Accounting Policies (continued)

New Pronouncement (continued)

Beginning fund balance has been restated as follows:

	General Fund	Stormwater Facilities Replacement	Street & Highway Replacement	Park Replacement	Fleet Replacement	Building Replacement
Fund Balance at December 31, 2010	\$ 1,021,524	\$ 21,528	\$ 66,350	\$ 13,270	\$ 13,270	\$ 13,270
GASB Statement No. 54 Adjustment	127,688	(21,528)	(66,350)	(13,270)	(13,270)	(13,270)
Fund Balance at December 31, 2010, as restated	<u>\$ 1,149,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 2: Cash and Investments

The composition of the Town's cash and cash equivalents, including restricted cash and investments, on December 31, 2011 is as follows:

	Cost Basis	Fair Value	S&P Rating	Moody's Rating
Cash on Hand	\$ 940	\$ 940	-	-
Cash with County Treasurer	39,156	39,156	-	-
Demand deposits	778,159	778,159	-	-
Certificates of Deposit	664,194	664,194	-	-
CSAFE	6,839,214	6,839,214	AAAm	Aaa
Investments Held by FPPA	13,288	13,637	-	-
Total Funds	<u>\$8,334,951</u>	<u>\$8,335,300</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.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 2: Cash and Investments (continued)

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.

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.

At December 31, 2011, the Town had invested \$6,839,214 in the Colorado Secure Assets Fund ("CSAFE"), a local government investment pool established in Colorado to pool surplus funds for investment purposes. As an investment pool, CSAFE Trust operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). 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, 2011. Of the Town's investment in the CSAFE local government investment pool, no funds were invested in derivative securities as of December 31, 2011. 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, 2011

Note 3: Receivables

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

<u>Receivables</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Taxes	\$ 1,274,943	\$ -	\$ 1,274,943
Accounts	12,829	170,937	183,766
Intergovernmental	18,473	21,255	39,728
Other	4,398	15,434	19,832
Developers	123,358	-	123,358
	<u>1,434,001</u>	<u>207,626</u>	<u>1,641,627</u>
Less allowance for doubtful accounts	(43,019)	-	(43,019)
Total	<u><u>\$ 1,390,982</u></u>	<u><u>\$ 207,626</u></u>	<u><u>\$ 1,598,608</u></u>

Note 4: Interfund Transactions

Interfund transfers for the year ended December 31, 2011, were as follows:

<u>Transfers In:</u>	<u>Transfers Out:</u>						<u>Totals</u>
	<u>General</u>	<u>Highway</u>	<u>Park</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental</u>	<u>Enterprise</u>	
Governmental Funds:							
Major Funds -							
General Fund	\$ -	\$ -	\$ -	\$ 98,858	\$ 50,000	\$ 68,403	\$ 217,261
Highway Fund	-	-	-	345,971	-	-	345,971
Park Fund	-	-	-	264,501	-	-	264,501
Nonmajor Funds -	675	-	-	100,700	40,000	-	141,375
Total Governmental Funds	<u>675</u>	<u>-</u>	<u>-</u>	<u>810,030</u>	<u>90,000</u>	<u>68,403</u>	<u>969,108</u>
Proprietary Funds:							
Major Funds -	184,275	-	-	7,489	-	-	191,764
Total Transfers	<u><u>\$ 184,950</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 817,519</u></u>	<u><u>\$ 90,000</u></u>	<u><u>\$ 68,403</u></u>	<u><u>\$ 1,160,872</u></u>

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

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 4: Interfund Transactions (continued)

The Town's interfund receivables and payables at December 31, 2011 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from (1) to cover park maintenance costs that are paid from the General Fund and are eligible for Conservation Trust Fund monies.

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Conservation Trust Fund	\$ 25,000

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2011 for governmental activities was as follows:

	<u>Capital Assets 12/31/2010</u>	<u>Additions/ Adjustments</u>	<u>Deletions/ Adjustments</u>	<u>Capital Assets 12/31/2011</u>
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated -				
Land and Water Shares	\$ 5,801,202	\$ 7,500	\$ -	\$ 5,808,702
Construction in Progress	389,634	30,497	(25,336)	394,795
Total Capital Assets, not being depreciated	6,190,836	37,997	(25,336)	6,203,497
Capital Assets, being depreciated -				
Land Improvements	5,306,707	264,502	-	5,571,209
Buildings and Improvements	1,637,173	-	-	1,637,173
Streets and Storm Drainage	33,616,295	476,967	-	34,093,262
Machinery and Equipment	2,383,860	23,527	-	2,407,387
Total Capital Assets, being depreciated	42,944,035	764,996	-	43,709,031
Less Accumulated Depreciation for:				
Land Improvements	(1,952,755)	(350,483)	-	(2,303,238)
Buildings and Improvements	(599,947)	(61,961)	-	(661,908)
Streets and Storm Drainage	(11,625,933)	(1,629,579)	-	(13,255,512)
Machinery and Equipment	(1,737,576)	(158,087)	-	(1,895,663)
Total Accumulated Depreciation	(15,916,211)	(2,200,110)	-	(18,116,321)
Total Capital Assets, being depreciated- Net	27,027,824	(1,435,114)	-	25,592,710
Governmental Activities				
Capital Assets - Net	\$ 33,218,660	\$ (1,397,117)	\$ (25,336)	\$ 31,796,207

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 5: Capital Assets (continued)

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

General Government	\$ 23,909
Parks	350,483
Public Works	1,761,578
Public Safety	64,140

Total Depreciation Expense - Governmental Activities	<u>\$ 2,200,110</u>
--	---------------------

Capital asset activity for the year ended December 31, 2011 for business-type activities was as follows:

	Capital Assets 12/31/2010	Additions/ Adjustments	Deletions/ Adjustments	Capital Assets 12/31/2011
<u>Business-Type Activities:</u>				
Capital Assets, not being depreciated -				
Land	\$ 99,121	\$ -	\$ -	\$ 99,121
Water Rights	40,610,164	-	-	40,610,164
Construction in Progress	448,762	48,750	(100,909)	396,603
Total Capital Assets, not being depreciated	41,158,047	48,750	(100,909)	41,105,888
Capital Assets, being depreciated -				
Machinery & Equipment	369,593	27,673	-	397,266
Utility System	14,599,701	289,844	-	14,889,545
Total Capital Assets, being depreciated	14,969,294	317,517	-	15,286,811
Less Accumulated Depreciation for:				
Machinery & Equipment	(230,431)	(33,968)	-	(264,399)
Utility System	(1,939,740)	(313,585)	-	(2,253,325)
Total Accumulated Depreciation	(2,170,171)	(347,553)	-	(2,517,724)
Total Capital Assets, being depreciated- Net	12,799,123	(30,036)	-	12,769,087
Business-Type Activities				
Capital Assets - Net	<u>\$ 53,957,170</u>	<u>\$ 18,714</u>	<u>\$ (100,909)</u>	<u>\$ 53,874,975</u>

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 6: 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, 2011

Note 6: 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, 2011:

	Outstanding 12/31/2011
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.	\$ 8,316
September 23, 2010, a 48 month lease with Key Government Finance, Inc., maturing September 23, 2013, 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.	7,993
Developer Reimbursement Obligation	
Starting in 2006, two reimbursement agreements were executed with a developer for public improvements paid through sales taxes collected. The Town is reflecting the balance due 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 2006-2011.	112,991
Total Enterprise Fund Debt	\$ 129,300

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 6: Long-Term Debt (continued)

Business-Type Activities Debt

The following is a summary of changes in Business-Type Activities long-term debt of the Town for the year ended December 31, 2011:

	Balance 12/31/2010	Additions	Retired	Balance 12/31/2011	Due Within One Year
Capital Leases					
Mar. 1, 2007 Lease (25%)	\$ 16,274	\$ -	\$ 7,958	\$ 8,316	\$ 8,316
Sep 23, 2010 Lease (26.19%)	11,618	-	3,625	7,993	3,979
Developer Reimbursement Obligations					
	297,266	-	184,275	112,991	-
Compensated Absences					
	11,507	4,474	1,291	14,690	-
Total	<u>\$ 336,665</u>	<u>\$ 4,474</u>	<u>\$ 197,149</u>	<u>\$ 143,990</u>	<u>\$ 12,295</u>

The annual requirements to amortize all of the Town's Business-Type Activities debt as of December 31, 2011, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2012	\$ 12,295	\$ 435	\$ 12,730
2013	4,014	27	4,041
Total	<u>\$ 16,309</u>	<u>\$ 462</u>	<u>\$ 16,771</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, 2011

Note 6: 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, 2011:

	Outstanding 12/31/2011
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%.	\$ 135,000
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 or other financial obligation.	1,620,000
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.	24,948

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 6: Long-Term Debt (continued)

September 23, 2010, a 48 month lease with Key Government Finance, Inc., maturing September 23, 2013, 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. 25,357

Developer Reimbursement Obligations

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 2006-2011. 158,521

Total Governmental Funds Debt

\$ 1,963,826

The following is a summary of changes in Governmental Activities long-term debt of the Town for the year ended December 31, 2011:

	Balance 12/31/2010	Additions	Retired	Balance 12/31/2011	Due Within One Year
General Obligation Debt					
Series 1999	\$ 200,000	\$ -	\$ 65,000	\$ 135,000	\$ 65,000
Certificates of Participation					
May 31, 2006, COPs	1,700,000	-	80,000	1,620,000	85,000
Capital Leases					
March 1, 2007 Lease (75%)	48,824	-	23,876	24,948	24,948
May 24, 2007 Lease	40,877	-	40,877	-	-
September 14, 2009 Lease	24,580	-	24,580	-	-
September 23, 2010 Lease (73.18%)	32,740	-	7,383	25,357	11,215
Developer Reimbursement Obligation	417,050	-	258,529	158,521	-
Compensated Absences	53,343	16,871	6,934	63,280	-
Total	<u>\$ 2,517,414</u>	<u>\$ 16,871</u>	<u>\$ 507,179</u>	<u>\$ 2,027,106</u>	<u>\$ 186,163</u>

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 6: Long-Term Debt (continued)

The annual requirements to amortize all of the Town's Governmental Activities debt as of December 31, 2011, are as follows:

Year Ending Dec. 31	Principal	Interest	Total
2012	\$ 186,163	\$ 85,609	\$ 271,772
2013	174,142	80,459	254,601
2014	90,000	72,250	162,250
2015	95,000	67,750	162,750
2016	100,000	63,000	163,000
2017-2021	580,000	235,000	815,000
2022-2025	580,000	74,250	654,250
Total	\$ 1,805,305	\$ 678,318	\$ 2,483,623

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	(527,252)	(23,009)
Total	\$ 2,426,242	\$ 78,418

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 7: 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, 2011, 2010, and 2009, were \$109,965, \$117,791, and \$118,253, respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 8: 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 7) 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 2011 and 2010). Catch-up contributions up to \$5,500 for the calendar years 2011 and 2010 were allowed for participants who had attained age 50 before the close of the plan year. For the year ended December 31, 2011, 2010, and 2009, the 457 Plan member contributions from the Town of Firestone were \$550, \$1,300, and \$1,300, respectively.

Note 9: Defined Benefit Pension Plan – Old Hire Police Pension Trust Fund

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 percent) of the monthly pension the member was eligible to receive.

Contributions

The sole police officer within the plan is now deceased; however, there is a surviving spousal benefit and no contributions are made. 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

Town of Firestone
 Firestone, Colorado
 Notes to Financial Statements
 December 31, 2011

Note 9: Defined Benefit Pension Plan – Old Hire Police Pension Trust Fund (Continued)

refunds (if any) of the plan are recognized when due and payable in accordance with the terms of the plan.

Funding

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

The Net Pension Obligation shown below is a standardized disclosure measure of the difference between the cumulative annual pension costs and contributions made to the Pension Fund since transition to this reporting standard. The Annual Required Contribution is a disclosure measure of the annual pension cost. Both standardized measures are calculated as of January 1, 2010, in accordance with GASB Statement No. 25 and GASB Statement No. 27.

	2010	2008	2006
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%
	2011	2010	2009
GASB 27 Disclosures			
Estimated Net Pension Obligation - Jan. 1st	\$ 6,327	\$ 6,934	\$ 7,490
Interest on Net Pension Obligation	506	555	599
Adjustment to Annual Required Contribution	(1,840)	(1,162)	(1,155)
Estimated Annual Required Contribution	7,091	11,530	11,530
Annual Contribution for the Plan Year	(7,091)	(11,530)	(11,530)
Estimated Net Pension Obligation - Dec. 31st	\$ 4,993	\$ 6,327	\$ 6,934

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 10: 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 comprehensive 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, 1301 Pennsylvania 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 11). 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 2011 (2.20 percent of total payroll for the calendar year 2010, and 1.80 percent of total payroll for the calendar year 2009). 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 2011 (1.50 percent of total payroll for the calendar year 2010, and 1.00 percent of total payroll for the calendar year 2009). 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, 2011, 2010, and 2009, the Town of Firestone's employer contributions to the LGDTF were \$175,283, \$172,902, and \$159,669, respectively, equal to their required contributions for each year.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 11: 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 comprehensive 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, 1301 Pennsylvania 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, 2011, 2010, and 2009, the Town of Firestone's employer contributions to the HCTF were \$13,050, \$13,778, and \$13,868, respectively, equal to their required contributions for each year.

Note 12: Defined Contribution Pension Plan – Non-Police Staff

Plan Description

Employees of the Town of Firestone who are members of the LGDTF (see Note 10) 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 comprehensive annual financial report for the 401(k) Plan. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania 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, 2011

Note 12: 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 2011 and 2010). Catch-up contributions up to \$5,500 for the calendar years 2011 and 2010 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, 2011, 2010, and 2009, the 401(k) Plan member contributions from the Town of Firestone were \$2,556, \$2,958, and \$3,339, respectively.

Note 13: 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, 2010, (date of latest available information), Weld 911 had a fund balance of \$5,241,349. Total revenues for 2010 were \$2,218,979 and total expenses were \$2,353,206 resulting in an excess of expenses over revenues of \$134,227. 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, 2011

Note 14: Fund Balances / Net Assets

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

General Fund - Nonspendable	Payments made to vendors for services that will benefit periods beyond year end.
General Fund - Restricted	A portion restricted for emergencies as defined under Article X, Section 20 to the State Constitution also known as the Taxpayer's Bill of Rights ("TABOR").
Conservation Trust Fund - Restricted	Fund balance restricted for future payments on maintenance and capital expenditures as allowed under CRS.
Old Hire Police Pension - Restricted	Fund balance restricted for future retirement benefits.
Capital Improvements - Committed	Fund balance committed for future transfers to appropriate funds to be used for capital construction or acquisitions funded by the impact fees collected in this fund.
General Fund - Assigned	Fund balance assigned for future transfers to appropriate funds to be used for the capital construction or acquisition.
Highway Fund - Assigned	Fund balance assigned for operations, maintenance and future capital expenditures related to street and highway operations.
Park Fund - Assigned	Fund balance assigned for planning and future capital expenditures or acquisitions related to park infrastructure.
Firestone Finance Authority - Assigned	Fund balance assigned for future payments on Certificates of Participation issued to finance Town property.
Open Space - Assigned	Fund balance assigned for future transfers for maintenance, capital expenditures and COPS payments for open space, parks, and trails.
Debt Service - Assigned	Fund balance assigned for future payments on outstanding general obligation debt.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 15: 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 16: Taxes, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (the Amendment) to the State Constitution (Article X, Section 20) 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 \$125,132 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, 2011

Note 17: 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 18: 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 6):

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 percent (the Credit PIF) of the Town's 2 percent 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 percent 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 percent of the Town's 2 percent 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 percent per annum. The Developers have 20 years (2028) to receive the maximum reimbursable amount.

Town of Firestone
Firestone, Colorado
Notes to Financial Statements
December 31, 2011

Note 19: Subsequent Events

Management of the Town has evaluated subsequent events through June 27, 2012, 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
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General and Highway Funds
Year Ended December 31, 2011

	General Fund			
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,035,007	\$ 3,477,811	\$ 3,720,323	\$ 242,512
Licenses and Permits	240,275	240,275	306,704	66,429
Intergovernmental	29,300	29,300	42,042	12,742
Charges for Services	-	-	-	-
Fines	182,000	182,000	159,002	(22,998)
Investment Earnings	1,750	1,750	2,849	1,099
Miscellaneous	42,000	42,000	71,331	29,331
Total Revenues	3,530,332	3,973,136	4,302,251	329,115
EXPENDITURES				
Current:				
General Government	1,008,043	1,008,043	955,870	52,173
Public Safety				
Police	1,849,425	1,849,425	1,950,017	(100,592)
Building Inspection	117,000	117,000	157,176	(40,176)
Public Works (Roads, Facilities, etc)	76,995	76,995	88,287	(11,292)
Parks	361,371	361,371	315,481	45,890
Health & Welfare	97,050	97,050	95,010	2,040
Economic Development	77,000	77,000	70,334	6,666
Capital Outlay	200,000	200,000	26,294	173,706
Debt Service:				
Principal	71,746	330,275	326,969	3,306
Interest	3,976	3,976	3,975	1
Total Expenditures	3,862,606	4,121,135	3,989,413	131,722
Excess (Deficiency) of Revenue Over Expenditures	(332,274)	(147,999)	312,838	460,837
OTHER FINANCING SOURCES (USES)				
Transfers In	411,095	411,095	217,261	(193,834)
Transfers Out	(4,092)	(188,367)	(184,950)	3,417
Total Other Financing Sources (Uses)	407,003	222,728	32,311	(190,417)
Net Change in Fund Balances	\$ 74,729	\$ 74,729	345,149	\$ 270,420
Fund Balances at Beginning of Year			1,149,212	
Fund Balances at End of Year			\$ 1,494,361	

See accompanying Independent Auditors' Report

Highway Fund

Budgeted Amounts		Actual	Variance with
Original	Final	Amounts Budget Basis	Final Budget Positive (Negative)
\$ 538,666	\$ 538,666	\$ 526,407	\$ (12,259)
-	-	-	-
-	-	25,000	25,000
116,500	116,500	117,303	803
-	-	-	-
1,250	1,250	1,552	302
2,500	2,500	7,270	4,770
<u>658,916</u>	<u>658,916</u>	<u>677,532</u>	<u>18,616</u>
50,514	50,514	58,282	(7,768)
-	-	-	-
-	-	-	-
727,439	727,439	600,412	127,027
-	-	-	-
-	-	-	-
-	-	-	-
19,000	364,971	350,294	14,677
24,970	24,970	28,276	(3,306)
5,140	5,140	5,140	-
<u>827,063</u>	<u>1,173,034</u>	<u>1,042,404</u>	<u>130,630</u>
<u>(168,147)</u>	<u>(514,118)</u>	<u>(364,872)</u>	<u>149,246</u>
-	345,971	345,971	-
-	-	-	-
<u>-</u>	<u>345,971</u>	<u>345,971</u>	<u>-</u>
<u>\$ (168,147)</u>	<u>\$ (168,147)</u>	(18,901)	<u>\$ 149,246</u>
		514,914	
		<u>\$ 496,013</u>	

Town of Firestone
 Firestone, Colorado
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Park Fund
 Year Ended December 31, 2011

	Park Fund			
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 45,000	\$ 45,000	\$ 42,000	\$ (3,000)
Investment Earnings	1,700	1,700	2,771	1,071
Miscellaneous	18,700	18,700	20,796	2,096
Total Revenues	65,400	65,400	65,567	167
EXPENDITURES				
Current:				
General Government	22,596	22,596	32,163	(9,567)
Parks	13,000	13,000	2,321	10,679
Capital Outlay	250,700	304,501	294,998	9,503
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	286,296	340,097	329,482	10,615
Excess (Deficiency) of Revenue Over Expenditures	(220,896)	(274,697)	(263,915)	10,782
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	210,700	264,501	264,501	-
Total Other Financing Sources (Uses)	210,700	264,501	264,501	-
Net Change in Fund Balances	\$ (10,196)	\$ (10,196)	586	\$ 10,782
Fund Balances at Beginning of Year			850,801	
Fund Balances at End of Year			\$ 851,387	

See accompanying Independent Auditors' Report

Other Supplementary Information

This Page Left Blank Intentionally

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances -Budget and Actual - Capital Improvements Fund
 Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Impact Fees	\$ 607,222	\$ 607,222	\$ 707,134	\$ 99,912
Investment Earnings	3,425	3,425	7,178	3,753
Total Revenues	<u>610,647</u>	<u>610,647</u>	<u>714,312</u>	<u>103,665</u>
OTHER FINANCING USES				
Transfers Out	(620,459)	(1,020,231)	(817,519)	202,712
Total Other Financing Uses	<u>(620,459)</u>	<u>(1,020,231)</u>	<u>(817,519)</u>	<u>202,712</u>
Net Change in Fund Balances	<u>\$ (9,812)</u>	<u>\$ (409,584)</u>	(103,207)	<u>\$ 306,377</u>
Fund Balances at Beginning of Year			<u>2,185,472</u>	
Fund Balances at End of Year			<u>\$ 2,082,265</u>	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Combining Balance Sheet
Other Governmental Funds
 December 31, 2011

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space
ASSETS				
Cash and Cash Equivalents	\$ 21,888	\$ 310	\$ 168,919	\$ 20,261
Receivables	-	-	-	41,584
Total Assets	\$ 21,888	\$ 310	\$ 168,919	\$ 61,845
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Revenue	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	310	-	-
Due to Other Funds	-	-	25,000	-
Total Liabilities	-	310	25,000	-
Fund Balances:				
Restricted	-	-	143,919	-
Assigned	21,888	-	-	61,845
Total Fund Balances	21,888	-	143,919	61,845
Total Liabilities and Fund Balances	\$ 21,888	\$ 310	\$ 168,919	\$ 61,845

See accompanying Independent Auditors' Report

Debt Service	Total Governmental Funds
\$ 2,677	\$ 214,055
74,114	115,698
<u>\$ 76,791</u>	<u>\$ 329,753</u>

\$ 74,114	\$ 74,114
-	310
-	25,000
<u>74,114</u>	<u>99,424</u>

-	143,919
2,677	86,410
<u>2,677</u>	<u>230,329</u>
<u>\$ 76,791</u>	<u>\$ 329,753</u>

Town of Firestone
Firestone, Colorado
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Other Governmental Funds
Year Ended December 31, 2011

	Firestone Finance Authority	Firestone Urban Renewal Authority	Conservation Trust	Open Space
REVENUES				
Taxes and Impact Fees	\$ -	\$ 10,098	\$ -	\$ 69,658
Intergovernmental	-	-	41,076	-
Investment Earnings	45	6	199	52
Miscellaneous	150	-	-	8,301
Total Revenues	<u>195</u>	<u>10,104</u>	<u>41,275</u>	<u>78,011</u>
EXPENDITURES				
Current:				
Administration	1,246	10,779	-	-
Debt Service:				
Principal	80,000	-	-	-
Interest	59,500	-	-	-
Total Expenditures	<u>140,746</u>	<u>10,779</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(140,551)</u>	<u>(675)</u>	<u>41,275</u>	<u>78,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	140,700	675	-	-
Transfers Out	-	-	(50,000)	(40,000)
Total Other Financing Sources (Uses)	<u>140,700</u>	<u>675</u>	<u>(50,000)</u>	<u>(40,000)</u>
Net Change in Fund Balances	149	-	(8,725)	38,011
Fund Balances at Beginning of Year	21,739	-	152,644	23,834
Fund Balances at End of Year	<u>\$ 21,888</u>	<u>\$ -</u>	<u>\$ 143,919</u>	<u>\$ 61,845</u>

See accompanying Independent Auditors' Report

Debt Service	Total Governmental Funds
\$ 75,271	\$ 155,027
-	41,076
53	355
-	8,451
<u>75,324</u>	<u>204,909</u>
1,544	13,569
65,000	145,000
10,105	69,605
<u>76,649</u>	<u>228,174</u>
<u>(1,325)</u>	<u>(23,265)</u>
-	141,375
-	(90,000)
<u>-</u>	<u>51,375</u>
(1,325)	28,110
4,002	202,219
<u>\$ 2,677</u>	<u>\$ 230,329</u>

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2011

	Firestone Finance Authority			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment Earnings	50	50	45	(5)
Miscellaneous	150	150	150	-
Total Revenues	200	200	195	(5)
EXPENDITURES				
Current:				
Administration	3,500	3,500	1,246	2,254
Debt Service:				
Principal	80,000	80,000	80,000	-
Interest	59,500	59,500	59,500	-
Total Expenditures	143,000	143,000	140,746	2,254
Excess (Deficiency) of Revenues Over Expenditures	(142,800)	(142,800)	(140,551)	2,249
OTHER FINANCING SOURCES (USES)				
Transfers In	145,000	145,000	140,700	(4,300)
Total Other Financing Sources (Uses)	145,000	145,000	140,700	(4,300)
Net Change in Fund Balances	\$ 2,200	\$ 2,200	149	\$ (2,051)
Fund Balances at Beginning of Year			21,739	
Fund Balances at End of Year			\$ 21,888	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2011

Firestone Urban Renewal Authority			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
\$ 9,703	\$ 9,703	\$ 10,098	\$ 395
100	100	6	(94)
-	-	-	-
<u>9,803</u>	<u>9,803</u>	<u>10,104</u>	<u>301</u>
13,895	13,895	10,779	3,116
-	-	-	-
-	-	-	-
<u>13,895</u>	<u>13,895</u>	<u>10,779</u>	<u>3,116</u>
<u>(4,092)</u>	<u>(4,092)</u>	<u>(675)</u>	<u>3,417</u>
4,092	4,092	675	(3,417)
<u>4,092</u>	<u>4,092</u>	<u>675</u>	<u>(3,417)</u>
<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
		-	
		<u>\$ -</u>	

See accompanying Independent Auditors' Report

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
Year Ended December 31, 2011

	Conservation Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budget Basis	Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,000	35,000	41,076	6,076
Miscellaneous	-	-	-	-
Investment Earnings	300	300	199	(101)
Total Revenues	<u>35,300</u>	<u>35,300</u>	<u>41,275</u>	<u>5,975</u>
OTHER FINANCING USES				
Transfers Out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources Uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (14,700)</u>	<u>\$ (14,700)</u>	<u>\$ (8,725)</u>	<u>\$ 5,975</u>
Fund Balances at Beginning of Year			<u>152,644</u>	
Fund Balances at End of Year			<u>\$ 143,919</u>	

See accompanying Independent Auditors' Report

Town of Firestone
 Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
 Year Ended December 31, 2011

Open Space			
Budgeted Amounts		Actual	Variance with
Original	Final	Amounts	Final Budget
		Budget	Positive
		Basis	(Negative)
\$ 25,000	\$ 45,000	\$ 69,658	\$ 24,658
-	-	-	-
-	-	8,301	8,301
10	10	52	42
25,010	45,010	78,011	33,001
(20,000)	(40,000)	(40,000)	-
(20,000)	(40,000)	(40,000)	-
\$ 5,010	\$ 5,010	\$ 38,011	\$ 33,001
		23,834	
		\$ 61,845	

See accompanying Independent Auditors' Report

Town of Firestone
Firestone, Colorado
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - Other Governmental Funds
Year Ended December 31, 2011

	Debt Service			
	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 75,192	\$ 75,192	\$ 75,271	\$ 79
Investment Earnings	75	75	53	(22)
Total Revenues	<u>75,267</u>	<u>75,267</u>	<u>75,324</u>	<u>57</u>
EXPENDITURES				
Current:				
Administration	1,600	1,600	1,544	56
Debt Service:				
Principal	65,000	65,000	65,000	-
Interest	10,105	10,105	10,105	-
Total Expenditures	<u>76,705</u>	<u>76,705</u>	<u>76,649</u>	<u>56</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,438)</u>	<u>(1,438)</u>	<u>(1,325)</u>	<u>113</u>
Net Change in Fund Balances	<u>\$ (1,438)</u>	<u>\$ (1,438)</u>	(1,325)	<u>\$ 113</u>
Fund Balances at Beginning of Year			4,002	
Fund Balances at End of Year			<u>\$ 2,677</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, 2011

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive Negative
	Original	Final		
Operating Revenues				
Charges for Services	\$ 2,126,700	\$ 2,126,700	\$ 2,354,488	\$ 227,788
Miscellaneous	4,600	4,600	708	(3,892)
Total Operating Revenues	2,131,300	2,131,300	2,355,196	223,896
Operating Expenses				
Operations	1,087,824	1,087,824	1,096,394	(8,570)
Administration	548,853	548,853	578,836	(29,983)
Depreciation	-	-	342,313	(342,313)
Total Operating Expenses	1,636,677	1,636,677	2,017,543	(380,866)
Operating Income	494,623	494,623	337,653	(156,970)
Nonoperating Revenues (Expenditures)				
Capital Contributions	648,000	648,000	620,000	(28,000)
Investment Earnings	4,000	4,000	9,391	5,391
Transfers In	-	-	184,275	184,275
Interest Expense	(1,148)	(1,148)	(761)	387
Principal Paid	(11,583)	(11,583)	(11,583)	-
Capital Outlay	(509,005)	(509,005)	(257,869)	251,136
Tap Fees Paid	(588,000)	(588,000)	(562,500)	25,500
Intergovernmental Revenues	15,000	15,000	26,696	11,696
Total Nonoperating Revenues (Expenditures)	(442,736)	(442,736)	7,649	450,385
Excess of Revenues Over Expenditures- Budgetary Basis	\$ 51,887	\$ 51,887	345,302	\$ 293,415
Reconciliation to a GAAP Basis				
Capital Outlay			257,869	
Principal Paid			11,583	
Change in Net Assets			614,754	
Fund Balances at Beginning of Year			56,087,326	
Fund Balances at End of Year			\$ 56,702,080	

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, 2011

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 106,000	\$ 106,000	\$ 111,001	\$ 5,001
Total Operating Revenues	<u>106,000</u>	<u>106,000</u>	<u>111,001</u>	<u>5,001</u>
Operating Expenses				
Operations	-	-	245	(245)
Administration	20,092	20,092	11,017	9,075
Depreciation	-	-	5,240	(5,240)
Total Operating Expenses	<u>20,092</u>	<u>20,092</u>	<u>16,502</u>	<u>3,590</u>
Operating Income	85,908	85,908	94,499	8,591
Nonoperating Revenues (Expenditures)				
Transfers In	9,572	9,572	7,489	(2,083)
Transfers Out	(85,908)	(85,908)	(68,403)	17,505
Capital Outlay	(9,572)	(9,572)	(7,489)	2,083
Total Nonoperating Revenues (Expenditures)	<u>(85,908)</u>	<u>(85,908)</u>	<u>(68,403)</u>	<u>17,505</u>
Excess of Revenues Over Expenditures- Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	26,096	<u>\$ 26,096</u>
Reconciliation to a GAAP Basis				
Capital Outlay			7,489	
Change in Net Assets			<u>33,585</u>	
Fund Balances at Beginning of Year			357,732	
Fund Balances at End of Year			<u>\$ 391,317</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, 2011

Function and Activity	Land	Land Improvements	Building and Improvements	Equipment and Vehicles	Infrastructure	TOTAL
General Government	\$ -	\$ -	\$ -	\$ 159,775	\$ -	\$ 159,775
Public Works	-	-	-	1,313,808	-	1,313,808
Parks, Cultural and Open Space	5,808,702	5,571,209	-	-	-	11,379,911
Construction in Progress	-	30,497	-	-	-	30,497
Public Safety	-	-	-	933,804	-	933,804
Building	-	-	1,637,173	-	-	1,637,173
Construction in Progress	-	-	364,298	-	-	364,298
Streets and Related Infrastructure	-	-	-	-	34,093,262	34,093,262
Total Government Funds Capital Assets	\$ 5,808,702	\$ 5,601,706	\$ 2,001,471	\$ 2,407,387	\$ 34,093,262	\$ 49,912,528

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

December 31, 2011

Function and Activity	Capital Assets 12/31/2010	Additions	Deletions	Capital Assets 12/31/2011
General Government	\$ 141,653	\$ 18,122	\$ -	\$ 159,775
Public Works	1,308,402	5,406	-	1,313,808
Parks, Cultural and Open Space	11,107,910	272,001	-	11,379,911
Construction in Progress		30,497		30,497
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	476,967	-	34,093,262
Construction in Progress	25,336	-	25,336	-
Total Government Funds Capital Assets	<u><u>\$ 49,134,871</u></u>	<u><u>\$ 802,993</u></u>	<u><u>\$ 25,336</u></u>	<u><u>\$ 49,912,528</u></u>

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

December 31, 2010 and 2011

GENERAL FIXED ASSETS	2010	2011
Land	\$ 5,801,202	\$ 5,808,702
Land Improvements	5,306,707	5,571,209
Land Improvements - Construction in Progress	-	30,497
Building and Improvements	1,637,173	1,637,173
Building - Construction in Progress	364,298	364,298
Equipment and Vehicles	2,383,860	2,407,387
Infrastructure	33,616,295	34,093,262
Infrastructure - Construction in Progress	25,336	-
TOTAL GENERAL FIXED ASSETS	\$ 49,134,871	\$ 49,912,528

INVESTMENT IN GENERAL FIXED ASSETS	2010	2011
Contributions and Donations	\$ 26,199,793	\$ 26,320,453
Developer Reimbursement Obligations	487,403	487,403
General Obligation Bonds	773,917	773,917
Grants	1,416,104	1,416,104
Operating Revenues and Impact Fees	18,272,654	18,929,651
Certificates of Participation	1,985,000	1,985,000
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 49,134,871	\$ 49,912,528

Statistical Section

This Page Left Blank Intentionally

**Town of Firestone
Statistical Section**

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2011

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.	83-88
<i>Revenue:</i> Information on the Town's ability to generate tax revenue over time.	89-95
<i>Debt Capacity:</i> Information on the Town's outstanding debt and that of overlapping governments.	96-100
<i>Demographics:</i> Information on demographic and economic measures that affect the Town and its provision of services to its constituents.	101-103
<i>Operating Information:</i> Information on the Town's operations, staffing and other data.	104-105

This Page Left Blank Intentionally

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

	Fiscal Year							
	2004 ⁽¹⁾	2005	2006	2007	2008	2009	2010	2011
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	\$ 29,832,381
Restricted	3,259,099	4,103,582	5,173,757	4,661,782	4,722,885	2,682,197	3,034,596	269,051
Unrestricted	635,609	1,052,457	1,476,557	2,751,531	1,748,080	1,723,914	1,793,769	4,807,819
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	\$ 34,909,251
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	\$ 53,745,675
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	3,347,722
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	\$ 57,093,397
Primary government								
Invested in capital assets, net of related debt	\$ 64,926,286	\$ 68,289,923	\$ 76,478,326	\$ 80,906,193	\$ 83,021,191	\$ 85,634,533	\$ 84,386,601	\$ 83,578,056
Restricted	3,440,438	4,307,400	5,435,944	4,661,782	4,722,885	2,682,197	3,034,596	269,051
Unrestricted	2,512,234	3,445,162	2,719,268	4,496,417	4,147,504	4,028,496	4,606,815	8,155,541
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	\$ 92,002,648

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 Eight Years**

	Fiscal Year							
	2004 ⁽¹⁾	2005 ⁽²⁾	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽²⁾
Expenses								
Governmental activities:								
General Government	\$ 812,740	\$ 869,905	\$ 997,530	\$ 1,200,682	\$ 1,154,780	\$ 1,410,953	\$ 1,156,785	\$ 1,106,283
Public Safety	1,770,667	1,957,514	2,357,338	2,169,622	2,230,778	2,350,659	2,246,700	2,169,999
Public Works	419,351	427,030	2,105,134	2,186,471	2,308,808	2,563,019	2,588,250	2,450,275
Health & Welfare	33,905	58,585	73,744	74,408	86,964	103,002	95,917	95,010
Economic Development	48,877	3,092	14,389	11,561	13,844	15,298	18,905	70,334
Parks and Open Space	112,763	202,246	534,021	458,506	635,834	700,636	699,652	668,285
Interest on long-term debt	36,738	87,585	114,083	124,480	120,026	106,860	82,409	73,349
Special Item	-	-	-	-	-	-	-	-
Depreciation Unallocated	1,447,343	1,604,975	-	-	-	-	-	-
Total governmental activities expenses	4,682,384	5,210,932	6,196,239	6,225,730	6,551,034	7,250,427	6,888,618	6,633,535
Business-type activities:								
Water	982,389	1,108,066	1,247,776	1,531,947	1,756,601	1,698,657	1,857,559	2,018,304
Stormwater	-	-	-	-	-	13,013	48,000	16,502
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	2,034,806
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	\$ 8,668,341

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

	Fiscal Year							
	2004 ⁽¹⁾	2005 ⁽²⁾	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽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	\$ 77,340
Public safety	-	-	166,738	175,676	144,515	209,212	173,518	201,219
Public works	192,015	83,341	2,726,309	1,444,132	908,196	1,274,954	1,318,295	1,117,241
Parks	-	-	343,367	111,000	54,000	93,748	98,311	73,943
Operating grants and contributions	269,391	-	-	33,921	285,623	1,178,813	89,656	25,400
Capital grants and contributions	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	7,500
Public safety	-	-	-	-	-	-	-	-
Public works	1,012,019	729,117	2,761,373	841,171	792,282	-	-	105,660
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	1,608,303
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	2,354,488
Stormwater	-	-	-	-	-	76,817	106,144	111,001
Operating grants and contributions	-	-	-	-	-	545,599	30,461	26,696
Capital grants and contributions	1,885,901	3,066,407	4,446,399	3,737,731	1,382,707	300,760	99,000	57,500
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	2,549,685
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	\$ 4,157,988
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)	(5,025,232)
Business-type activities	2,020,764	3,292,094	4,877,127	3,847,919	1,347,558	1,053,681	626,214	514,879
Total primary government net expense	\$ (266,209)	\$ 9,351	\$ 4,993,214	\$ 1,098,887	\$ (2,251,130)	\$ (3,409,132)	\$ (4,539,260)	\$ (4,510,353)

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

	Fiscal Year							
	2004 ⁽¹⁾	2005 ⁽²⁾	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽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	\$ 720,123
Property taxes - debt service	66,315	69,272	69,975	69,600	67,958	70,490	72,265	75,271
Property taxes - urban renewal	-	-	-	-	-	-	-	15,562
Specific ownership taxes	-	-	-	-	-	-	55,890	57,189
Sales & Use Tax	1,472,821	1,952,157	1,990,320	2,092,775	2,308,510	2,097,477	2,301,440	2,518,329
Hwy users, road & bridge, motor vehicle taxes	-	-	-	-	-	-	454,967	467,408
Franchise taxes	255,614	324,072	286,774	298,572	338,077	339,903	343,974	338,780
Impact Fees	1,674,980	1,861,574	-	-	-	-	-	-
License & Permits	13,713	5,850	-	-	-	-	-	-
Grants & 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	14,705
Other miscellaneous	47,475	321,640	324,482	419,767	655,611	701,848	158,345	267,523
Gain on Sale of Capital Assets	89,562	412	8,000	406,541	-	-	-	-
Transfers	-	-	-	-	(192,958)	(269,778)	(177,451)	(123,361)
Total governmental activities	4,052,809	5,308,523	3,456,793	4,250,438	4,081,631	3,714,286	4,033,860	4,351,529
Business-type activities								
Investment earnings	10,064	68,356	141,046	81,529	65,128	15,999	6,302	9,391
Other miscellaneous	-	-	-	-	-	-	4,433	708
Transfers	-	-	-	-	192,958	269,778	177,451	123,361
Total business-type activities	10,064	68,356	141,046	81,529	258,086	285,777	188,186	133,460
Total primary government	\$ 4,062,873	\$ 5,376,879	\$ 3,597,839	\$ 4,331,967	\$ 4,339,717	\$ 4,000,063	\$ 4,222,046	\$ 4,484,989
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)	\$ (673,703)
Business-type activities	2,030,828	3,360,450	5,018,173	3,929,448	1,605,644	1,339,458	814,400	648,339
Total primary government	\$ 3,796,664	5,386,230	\$ 8,591,053	\$ 5,430,854	\$ 2,088,587	\$ 590,930	\$ (317,214)	\$ (25,364)
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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 151,215	\$ 169,234	\$ 160,160	\$ 251,830	\$ 199,362	\$ 217,630	\$ 182,990	\$ 255,431	\$ 172,156	\$ -
Unreserved	883,728	625,702	479,821	605,977	936,462	1,081,552	933,910	676,957	849,368	-
Nonspendable	-	-	-	-	-	-	-	-	-	10,365
Restricted	-	-	-	-	-	-	-	-	-	125,132
Assigned	-	-	-	-	-	-	-	-	-	128,100
Unassigned	-	-	-	-	-	-	-	-	-	1,230,764
Total general fund	\$ 1,034,943	\$ 794,936	\$ 639,981	\$ 857,807	\$ 1,135,824	\$ 1,299,182	\$ 1,116,900	\$ 932,388	\$ 1,021,524	\$ 1,494,361
All other governmental funds										
Reserved	\$ 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	3,119,564	3,266,349	207,400	494,558	605,645	1,748,934	882,638	1,003,948	1,027,279	-
Restricted										143,919
Committed										2,082,265
Assigned										1,433,810
Total of all other governmental funds	\$ 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	\$ 3,659,994

Source: Town of Firestone Finance Department

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 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	\$ 5,108,891
Licenses and permits	566,688	547,322	868,093	996,593	859,251	594,967	362,823	369,179	397,676	348,704
Intergovernmental	510,735	282,536	289,176	470,411	461,473	657,631	576,069	1,191,114	99,199	108,118
Charges for services	2,160,790	2,243,932	169,789	83,341	234,317	981,874	613,685	111,773	114,445	117,303
Fines	43,472	59,244	67,606	124,988	166,738	175,676	144,515	199,991	170,647	159,002
Investment earnings	-	-	72,167	165,340	260,008	362,983	198,904	42,695	10,635	14,705
Miscellaneous	145,607	7,605,214	1,081,720	758,442	3,252,617	772,562	217,409	101,144	103,989	107,848
Total revenues	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	5,964,571
Expenditures										
General government	680,478	778,463	794,555	869,960	945,495	1,110,438	1,136,935	1,430,492	1,176,268	1,059,884
Public safety	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	2,107,193
Public works	459,014	645,961	419,351	427,030	699,887	807,155	695,554	801,422	847,105	688,699
Health & Welfare	17,927	58,861	33,905	58,585	73,744	74,408	310,137	368,531	95,917	95,010
Economic Development	-	-	48,877	3,092	14,389	11,561	86,964	36,121	18,905	70,334
Parks and Open Space	-	-	112,763	202,246	346,286	261,401	13,844	82,178	366,645	317,802
Capital Outlay	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	671,586
Debt service										
Interest	43,648	37,851	33,601	85,029	113,598	120,130	267,399	375,959	392,391	78,720
Principal	169,583	113,169	142,672	161,931	126,148	242,369	337,526	111,070	85,083	500,245
Total expenditures	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	5,589,473
Excess of revenues over (under) expenditures	(1,378,698)	(639,750)	(384,109)	(728,680)	1,280,918	125,452	(766,648)	(2,091,080)	488,837	375,098
Other financing sources (uses)										
Proceeds from capital lease	110,032	33,945	177,781	1,985,000	216,806	289,470	-	73,788	43,176	-
Proceeds from sale of capital ass	-	-	89,562	7,500	8,000	435,172	-	13,174	18,992	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Operating transfers in	863,599	1,177,057	1,145,795	2,057,151	568,055	2,429,081	686,541	2,595,513	505,906	969,108
Operating transfers out	(863,599)	(1,177,057)	(1,145,795)	(2,057,151)	(568,055)	(2,502,771)	(879,499)	(3,031,253)	(683,357)	(1,092,469)
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Donation of Infrastructure	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	110,032	33,945	267,343	1,992,500	224,806	650,952	(192,958)	(348,778)	(115,283)	(123,361)
Net changes in fund balance	\$ (1,268,666)	\$ (605,805)	\$ (116,766)	\$ 1,263,820	\$ 1,505,724	\$ 776,404	\$ (959,606)	\$ (2,439,858)	\$ 373,554	\$ 251,737
Debt service as a percentage of noncapital expenditures	8.89%	5.30%	5.25%	6.56%	5.44%	7.74%	12.17%	9.09%	9.28%	11.77%

Source: Town of Firestone Finance Department

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

Year	Property Tax	Franchise Tax	Specific Ownership Tax	Sales & Use Tax	Severance Tax	Cigarette Tax	Other	Total
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	343,974	55,890	2,301,440	30,009	17,135	407,823	4,042,331
2011	810,956	338,780	57,189	2,518,329	119,510	16,866	331,032	4,192,662

Source: Town of Firestone Finance Department

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

Sales Tax Trends by Category (based on month distributed to the Town)										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	Nine Year Change
Motor Vehicle Taxes	\$ 323,972	\$ 314,081	\$ 344,524	\$ 334,852	\$ 406,068	\$ 386,064	\$ 321,078	\$ 357,742	\$ 387,137	\$ 63,165
Hotel/Motels	10,608	13,625	13,934	15,671	18,712	17,136	21,026	21,148	43,089	32,481
Restaurants	55,724	93,580	132,577	167,167	219,181	231,424	234,598	224,575	300,907	245,183
Retail - Grocery	95,119	109,286	156,896	167,114	184,639	194,180	193,522	218,648	228,005	132,886
Retail - Other	34,042	64,459	139,632	227,121	444,138	419,858	422,475	471,706	496,001	461,959
Bars/Liquor Stores	33,193	36,095	54,967	62,758	59,547	57,872	60,413	48,599	46,043	12,850
Other	-	43,906	36,903	39,607	43,458	27,086	29,591	50,620	33,044	33,044
Services	-	14,129	23,163	15,646	16,030	41,039	3,788	35,431	52,892	52,892
Banking & Financial	18,494	4,090	2,805	3,691	2,442	3,641	287,696	3,857	3,623	(14,871)
Utilities & Communications	-	140,640	171,528	230,405	237,002	296,026	23,131	282,124	317,038	317,038
Developer Reimbursement Obligation ⁽²⁾	-	-	-	-	-	410,064	245,330	364,449	442,804	442,804
TOTAL	\$ 571,152	\$ 833,892	\$ 1,076,929	\$ 1,264,032	\$ 1,631,217	\$ 2,084,390	\$ 1,842,649	\$ 2,078,898	\$ 2,350,583	\$ 1,779,431

⁽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

Firestone							
Year⁽¹⁾	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Oil & Gas Property	Vacant Land	Other
2002	25,310,630	5,107,310	4,405,190	276,170	3,171,850	8,376,870	1,269,470
2003	31,235,200	6,635,780	3,743,540	272,920	2,738,220	9,530,550	1,306,350
2004	36,664,850	6,496,130	3,885,450	253,080	12,744,790	8,873,400	1,309,770
2005	41,714,690	11,942,700	3,936,440	238,130	16,829,700	8,091,710	1,598,550
2006	47,042,840	14,696,740	3,838,940	135,220	23,456,920	6,667,570	2,320,560
2007	52,972,210	25,039,490	3,683,470	487,530	21,287,630	10,128,730	2,394,650
2008	56,691,790	28,328,410	3,279,170	473,220	18,614,800	10,141,940	2,567,110
2009	51,011,620	34,465,300	3,161,300	240,660	32,362,330	9,686,070	1,715,250
2010	52,952,710	33,976,600	3,048,150	298,360	16,447,950	8,879,080	1,257,870
2011	55,888,650	32,207,030	2,881,190	363,320	32,865,700	6,997,120	1,103,910

Year⁽¹⁾	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Grand Total Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value⁽²⁾
2002	683,560	47,233,930	6.209	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%
2011	4,578,130	132,306,920	6.805	908,144,710	15.07%

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	REIJ School District	Weld County ⁽²⁾						
				Frederick Firestone Fire Protection District	Mountain View Fire Protection District	N. Colo. Water Conservation District	Hills Metro #1 District	Hills Metro #2 District	Hills Metro #3 District	The Greens Metro District
Rates (In mills)										
2002	6.209	20.056	41.025	9.560	8.197	1.000	-	-	-	-
2003	7.419	21.474	40.374	9.560	8.117	1.000	-	-	-	-
2004	7.209	19.957	40.089	9.560	8.107	1.000	-	-	-	-
2005	7.049	17.900	39.982	9.560	8.037	1.000	40.000	40.000	40.000	40.190
2006	6.929	16.804	38.035	13.360	7.977	1.000	40.000	40.000	40.000	40.190
2007	6.805	16.804	37.798	12.770	7.817	1.000	40.000	40.000	40.000	40.190
2008	6.805	16.804	46.285	12.526	11.747	1.000	-	-	-	40.190
2009	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2010	6.805	16.804	46.268	12.401	11.747	1.000	-	-	-	-
2011	6.805	16.804	47.614	12.264	11.747	1.000	-	-	-	-
Levy										
2002	293,275	48,691,835	13,701,751	972,351	1,973,426	1,978,011	-	-	-	-
2003	405,737	53,414,937	14,614,834	1,066,571	2,085,244	2,052,881	-	-	-	-
2004	500,426	59,739,651	16,656,447	1,234,942	2,435,015	2,399,590	-	-	-	-
2005	587,095	64,714,321	19,653,853	1,564,289	82,889	2,771,826	10,940	758	6	15,144
2006	669,431	70,643,162	21,713,602	3,092,694	82,889	3,190,486	43,137	24,148	6,440	21,660
2007	778,032	75,088,043	24,691,076	3,403,049	3,148,362	3,434,059	50,232	19,772	4,430	61,260
2008	804,406	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	-	-	31,935
2009	902,632	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	-	-	-
2010	794,109	78,999,116	35,375,547	3,905,196	5,838,491	3,503,408	-	-	-	-
2011	900,349	91,108,983	40,102,826	4,247,291	6,544,045	3,908,165	-	-	-	-

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

Weld County ⁽²⁾											
Year	The Springs Metro District	Cottonwood Hollow Res Metro Dist	Cottonwood Hollow Com Metro Dist	Stoneridge Metro District	Neighbor's Point Metro Dist	Tri-Area Sanitation (3)	Saint Vrain Sanitation District	Tri-Area Ambulance Special District (3)	Carbon Valley Recreation District	High Plains Library District ⁽⁵⁾	Total <i>(excluding Metro Districts)</i> ⁽⁶⁾
Rates (In mills)											
2002	-	-	-	-	-	0.114	5.354	6.543	6.657	3.249	99.767
2003	-	-	-	-	-	0.115	4.925	6.543	6.657	3.249	101.316
2004	-	-	-	-	-	0.118	4.401	6.543	6.657	3.249	98.783
2005	-	5.000	-	40.000	-	0.117	3.918	3.250	6.657	3.281	92.714
2006	42.000	40.000	40.000	40.000	-	-	3.210	-	6.657	3.261	89.256
2007	42.000	40.000	40.000	50.000	45.000	-	2.686	-	6.657	3.253	87.773
2008	42.000	40.000	40.000	50.000	45.000	-	0.806	-	6.657	3.260	94.143
2009	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255	93.927
2010	42.000	40.000	40.000	50.000	45.000	-	0.737	-	6.657	3.255	93.927
2011	42.000	50.000	50.000	50.000	45.000	-	0.720	-	6.657	3.271	95.135
Levy											
2002	-	-	-	-	-	4,103	632,645	763,813	929,887	7,009,411	74,977,082
2003	-	-	-	-	-	4,613	643,906	608,149	1,051,704	7,111,739	80,975,071
2004	-	-	-	-	-	5,094	652,837	1,074,342	1,176,502	8,618,092	92,057,923
2005	-	78	-	770	-	5,562	682,260	611,522	1,356,335	10,591,984	102,539,047
2006	564	9,678	3,987	49,218	-	-	698,882	-	1,561,222	12,141,237	113,710,716
2007	561	9,866	3,476	210,028	28,044	-	739,139	-	1,771,833	12,738,340	122,643,571
2008	5,770	16,168	1,575	332,159	27,933	-	312,351	-	1,801,510	13,028,371	131,423,789
2009	52,188	20,123	2,326	334,662	20,849	-	322,948	-	1,994,957	16,628,403	161,491,971
2010	64,476	10,723	1,594	317,757	38,992	-	324,544	-	2,017,502	13,310,811	138,230,233
2011	48,718	16,046	1,764	344,959	37,829	-	346,249	-	2,489,088	15,748,036	158,850,987

⁽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, 2011

Taxpayer	Town of Firestone ⁽¹⁾			Town of Firestone(1)			Town of Firestone ⁽¹⁾			Weld County ⁽²⁾					
	2011			2010			2009			2008			1999		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value
Principal Taxpayers															
Encana Oil & Gas (USA) Inc	\$ 9,134,110	2	1.01%	\$ 7,550,890	2	0.87%	\$ 18,637,120	1	2.17%	\$ 146,511,560	3	3.21%			
American Furniture Warehouse	7,259,000	4	0.80%	8,206,440	1	0.95%	8,386,060	2	0.98%						
Kerr-McGee Oil & Gas Onshore LP	13,634,890	1	1.50%	4,132,240	3	0.48%	6,312,800	3	0.74%	465,886,260	2	10.20%			
Noble Energy	7,957,760	3	0.88%	3,475,880	4	0.40%	5,389,210	4	0.63%	644,235,940	1	14.11%			
Dillon Companies Inc	2,015,450	6	0.22%	2,114,480	5	0.24%	2,114,480	5	0.25%						
Home Depot	2,069,680	5	0.23%	2,041,380	6	0.24%									
Advance Forming Technology	1,843,930	7	0.20%	1,924,860	7	0.22%	1,924,860	6	0.22%						
High Plains Marketplace LLC	1,781,700	8	0.20%	1,783,920	8	0.21%									
Safeway Stores 45 Inc	1,319,240	10	0.15%	1,471,500	9	0.17%	1,471,500	8	0.17%						
Firestone Development LLC	1,413,050	9	0.16%	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 Brockaway Glass Container															
HS Resources, Inc.													112,716,210	1	6.89%
Patina Oil & Gas													66,141,250	3	4.04%
Eastman Kodak Company													60,711,490	4	3.71%
US West Communications Inc													20,638,500	5	1.26%
Duke Energy Field Services													17,216,090	6	1.05%
North American Resources Company													16,074,610	7	0.98%
Hewlett Packard													11,580,870	8	0.71%
Prima Oil & Gas													10,943,260	9	0.67%
R.R. Donnelly & Sons													9,380,340	10	0.57%
	<u>\$ 48,428,810</u>		<u>5.35%</u>	<u>\$ 34,014,710</u>		<u>3.93%</u>	<u>\$ 48,339,950</u>		<u>5.65%</u>	<u>\$ 1,784,092,480</u>		<u>39.08%</u>	<u>\$ 392,763,920</u>		<u>24.00%</u>

Sources: Weld County Assessor's Office

⁽¹⁾Town of Firestone information not available from 2000

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

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

<u>Levy Year</u>	<u>Collection Year</u>	<u>Total Tax Levy⁽¹⁾⁽²⁾</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collection⁽³⁾</u>	<u>Collections As a Percent of Tax Levy</u>
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
2010	2011	794,109	794,415	100.04	1,105	795,520	100.18

⁽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	Governmental Activities				Business - Type Activities				Total Primary Government	Weld County Percentage of Personal Income	Per Capita
	General Obligation Bond	Certificates of Participation	Capital Leases	Developer Reimbursement Obligation	Water Loans	Water G.O. Bond	Capital Leases	Developer Reimbursement Obligation			
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	46.67%	\$ 362
2010	200,000	1,700,000	147,022	417,050	-	-	27,892	297,266	2,789,230	40.27%	\$ 275
2011	135,000	1,620,000	50,305	158,521	-	-	16,309	112,991	2,093,126	30.22%	\$ 189

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

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
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
2011	11,096	908,144,710	135,000	1.49%	12

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, 2011**

	Outstanding General Obligation Bonded Debt⁽¹⁾	(2)	Percentage Applicable to the Town	Share of Debt Applicable to the Town
Direct Debt				
Town of Firestone	\$ 135,000		100%	\$ 135,000
Overlapping General Obligation Debt				
Frederick-Firestone Fire Protection District	2,800,000		40%	1,125,320
Mountain View Fire Protection District	(3) -		24%	-
Northern Colorado Water Conservation District	(3) -		3%	-
St Vrain Sanitation District	-		27%	-
Carbon Valley Recreation District	7,207,849		39%	2,779,321
St Vrain Valley School District	451,865,000		5%	21,981,240
Stoneridge Metropolitan District (a portion of the Town)	3,955,000		5%	215,081
Total Direct and Overlapping General Bonded Debt	\$ 465,962,849			\$ 26,235,962

(1) Provided by each government entity

(2) The following governments had no outstanding general obligation bonded debt as of December 31, 2011
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, 2011. 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, 2011

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
2011	369,003	73,801	-	-	258,530	184,275

**Town of Firestone
Legal Debt Margin Information
Last Ten Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit - 3% of Actual Valuation	\$ 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	\$ 27,244,341
Total net debt applicable to limit	575,000	540,000	500,000	460,000	415,000	365,000	315,000	260,000	200,000	135,000
Legal debt margin	\$ 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	\$ 27,109,341
Total net debt applicable to the limit as a percentage of debt limit	5.52%	3.83%	3.04%	2.42%	1.94%	1.46%	1.22%	1.01%	0.78%	0.52%

Source: Town of Firestone Finance Department

Town of Firestone
Demographic and Economic Statistics
Last Ten Years

Year	Town Population	Weld County ⁽¹⁾				
		Personal Income (amounts expressed in thousands)	Per Capita Income ⁽³⁾	Median Age	School Enrollment ⁽⁶⁾	Unemploy- ment Rate ⁽²⁾
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
2011	11,096	6,925,906	27,186	32.0	28,109	7.8

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**

Employer	2011				2001(1)		
	Employees	Rank	Type of Business	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Flatiron	160	1	Construction	6.40%	-		
King Soopers Store - Firestone	134	2	Grocery	5.36%	-		
ST Vrain School District	131	3	Government	5.24%	-		
Home Depot	93	4	Home Improvement	3.72%	-		
Safeway Store - Firestone	90	5	Grocery	3.60%	-		
Advanced Forming Technologies	84	6	Manufacturing	3.36%	-		
American Furniture Warehouse	73	7	Retail	2.92%	-		
Town of Firestone	51	8	Government	2.04%	-		
ST Vrain Sanitation District	45	9	Government	1.80%	8	(1)	
Comfort Suites	30	10	Hospitality	1.20%	-		
Good Times	28	11	Fast Food	1.12%	-		
Saddleback Golf Club	26	12	Recreation	1.04%	-		
Del Taco	25	13	Fast Food	1.00%	-		
Domino's Pizza	24	14	Fast Food	0.96%	-		
Parrott's Sports Grille	21	15	Restaurant	0.84%	-		
Total	1,015			40.60%	8		0.00%
Total Town Employment (estimated)	2,500						

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 ⁽¹⁾			Commercial Construction ⁽²⁾		Residential Construction ⁽²⁾	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2011	111,058,853	702,135,833	813,194,686	6	305,850	134	12,069,990

Source:

⁽¹⁾Weld County Assessor's Office

⁽²⁾Town of Firestone Building Department (Safebuilt)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function											
General Government	5.00	10.00	8.00	7.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00
Public Safety											
Police	10.00	10.00	17.00	16.00	16.00	22.00	23.00	24.00	23.00	23.00	20.00
CSO	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.00	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	11.00
Water	-	1.00	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	43.00

Source: Town of Firestone Finance Department

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

	2008	2009	2010	2011
Date of Incorporation	1908			
Form of Government	Trustees & Town Manager			
Number of Employees				
Non-Exempt (Hourly)	37	40	40	35
Exempt (Salary)	9	8	8	8
Planning area in square miles	20	20	26	47
Town of Firestone's facilities and services				
Miles of streets	74	74	74	74
Parks:				
Number of parks	18	18	18	18
Number of park, open space, and undeveloped acres maintained	998	998	998	998
Number of trail & sidewalk miles maintained	5	5	5	5
Police Protection:				
Number of stations	1	1	1	1
Number of police personnel and officers	26	25	23	22
Number of patrol units	12	15	15	16
Water System:				
Linear Feet of water lines maintained	124,768	124,768	124,768	308,051
Number of customer accounts	3,071	3,125	3,219	3,293
Services not included in the reporting entity:				
Fire Protection Districts - Frederick Firestone Fire Protection District	1	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 County	2	2	2	2
School District RE-1				

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.

This Page Left Blank Intentionally

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

LOCAL HIGHWAY FINANCE REPORT	City or County:
	YEAR ENDING : December 2011
This Information From The Records Of Town of Firestone	Prepared By: Susan Watkins Phone: (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)	529,255
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	398,930
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	30,679
2. General fund appropriations		b. Snow and ice removal	28,953
3. Other local imposts (from page 2)	331,936	c. Other	79,918
4. Miscellaneous local receipts (from page 2)	126,125	d. Total (a. through c.)	139,550
5. Transfers from toll facilities		4. General administration & miscellaneous	46,913
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,114,648
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)	458,061	b. Redemption	
B. Private Contributions	105,660	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	379,879	2. Notes:	
D. Receipts from Federal Government (from page 2)	26,810	a. Interest	5,140
E. Total receipts (A.7 + B + C + D)	970,410	b. Redemption	28,276
		c. Total (a. + b.)	33,416
		3. Total (1.c + 2.c)	33,416
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,148,064

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
	4,683,613	970,410	1,148,064	4,505,959	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	1,552
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	187,218	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	117,303
5. Specific Ownership &/or Other	144,718	g. Other Misc. Receipts	7,270
6. Total (1. through 5.)	331,936	h. Other	
c. Total (a. + b.)	331,936	i. Total (a. through h.)	126,125
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	342,886	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	36,993	d. Federal Transit Admin	25,000
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,810
f. Total (a. through e.)	36,993	g. Total (a. through f.)	26,810
4. Total (1. + 2. + 3.f)	379,879	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		21,258	21,258
b. Engineering Costs		37,025	37,025
c. Construction:			
(1). New Facilities		451,631	451,631
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		19,341	19,341
(5). Total Construction (1) + (2) + (3) + (4)	0	470,972	470,972
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	529,255	529,255
			(Carry forward to page 1)
Notes and Comments:			