

CITY OF SALIDA, COLORADO
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011



**CITY OF SALIDA, COLORADO
CITY COUNCIL AND KEY EMPLOYEES
December 31, 2011**

City Council

Don Stephens, Mayor

Mike Bowers, Councilmember
Keith Baker, Councilmember
Jim McCormick, Councilmember
Jay Moore, Councilmember
Steven Stewart, Councilmember
Tom Yerkey, Councilmember

Key Employees

Vacant, City Administrator
Audrey Gilpin, Deputy City Clerk
Jan Schmidt, Finance Director

**CITY OF SALIDA, COLORADO
TABLE OF CONTENTS
December 31, 2011**

PAGE

Title Page
City Council and Key Employees
Table of Contents

FINANCIAL SECTION

Management's Discussion and Analysis I - XI
Independent Auditors' Report 1

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Statement of Net Assets 2
Statement of Activities 3

Fund Financial Statements
Balance Sheet – Governmental Funds 4
Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Funds 5 - 6
Statement of Net Assets – Proprietary Funds 7
Statement of Revenues, Expenses and Changes in Net Assets –
Proprietary Funds 8
Statement of Cash Flows – Proprietary Funds 9

Notes to Financial Statements 10 - 32

Budgetary Comparison Schedules (Required Supplementary Information)
General Fund 33 - 35
Conservation Trust Fund 36

Other Supplementary Information
Water Fund – Statement of Revenues, Expenditures and Changes in Net
Assets – Budget and Actual 37 - 38
Sewer Fund – Statement of Revenues, Expenditures and Changes in Net
Assets – Budget and Actual 39 - 40
SteamPlant Theater & Events Center Fund – Statement of Revenues,
Expenditures and Changes in Net Assets – Budget and Actual 41

ADDITIONAL SUPPLEMENTARY INFORMATION

STATE REQUIRED REPORT SECTION

Independent Auditors' Report on the Local Highway Finance Report 42
Local Highway Finance Report 43 - 44

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides highlights of the financial activities of the City of Salida (the City or Salida) and an overview of the financial statements included in this report. We encourage readers to consider this information in conjunction with the basic financial statements and information contained in the notes to the financial statements.

Financial Highlights

- The City's net assets increased by \$1,456,000 (4.7%) during 2011 compared to 2010 primarily as the result of an increase in sales tax and charges for services combined with reduced spending due to position vacancies and delays in some capital projects offset, in part, by a decrease in development related revenue.
- Total assets on Salida's Statement of Net Assets were \$53,839,406, a \$15,568,000 (40.7%) increase due to unspent loan proceeds in addition to the factors that caused the positive change in net assets. Total assets exceeded liabilities by \$32,515,000.
- Unrestricted net assets of \$4,156,000 as of December 31, 2011 were available to meet the City's future obligations to citizens, employees and creditors:
 - For government activities - \$2,102,000, a decrease of \$128,000 (5.7%)
 - For business-type activities - \$2,054,000, a decrease of \$380,000 (15.6%)
 - The unrestricted fund balances were 47.5% and 120.2% of the 2011 operating expenditures budget for government and business-type activities, respectively.
- At December 31, 2011 total fund equity for governmental activities was \$3,253,000, of which \$204,000 was cash held in the Conservation Trust Fund. The total increase in the governmental fund balance during 2011 was \$258,000 (8.6%). The government fund balance sheet excludes the value of capital assets, causing a different financial result when compared to the Statement of Net Assets (as discussed above).
- The total cash and investments balance was \$16,349,000, of which \$3,338,000 was unrestricted. Of the unrestricted amount, \$1,822,000 was available for general government activities and \$1,516,000 was held in funds for business-type activities. Cash held with a fiscal agent totaled \$11,946,000 and was primarily made up of unspent loan proceeds. Funds designated by council for specific uses are included in unrestricted cash and investments.
- Cash and investments increased \$11,333,000 primarily due to the unspent portion of loans closed in 2011. New debt issuances totaled \$12,648,000. During 2011, debt service required \$1,069,000, of which \$908,000 was repayment of principal. The City's operating activities generated \$1,119,000 in cash and \$2,092,000 was invested in capital assets, most significantly the wastewater treatment facility upgrade.
- Within the business-type activities of the City, unrestricted funds available for water operations were depleted in 2010 to pay for current capital projects and meet debt service requirements. An "intra-fund" loan from sewer reserves was utilized in both 2010 and 2011 for cash flow needs. This loan was settled in the first quarter of 2012 with funds generated through an increase in water rates and the first draw from the 2011 Drinking Water Revolving Loan originally approved in 2010.

Overview of the Financial Statements

The MD&A serves as an introduction to Salida's basic financial statements, which are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
 - a. Governmental Funds
 - b. Proprietary Funds
- 3) Notes to the financial statements
- 4) Supplementary information

Financial analysis and commentary on both types of financial statement views is included in the MD&A for more information and perspective than the numbers alone provide readers. In addition, the report contains supplementary information to the basic financial statements for more detailed information on some areas of expenditures.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Government-wide financial statements combine information for all of the City's funds that reflect the entire financial picture. The government-wide financial statements consist of the *Statement of Net Assets* and the *Statement of Activities*.

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

The *Statement of Activities* presents information showing how the City'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 changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. tax revenues earned but not collected and unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*government activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Salida's governmental activities include general government; public safety; public works; and culture, parks and recreation. Business-type activities include the operations of water and wastewater treatment facilities and of the SteamPlant Theater and Event Center.

The government-wide financial statements can be found on pages 2-3 of this report.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Salida, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Salida's funds can be divided into two categories: governmental funds and proprietary funds. The fund financial statements consist of the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* for each type of fund.

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

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for government funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities as presented in the government-wide financial statements.

Salida maintains two governmental funds, the General Fund and the Conservation Trust Fund, for which information is presented separately.

The basic governmental fund financial statements can be found on pages 4-6.

- **Proprietary funds** can be *enterprise funds*, to report the same functions presented as *business-type activities* in the government-wide financial statements, or *internal service funds*, used as an accounting device to accumulate and allocate costs internally among the City's various functions. Salida maintains one enterprise fund to account for the water and the wastewater treatment utilities and a separate enterprise fund established in 2009 to account for operations of the SteamPlant Event Center.

Proprietary funds provide the same type of information as the government-wide financial statements in more detail. The proprietary fund financial statements provide separate information for the water and wastewater operations, which are considered to be major funds of the City of Salida Water Activity Enterprise Fund.

The basic proprietary fund financial statements can be found on pages 7-9 of the report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 10-32 of this report.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. Included in this report is a budgetary comparison statement for all funds to demonstrate compliance with the budget. Salida's City council adopts an annual appropriated budget for all its funds.

The budgetary comparison schedules are on pages 33-41 of this report, and the Local Highway Finance Report is included on page 42.

Financial Analysis – Government-wide Financial Statements

This discussion of government-wide financial statements focuses primarily on the key indicator, net assets, and activity that generated increases or decreases in this measurement. Salida's assets exceeded liabilities by \$31,059,000 at December 31, 2011.

Statement of Net Assets. At December 31, 2011, \$26,870,000 (82.6%) of the City's \$32,515,000 in net assets were invested in capital assets (such as land, roads, buildings, water rights, machinery, equipment, etc.) less any related debt used to acquire those assets that was still owed. The City uses substantially all of these capital assets to provide services to citizens; consequently, these assets are generally not available for future spending. Although the City's investments in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves generally cannot be used to liquidate the debt.

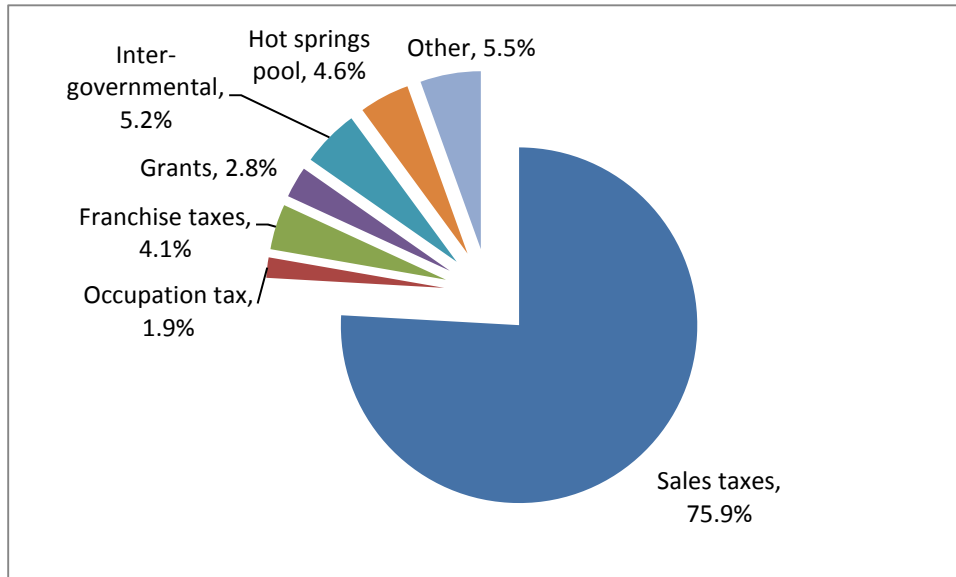
External restrictions limit the use of \$1,489,000 (4.6%) of the City's net assets. The remaining balance of \$4,156,000 (12.8%) represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors. Of the unrestricted assets, \$2,054,000 (49.4%) were held for business type activities and \$2,102,000 (50.6%) were held for government activities.

Statement of Activities. As the following table illustrates, the City's total net assets increased \$1,456,000 (4.7%) during 2011. By fund group, governmental activities increased net assets by \$505,000 (3.2%) and business-type activities generated a \$951,000 (6.3%) increase in net assets.

	Governmental Activities		Business-type Activities		Total Primary Government		Year over Year	
	2011	2010	2011	2010	2011	2010		
Revenues								
Program revenues:								
Charges for services	\$ 566,872	\$ 494,456	\$ 2,716,483	\$ 2,258,152	\$ 3,283,355	\$ 2,752,608	\$ 530,747	19.3%
Operating grants/contribs	334,216	333,509	-	-	334,216	333,509	707	0.2%
Capital grants/contribs	232,091	473,930	129,505	279,839	361,596	753,769	(392,173)	-52.0%
General revenues:								
Sales and use taxes	4,932,549	4,775,885	-	-	4,932,549	4,775,885	156,664	3.3%
Franchise taxes	268,895	287,580	-	-	268,895	287,580	(18,685)	-6.5%
Other taxes	120,357	170,304	-	-	120,357	170,304	(49,947)	-29.3%
Other general revenue	36,998	55,214	6,537	21,244	43,535	76,458	(32,923)	-43.1%
Total revenues	\$ 6,491,978	\$ 6,590,878	\$ 2,852,525	\$ 2,559,235	\$ 9,344,503	\$ 9,150,113	194,390	2.1%
Expenses								
General government	1,771,128	1,171,674	-	-	1,771,128	1,171,674	599,454	51.2%
Public safety	2,125,057	2,110,806	-	-	2,125,057	2,110,806	14,251	0.7%
Public works	541,915	597,372	-	-	541,915	597,372	(55,457)	-9.3%
Culture, parks & recreation	783,481	896,382	-	-	783,481	896,382	(112,901)	-12.6%
Interest	126,686	153,177	166,261	190,716	292,947	343,893	(50,946)	-14.8%
Other	93,674	-	22,626	-	116,300	-	116,300	-
Water operations	-	-	1,078,411	1,028,275	1,078,411	1,028,275	50,136	4.9%
Sewer operations	-	-	877,329	820,028	877,329	820,028	57,301	7.0%
Event center operations	-	-	301,751	330,672	301,751	330,672	(28,921)	-8.7%
Transfers	545,000	87,800	(545,000)	(87,800)	-	-	-	-
Total expenses	\$ 5,986,941	\$ 5,017,211	\$ 1,901,378	\$ 2,281,891	\$ 7,888,319	\$ 7,299,102	589,217	8.1%
Increase in net assets	\$ 505,037	\$ 1,573,667	\$ 951,147	\$ 277,344	\$ 1,456,184	\$ 1,851,011	\$ (394,827)	-21.3%
Beginning net assets	16,013,667	14,440,000	15,045,075	14,767,731	31,058,742	24,388,199	6,670,543	27.4%
Ending net assets	\$16,518,704	\$16,013,667	\$15,996,222	\$15,045,075	\$32,514,926	\$26,239,210	\$ 6,275,716	23.9%

Governmental activities. Financing for governmental activities was primarily from City and county sales tax revenues, which provided 76% of general fund revenue in 2011. No other income source provided 10% of total government revenue.

This chart shows total general fund revenue provided by each major source during 2011.



Key elements of the \$505,000 increase in net assets for governmental activities during 2011 and a comparison to 2010 follow:

- Total sales tax receipts increased \$157,000 (3.3%) over the prior year. City sales tax totaled \$3,676,000 and Salida's allocation of the Chaffee County tax totaled \$1,257,000, which represented increases of 7.7% and 2.4%, respectively, compared to 2010 (excluding a one-time audit settlement received in 2010).
- Capital grants and contribution revenue provided \$232,000 in funding for projects during the year, which included the renovation of the exterior of the historic section of the Toubert Building and studies on the City's geothermal resource. Although significant in 2011, this revenue classification decreased from the previous year by \$242,000 (51.0%).
- Charges for services increased \$72,000 (14.6%) compared to 2011 due a greater level of fire response fees and an increase in pool revenue.
- The City collects franchise taxes from utility companies, including the providers of gas, electric and cable services. Franchise tax receipts decreased \$19,000 (6.5%) due to fluctuations in the utility revenue of the franchisees upon which most of the taxes are based.
- Other taxes decreased \$50,000 (29.3%) due to less revenue collected from the occupation tax on lodging within the City limits that became effective March 1, 2009.
- Other general revenue decreased by \$18,000 (33.0%) in 2011 compared to the previous year. In both 2010 and 2011, this revenue line item was primarily due to proceeds from rents, interest and miscellaneous items.
- Total expenses increased \$589,000 (8.1%) in 2011 compared to 2010, primarily due to debt service payments including the early retirement of two general fund notes.
- The increase in transfers from government activities to business-type activities was for an early retirement of a lease purchase for the 2008 renovation and expansion of the SteamPlant Event Center.

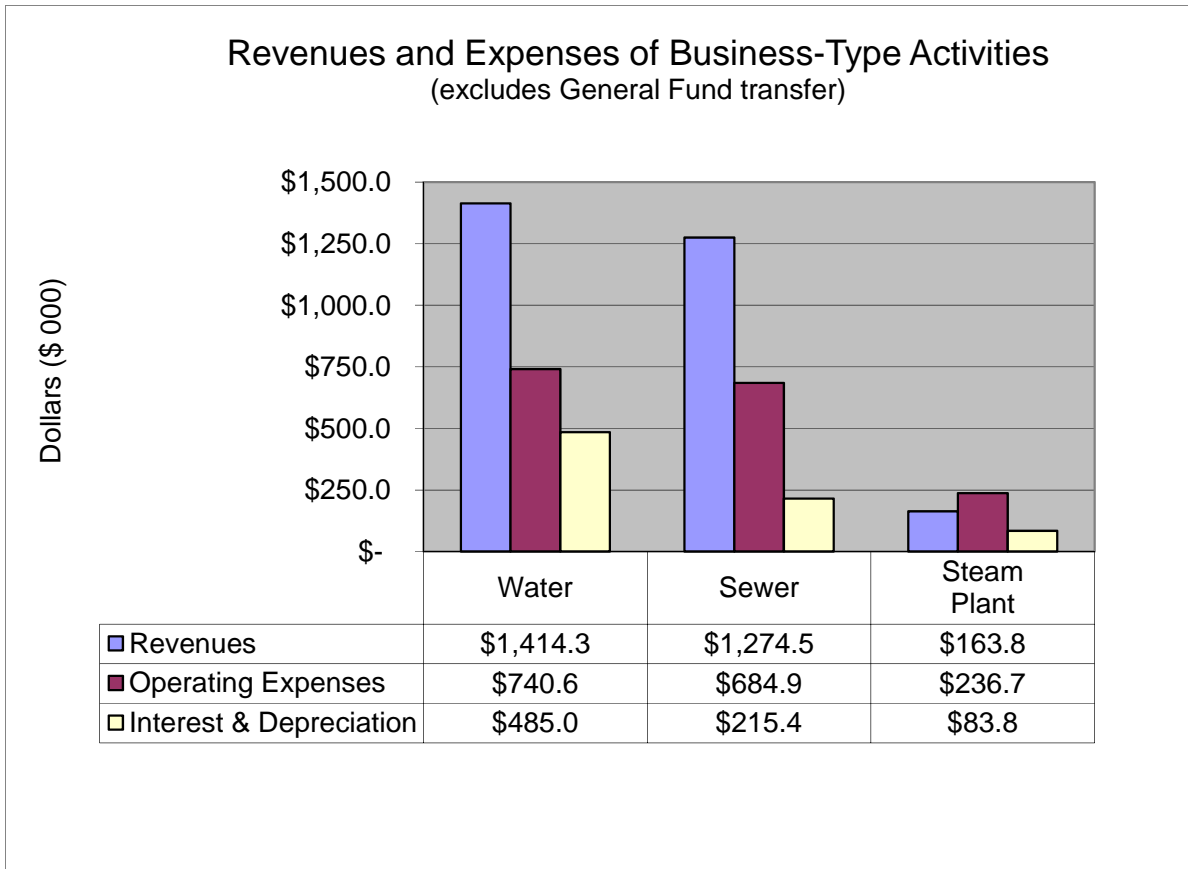
Business-Type Activities. The money to pay for business-type activities is generated primarily from fees charged for services. Revenue derived from operations is supplemented

by grants and capital contributions (including water and sewer development fees), which provided only 5% of all funding in 2011 compared to 11% in 2010.

Key elements of the \$951,000 increase in net assets for business-type activities during 2011 compared to 2010 follow:

- Charges for services increased \$458,000 (20.3%) due to a significant increase in the water rates effective April 1, 2011 along with the annual 5% water and sewer rate increases previously included in the Salida Municipal Code.
- Capital revenue decreased \$150,000 (53.7%) due to a decrease in the number of new water and sewer taps sold and only \$51,000 in grant revenue during 2011.
- Excluding transfers between funds, total expenses of \$2,446,000 increased by \$77,000 (3.2%) primarily due to rising costs to operate the water and wastewater plants and offset, in part, by reduced costs at the SteamPlant Event Center.
- Interest expense decreased \$24,000 (12.8%) due to reduced level of debt outstanding for most of the year. New debt issuances were funded in the second half of the year and limited amounts were drawn as of December 31, 2011, which kept interest expenses relatively low for the year.

The following chart demonstrates the current level of cost recovery for enterprise funds.



Financial Analysis – Fund Financial Statements

As noted earlier, the City of Salida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This section of the report provides a narrative of the fund financial statements.

Governmental funds. The focus of the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Salida's financial requirements.

As of December 31, 2011, the City of Salida's governmental fund reported combined ending fund equity of \$3,253,000, an increase of \$258,000 compared to December 31, 2010. The unassigned fund equity, which is available for spending at the City's discretion, represented 66.0% or \$2,145,000 of the fund equity. The balance sheet reflects the categorization of fund balance in accordance with GASB 54, which became effective for the City's 2011 financial statements.

The General Fund is the City's primary operating fund. All activities that are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. The Statement of Revenues, Expenditures and Changes in Fund Balances shows General Fund revenues exceeded revenues by \$211,000 in 2011. This was the result of personnel vacancies during the year combined with a delay in some capital spending and higher than expected sales tax collections.

The Conservation Trust Fund (CTF) increased fund balance by \$48,000. The CTF receives money from lottery proceeds that are distributed by the state to local governments based on population. No funds were used during 2011.

Proprietary funds. The Statement of Net Assets and Statement of Revenues, Expenditures and Changes in Fund Balances – Proprietary Funds provides the same type of information found in the government-wide financial statements but in more detail.

Total unrestricted net assets as of December 31, 2011 were \$2,054,000, a decrease of \$380,000 from December 31, 2010. The decrease was due to the use of reserves for capital improvements and debt service. The unrestricted net assets equal 120.2% of the 2012 budget for operating expenditures.

The investment in capital assets net of debt increased by \$1,297,000 (10.6%) in 2011 primarily due to the costs of the wastewater treatment plan upgrade and water system improvements. These capital investments help to ensure service for residents and will generate future revenues for the water and sewer funds.

The Statement of Cash Flows provides additional information on the sources and uses of cash for the proprietary funds. Operating activities generated more cash in 2011 compared to 2010 due primarily to the increase in service fees offset, in part, by a decrease in system development and resource fees. Sewer operations generated \$741,000 in cash, a portion of which will be needed for the future debt service on a facility upgrade to comply with current regulatory standards. Cash flow from sewer operations decreased \$174,000 (19.0%) compared to 2010. Water operations generated \$464,000 in cash that was needed

to meet debt service requirements and current capital investments and represented a \$328,000 (240%) improvement from 2010. The SteamPlant is not expected to breakeven or generate cash in its initial years of operations. In 2011, the SteamPlant used \$86,000 more in cash than it generated through operations, which was \$12,000 more than in 2010.

Budgetary Highlights

The original budget, final budget (which includes amendments passed by council during the year) and actual expenditures for each fund are shown on pages 33 through 41. This section of the report primarily focuses on areas that were different from expectations set in the budget and changes from the prior year.

General Fund. Actual financial results differed from the original budget primarily due to greater sales tax revenue than was expected for the year. Compared to 2010, sales tax collections were positive for eleven of twelve months during 2011. Revenue from sales tax was originally budgeted to be the same as the projected 2010 revenue as of the date the budget was prepared. A mid-year budget amendment recognized the positive trends, and collections of the city sales tax grew by 7.7% in 2011.

In 2010, Salida benefited from a portion of a county sales tax audit recovery from a vendor's tax returns from 2003 to 2008. An intergovernmental agreement provides for an allocation of the Chaffee County sales tax to municipalities located within the county and Salida received \$134,000 of the audit adjustment. Excluding the audit adjustment, Salida's share of the county-wide sales tax was \$1,227,000 in 2010 and the 2011 revenue grew by 2.4%.

Federal grant revenue budgeted for a Safe Routes to School project was not recognized due to delays in the project. Charges for services included fire response fees of \$72,000 that were not included in the budget. The City recognized \$140,000 for the sale of a building that previously served as the council chambers, municipal court and police department offices.

The shortfall in total expenditures was primarily due to the delay in two projects – Safe Routes to School and the Milk Run Trail. Personnel vacancies in the administration, police and public works departments along with the reduction of one full-time community development staff member (through attrition) contributed to additional spending shortfalls. In the first half of the year, the City Council approved the use of excess reserves from 2010 for the early retirement of two general fund obligations. In December, the City Council approved an early payoff of the SteamPlant lease purchase and transferred an additional \$446,000 in general fund reserves.

The 2011 increase in personnel costs in the fire department was due to incremental pay for firefighters working on wild land fires, for which the fire response fee revenue was received.

Unbudgeted capital outlays in the administration and community development departments related to the completion of the Toubert Building improvements, which had been budgeted in 2010 and not fully completed until 2011.

Water Enterprise. Operating results of the water fund have been generally unfavorable in the past years, resulting in the need for a significant water rate increase in 2011. Following

the completion of a rate study by the City's engineering firm, the City Council approved new rates that became effective on April 1, 2011.

The City previously followed a revenue model whereby quarterly fees paid for operations and routine maintenance or upgrades. Development fees paid for capital improvements and debt service on those improvements. In recent years, water revenue has not kept pace with the capital needs and debt service requirements. The City made substantial investments in capital infrastructure including the high zone water tank, new transmission lines, upgrades to the treatment plant, purchase and installation of radio-read meters and acquisition of water rights. Strong development activity in the mid 2000's paid for a substantial portion of the capital improvements; however, it was not sufficient to fully pay for all such improvements. In addition, aging facilities are continuing to require upgrades and maintenance to extend their service period. Development has now slowed substantially and is not sufficient to pay existing debt service or cover capital requirements. In 2010, we used up capital reserves and obtained a commitment for additional debt to pay for additional water system improvements. Future capital requirements need to be paid by fees for water service unless the development situation changes.

A budget amendment reflected the higher level of revenue expected due to the rate increase; however, the actual revenue for 2011 was 9.5% less than the revised budget. Development related revenue 77.5% less than budgeted. The City added 6 new customers compared to 24 included in the budget.

Total operating expenditures were less than the approved budget figures primarily because no costs were incurred for water rights in 2011. This was offset, in part, by greater legal expenses and water storage costs. In addition, a delay in the timing of a new debt service obligation resulted in lower costs for principal and interest during 2011.

Sewer Enterprise. Operating results of the sewer fund were favorable overall, driven by lower outside services costs for public works infrastructure and areas within the plant operations where costs were slightly less than budget. The shortfall in development related revenue was largely offset by the recognition of grant revenue and slightly higher service charge revenue.

Development related revenue 76.6% less than budgeted. The City added 8 new customers compared to 24 included in the budget.

The latest sewer rate study was completed in 2009 in anticipation of the plant upgrade. Annual rate increases of 5% were incorporated into the rate study. Management does not anticipate the need for a major rate increase in the near term in order to pay for known capital, debt service or operating requirements.

A total of \$4.5 million was spent on the plant upgrade during 2011, which was 43.5% less than the amount included in the budget. The total project cost of \$17.6 million is being incurred from 2009 through 2013. A sewer main replacement / lining project was delayed from 2011 to 2012.

SteamPlant Theater and Event Center Enterprise. 2011 financial results reflect the third full year of operations of this recently renovated and expanded facility. Formerly a standalone theater owned by the City but operated by a nonprofit group, this property is expected to contribute to economic development by hosting events that Salida could

previously not accommodate. Revenue (excluding general fund transfers) fell 17% short of the final budget. Compared to 2010, operating revenue decreased \$30,000, or 16%, and the number of events decreased 4%. Staff turnover and lack of marketing efforts early in 2011 negatively affected revenue for the year. Expenditures were closely monitored and were \$22,000, 3%, less than the final budget. The general fund transfer of \$545,000 to the SteamPlant in 2011 was used to pay off a lease purchase and subsidize operations.

Long-term Debt

As of December 31, 2011 the City had total long-term financing obligations outstanding of \$17,544,000, with \$359,000 of principle and \$778,000 of interest due within one year. The general fund had obligations of \$1,819,000, with \$77,000 due within one year. The City's financing obligations were 54.0% of total net assets at December 31, 2011, a significant increase from 21.1% a year ago.

Total bonded debt at December 31, 2011 was \$0 and \$3,255,000 in the general fund and water and sewer enterprise fund, respectively. The City's bonds are not rated. Two new debt issuances approved during 2010 in the water and sewer enterprise fund were funded during the 2011.

Please see note 4 on pages 19 through 25 for additional information about long-term debt and financing arrangements.

Economic Factors and Financial Outlook

2012 Budget. The economic outlook had improved compared to the past couple of years but remained somewhat uncertain as the City prepared its 2012 budget. The final year of a major General Obligation Debt issuance and early retirement of two other loans during 2011 resulted in some greater flexibility in budgeting for future capital and operating needs in the general fund.

Some of the key budget assumptions are outlined below:

- Staffing – Flat headcount compared to 2011; 2% pay increase plus additional pay adjustments based upon market and/or merit. .
- Employee health insurance – 15% increase from 2011/2012 plan year or 7.5% budget effect
- Sales tax revenue – 0% growth in taxable sales as of mid-year 2011
- Sewer rates – 5% increase in service / usage fees
- Water rates – 2.5% increase in service / usage fees
- Development and resource fees – 8 new water and 20 new sewer taps projected
- Hot springs pool, park rental rates – no rate increases in 2012
- SteamPlant – Modest revenue growth and flat operating costs. No capital spending.

Total fund equity is projected to increase during 2012 by generating more operating revenue and a decision by the City Council to add to reserves.

The City successfully reduced its level of debt in the general fund; however, water and wastewater system improvements required the issuance of additional debt in 2011. Debt service obligations will increase in 2013 when a full year of payment obligations begin. In 2010, the City entered into an agreement with the USDA / Rural Development to provide a

\$12.1 million loan and \$2.3 million grant to help finance the wastewater treatment facility upgrade. The program requires the City secure interim financing until the full loan amount has been spent; this financing was closed in 2011 and is expected to be replaced with the 40-year USDA loan in 2012.

2012 budget appropriations are \$17,773,000, of which \$6,794,000 is for governmental activities and \$10,978,000 is for business-type activities. The budget includes higher than normal capital spending due to the wastewater treatment facility upgrade.

Fiscal Sustainability Issues. Beyond the next calendar year, major fiscal sustainability concerns are expected cost inflation for employee healthcare, fuel, asphalt, natural gas and electricity. City leaders are focused on defining the role of local government in our community, balancing limited resources with requests for additional services. In addition, risks to government funding are concentrated on the local economy and retail sales due to the fact that three-quarters of the City's general fund revenue is derived from sales tax. The City repealed its property tax in 2008.

Due to the 1% incremental sales tax that became effective in 2009 and decreases in future debt service, the City will continue an increased level of capital spending for roads and public infrastructure as compared to historic levels. Decreasing debt service obligations free a greater portion of financial resources for current capital and operating needs.

Requests for information

This financial report is designed to provide a general overview of the City of Salida's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at finance@cityofsalida.com or 448 East First Street, Suite 112, Salida, CO 81201.

City Council
City of Salida
Salida, Colorado

Independent Auditors' Report

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Salida, Colorado, as of December 31, 2011, and the respective change 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 general accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents as required supplementary information 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 provided any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Salida, Colorado's financial statements taken as a whole. The additional supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Johnson and Associates

March 24, 2012
Centennial, CO

BASIC FINANCIAL STATEMENTS

CITY OF SALIDA, COLORADO

STATEMENT OF NET ASSETS

December 31, 2011

	Government Activities	Business - Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 1,822,072	\$ 1,515,982	\$ 3,338,054
Cash with Fiscal Agent	1,766	11,944,309	11,946,075
Intergovernmental Receivables	1,056,427	-	1,056,427
Accounts Receivable	34,574	635,900	670,474
Total Current Assets	<u>2,914,839</u>	<u>14,096,191</u>	<u>17,011,030</u>
Noncurrent Assets			
Capital Assets	21,391,056	28,085,751	49,476,807
Accumulated Depreciation	(6,298,693)	(7,530,007)	(13,828,700)
Bond Issuance Costs - Net	-	68,298	68,298
Notes Receivable	-	46,737	46,737
Restricted Cash and Investments	683,444	381,790	1,065,234
Total Noncurrent Assets	<u>15,775,807</u>	<u>21,052,569</u>	<u>36,828,376</u>
TOTAL ASSETS	<u>18,690,646</u>	<u>35,148,760</u>	<u>53,839,406</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	307,745	2,836,299	3,144,044
Other Accrued Liabilities	543	381,699	382,242
Accrued Interest	7,872	12,027	19,899
Unearned Revenue	9,790	151,500	161,290
Accrued Salaries and Benefits	27,474	9,580	37,054
Current Portion of Long-Term Debt	76,778	282,246	359,024
Total Current Liabilities	<u>430,202</u>	<u>3,673,351</u>	<u>4,103,553</u>
Noncurrent Liabilities			
Notes and Loans Payable	-	12,202,812	12,202,812
Capital Lease Payable	1,706,045	-	1,706,045
Revenue Bonds Payable	-	3,276,375	3,276,375
Accrued Compensated Absences	35,695	-	35,695
Total Noncurrent Liabilities	<u>1,741,740</u>	<u>15,479,187</u>	<u>17,220,927</u>
TOTAL LIABILITIES	<u>2,171,942</u>	<u>19,152,538</u>	<u>21,324,480</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	13,309,540	13,560,406	26,869,946
Restricted Net Assets	1,107,246	381,790	1,489,036
Unrestricted Net Assets	2,101,918	2,054,026	4,155,944
TOTAL NET ASSETS	<u>\$ 16,518,704</u>	<u>\$ 15,996,222</u>	<u>\$ 32,514,926</u>

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

CITY OF SALIDA, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Government Activities				
Current:				
General Government	\$ 1,771,128	\$ 150,564	\$ 49,650	\$ -
Public Safety	2,125,057	60,788	70,075	-
Public Works	541,915	12,548	214,491	184,726
Culture, Parks and Recreation	783,481	342,972	-	47,365
Interest on Debt	126,686	-	-	-
TOTAL GOVERNMENT ACTIVITIES	<u>5,348,267</u>	<u>566,872</u>	<u>334,216</u>	<u>232,091</u>
Current:				
Water Operations	1,225,619	1,360,421	-	50,155
Sewer Operations	877,675	1,203,348	-	68,302
Theater and Events Center	320,458	152,714	-	11,048
TOTAL BUSINESS - TYPE ACTIVITIES	<u>2,423,752</u>	<u>2,716,483</u>	<u>-</u>	<u>129,505</u>
TOTAL GOVERNMENT	<u>\$ 7,772,019</u>	<u>\$ 3,283,355</u>	<u>\$ 334,216</u>	<u>\$ 361,596</u>
GENERAL REVENUES				
TAXES				
Sales Taxes				
Franchise Taxes				
Lodging Occupation Tax				
INTEREST INCOME				
TRANSFERS IN (OUT)				
GAIN/(LOSS) ON DISPOSITION OF ASSETS				
OTHER REVENUES				
TOTAL GENERAL REVENUES				
CHANGE IN NET ASSETS				
NET ASSETS - Beginning of Year				
NET ASSETS - End of Year				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITES	TOTAL
\$ (1,570,914)	\$ -	\$ (1,570,914)
(1,994,194)	-	(1,994,194)
(130,150)	-	(130,150)
(393,144)	-	(393,144)
(126,686)	-	(126,686)
<u>(4,215,088)</u>	<u>-</u>	<u>(4,215,088)</u>
-	184,957	184,957
-	393,975	393,975
<u>-</u>	<u>(156,696)</u>	<u>(156,696)</u>
-	422,236	422,236
<u>(4,215,088)</u>	<u>422,236</u>	<u>(3,792,852)</u>
4,932,549	-	4,932,549
268,895	-	268,895
120,357	-	120,357
2,862	6,537	9,399
(545,000)	545,000	-
(93,674)	(22,626)	(116,300)
34,136	-	34,136
<u>4,720,125</u>	<u>528,911</u>	<u>5,249,036</u>
505,037	951,147	1,456,184
<u>16,013,667</u>	<u>15,045,075</u>	<u>31,058,742</u>
<u>\$ 16,518,704</u>	<u>\$ 15,996,222</u>	<u>\$ 32,514,926</u>

CITY OF SALIDA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals for December 31, 2010

	<u>GENERAL</u>	<u>CONSERVATION TRUST</u>	<u>TOTALS</u>	
			<u>2011</u>	<u>2010</u>
ASSETS				
Cash and Investments	\$ 1,617,613	\$ 204,459	\$ 1,822,072	\$ 865,398
Cash with Fiscal Agent	1,766	-	1,766	1,835
Intergovernmental Receivables	1,056,427	-	1,056,427	1,260,371
Accounts Receivable	34,574	-	34,574	24,750
Restricted Cash and Investments	<u>683,444</u>	<u>-</u>	<u>683,444</u>	<u>1,084,698</u>
TOTAL ASSETS	<u>\$ 3,393,824</u>	<u>\$ 204,459</u>	<u>\$ 3,598,283</u>	<u>\$ 3,237,052</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 307,745	\$ -	\$ 307,745	\$ 196,011
Other Accrued Liabilities	543	-	543	264
Unearned Revenue	9,790	-	9,790	15,790
Accrued Salaries and Benefits	<u>27,474</u>	<u>-</u>	<u>27,474</u>	<u>30,562</u>
TOTAL LIABILITIES	<u>345,552</u>	<u>-</u>	<u>345,552</u>	<u>242,627</u>
FUND BALANCE				
Restricted for:				
TABOR Emergencies	174,858	-	174,858	186,054
Federal seizures	3,666	-	3,666	3,663
Debt Service	-	-	-	456,316
Committed to:				
Sales tax	502,132	-	502,132	490,743
Economic Development	-	-	-	7,276
Assigned to:				
Conservation Trust Fund	-	204,459	204,459	139,064
Employees	2,788	-	2,788	2,411
Capital Expenditures	219,343	-	219,343	61,978
Unassigned	<u>2,145,485</u>	<u>-</u>	<u>2,145,485</u>	<u>1,646,920</u>
TOTAL FUND EQUITY	<u>3,048,272</u>	<u>204,459</u>	<u>3,252,731</u>	<u>2,994,425</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,393,824</u>	<u>\$ 204,459</u>	<u>\$ 3,598,283</u>	<u>\$ 3,237,052</u>
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS			\$ 3,252,731	
Capital assets used in governmental activities are not resources and are not reported in the funds:				
Capital Assets			21,391,056	
Accumulated Depreciation			(6,298,693)	
Earned but unpaid accumulated leave balances are not reported in the funds:				
Accrued Compensated Absences			(35,695)	
Long-term liabilities are not due and payable in the current period				
Capital Lease Payable			(1,782,823)	
Accrued Interest Payable			<u>(7,872)</u>	
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES			<u>\$ 16,518,704</u>	

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

CITY OF SALIDA, COLORADO

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

For the Year Ended December 31, 2011

With Comparative Totals for the Year Ended December 31, 2010

	GENERAL	CONSERVATION TRUST	TOTALS	
			2011	2010
REVENUES				
Taxes	\$ 5,321,801	\$ -	\$ 5,321,801	\$ 5,233,769
Licenses and Permits	19,902	-	19,902	18,687
Intergovernmental	524,675	47,365	572,040	807,882
Fines and Forfeits	60,788	-	60,788	69,059
Charges for Services	449,095	-	449,095	351,677
Interest Revenue	2,682	180	2,862	5,681
Other	205,423	-	205,423	117,773
TOTAL REVENUES	<u>6,584,366</u>	<u>47,545</u>	<u>6,631,911</u>	<u>6,604,528</u>
EXPENDITURES				
Current				
General Government	874,972	-	874,972	982,444
Public Safety	2,048,393	-	2,048,393	1,993,250
Public Works	454,102	-	454,102	565,163
Culture and Recreation	704,089	-	704,089	693,087
Capital Outlay	869,358	-	869,358	1,556,122
Debt Service				
Principal	747,629	-	747,629	309,367
Interest	130,062	-	130,062	154,516
TOTAL EXPENDITURES	<u>5,828,605</u>	<u>-</u>	<u>5,828,605</u>	<u>6,253,949</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	755,761	47,545	803,306	350,579
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(545,000)	-	(545,000)	(87,800)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(545,000)</u>	<u>(545,000)</u>	<u>(545,000)</u>	<u>(87,800)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	210,761	47,545	258,306	262,779
FUND BALANCES, Beginning	<u>2,837,511</u>	<u>156,914</u>	<u>2,994,425</u>	<u>2,731,646</u>
FUND BALANCES, Ending	<u>\$ 3,048,272</u>	<u>\$ 204,459</u>	<u>\$ 3,252,731</u>	<u>\$ 2,994,425</u>

(Continued)

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

CITY OF SALIDA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (Continued)
For the Year Ended December 31, 2011

NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 258,306
Principal payments on debt are reported as expenditures in the funds and debt proceeds are shown as revenues:	
Principal Payments on Bonds Payable	685,000
Principal Payments on Capital Lease	62,629
Earned but unpaid accumulated leave balances are not reported in the funds:	
Change in Accrued Compensated Absences	(330)
Interest is reported on the cash basis in the funds:	
Change in Accrued Interest	3,376
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Capitalized Assets	632,349
Depreciation Expense	(902,686)
Loss on Disposal of Capital Assets	(233,607)
CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 505,037</u>

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

CITY OF SALIDA, COLORADO

**STATEMENT OF NET ASSETS-
PROPRIETARY FUNDS**

December 31, 2011

With Comparative Totals for December 31, 2010

	WATER	SEWER	STEAMPLANT THEATER & EVENTS CENTER	TOTALS	
				2011	2010
ASSETS					
Current Assets					
Cash and Investments	\$ 3,058	\$ 1,511,803	\$ 1,121	\$ 1,515,982	\$ 2,161,183
Accounts Receivable	295,128	335,411	5,361	635,900	475,531
Due from Other Funds	-	300,000	-	300,000	250,000
Cash with Fiscal Agent	545,000	11,399,309	-	11,944,309	-
Total Current Assets	<u>843,186</u>	<u>13,546,523</u>	<u>6,482</u>	<u>14,396,191</u>	<u>2,886,714</u>
Capital Assets					
Property, Plant and Equipment	11,600,744	14,725,706	1,759,301	28,085,751	23,259,154
Accumulated Depreciation	(3,761,568)	(3,426,792)	(341,647)	(7,530,007)	(6,974,169)
Total Capital Assets	<u>7,839,176</u>	<u>11,298,914</u>	<u>1,417,654</u>	<u>20,555,744</u>	<u>16,284,985</u>
Other Assets					
Other Assets	68,298	-	-	68,298	76,169
Notes Receivable	46,737	-	-	46,737	92,757
Restricted Cash and Investments	381,790	-	-	381,790	347,771
Total Other Assets	<u>496,825</u>	<u>-</u>	<u>-</u>	<u>496,825</u>	<u>516,697</u>
TOTAL ASSETS	<u>9,179,187</u>	<u>24,845,437</u>	<u>1,424,136</u>	<u>35,448,760</u>	<u>19,688,396</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	14,222	2,820,189	1,888	2,836,299	194,606
Other Accrued Liabilities	-	381,699	-	381,699	5,470
Accrued Interest	12,027	-	-	12,027	14,126
Due to Other Funds	300,000	-	-	300,000	250,000
Deferred Revenue	-	148,000	3,500	151,500	150,000
Accrued Salaries and Benefits	3,465	4,295	1,820	9,580	7,432
Current Portion of Long-Term Debt	282,246	-	-	282,246	347,045
Total Current Liabilities	<u>611,960</u>	<u>3,354,183</u>	<u>7,208</u>	<u>3,973,351</u>	<u>968,679</u>
Long-Term Liabilities					
Notes and Loans Payable	99,812	12,103,000	-	12,202,812	236,511
Refunding and Improvement Bonds	3,276,375	-	-	3,276,375	3,005,000
Capital Lease Payable	-	-	-	-	433,130
Total Long-Term Liabilities	<u>3,376,187</u>	<u>12,103,000</u>	<u>-</u>	<u>15,479,187</u>	<u>3,674,641</u>
TOTAL LIABILITIES	<u>3,988,147</u>	<u>15,457,183</u>	<u>7,208</u>	<u>19,452,538</u>	<u>4,643,320</u>
NET ASSETS					
Invested in Capital Assets, net of Related Debt	4,180,743	7,962,009	1,417,654	13,560,406	12,263,299
Restricted Net Assets	381,790	-	-	381,790	347,771
Unrestricted Net Assets	628,507	1,426,245	(726)	2,054,026	2,434,006
TOTAL NET ASSETS	<u>\$ 5,191,040</u>	<u>\$ 9,388,254</u>	<u>\$ 1,416,928</u>	<u>\$ 15,996,222</u>	<u>\$ 15,045,076</u>

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

CITY OF SALIDA, COLORADO

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS**

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	WATER	SEWER	STEAMPLANT THEATER & EVENTS CENTER	TOTALS	
				2011	2010
OPERATING REVENUES					
Charges for Services	\$ 1,356,250	\$ 1,192,704	\$ 152,237	\$ 2,701,191	\$ 2,220,808
Miscellaneous	4,171	10,644	477	15,292	37,344
TOTAL OPERATING REVENUES	<u>1,360,421</u>	<u>1,203,348</u>	<u>152,714</u>	<u>2,716,483</u>	<u>2,258,152</u>
OPERATING EXPENSES					
Operations	605,743	517,488	236,651	1,359,882	1,362,954
Public Works	134,860	167,424	-	302,284	171,135
Depreciation	337,808	192,417	65,100	595,325	644,886
TOTAL OPERATING EXPENSES	<u>1,078,411</u>	<u>877,329</u>	<u>301,751</u>	<u>2,257,491</u>	<u>2,178,975</u>
OPERATING INCOME (LOSS)	<u>282,010</u>	<u>326,019</u>	<u>(149,037)</u>	<u>458,992</u>	<u>79,177</u>
NON-OPERATING REVENUE (EXPENSE)					
Intergovernmental	10,000	41,423	-	51,423	-
Interest Revenue	3,731	2,806	-	6,537	21,244
Resource Fees	11,587	-	-	11,587	54,400
System Development Fees	28,568	26,879	-	55,447	197,995
Donations/Contributions	-	-	11,048	11,048	27,444
Transfers In	-	-	545,000	545,000	87,800
Interest Expense	(147,208)	(346)	(18,707)	(166,261)	(190,716)
Loss on Disposal of Capital Assets	-	(22,626)	-	(22,626)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(93,322)</u>	<u>48,136</u>	<u>537,341</u>	<u>492,155</u>	<u>198,167</u>
NET INCOME (LOSS)	188,688	374,155	388,304	951,147	277,344
NET ASSETS - Beginning	<u>5,002,352</u>	<u>9,014,099</u>	<u>1,028,624</u>	<u>15,045,075</u>	<u>14,767,732</u>
NET ASSETS - Ending	<u>\$ 5,191,040</u>	<u>\$ 9,388,254</u>	<u>\$ 1,416,928</u>	<u>\$ 15,996,222</u>	<u>\$ 15,045,076</u>

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

CITY OF SALIDA, COLORADO

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	WATER	SEWER	STEAMPLANT THEATER & EVENTS CENTER	TOTAL	
				2011	2010
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 1,242,074	\$ 1,155,763	\$ 156,277	\$ 2,554,114	\$ 2,528,480
Cash Paid to Suppliers and Employees	(777,879)	(414,661)	(242,572)	(1,435,112)	(1,550,966)
Net Cash Provided (Used) by Operating Activities	<u>464,195</u>	<u>741,102</u>	<u>(86,295)</u>	<u>1,119,002</u>	<u>977,514</u>
Cash Flows From Noncapital Financing Activities:					
Notes Receivable Advances	46,021	-	-	46,021	60,207
Cash Received (Paid To) Other Funds	50,000	(50,000)	545,000	545,000	87,800
Cash Flows Provided (Used) by Noncapital Financing Activities	<u>96,021</u>	<u>(50,000)</u>	<u>545,000</u>	<u>591,021</u>	<u>148,007</u>
Cash Flows From Capital and Related Financing Activities:					
System Development/Resources Fees	40,156	26,878	-	67,034	252,395
Interest Paid	(140,295)	(1,487)	(18,707)	(160,489)	(185,443)
Additions to Fixed Assets, Net	(225,457)	(1,866,738)	-	(2,092,195)	(1,497,830)
Debt Issuance	545,000	12,103,000	-	12,648,000	-
Principal Paid on Long-Term Debt	(258,210)	(188,412)	(461,632)	(908,254)	(393,111)
Grants Received	10,000	41,423	11,048	62,471	27,444
Cash Flows Used by Capital and Related Financing Activities	<u>(28,806)</u>	<u>10,114,664</u>	<u>(469,291)</u>	<u>9,616,567</u>	<u>(1,796,545)</u>
Cash Flows (Uses) From Investing Activities:					
Interest Received	3,731	2,806	-	6,537	21,244
Net Increase (Decrease) in Cash	535,141	10,808,572	(10,586)	11,333,127	(649,780)
Cash - Beginning	394,707	2,102,540	11,707	2,508,954	3,158,734
Cash - Ending	<u>\$ 929,848</u>	<u>\$ 12,911,112</u>	<u>\$ 1,121</u>	<u>\$ 13,842,081</u>	<u>\$ 2,508,954</u>
Cash and Investments	\$ 3,058	\$ 1,511,803	\$ 1,121	\$ 1,515,982	\$ 2,161,183
Cash with Fiscal Agent	545,000	11,399,309	-	11,944,309	-
Restricted Cash and Investments	381,790	-	-	381,790	347,771
Total Cash - Ending	<u>\$ 929,848</u>	<u>\$ 12,911,112</u>	<u>\$ 1,121</u>	<u>\$ 13,842,081</u>	<u>\$ 2,508,954</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 282,010	\$ 326,019	\$ (149,037)	\$ 458,992	\$ 79,177
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	337,808	192,417	65,100	595,325	644,886
(Increase) Decrease in:					
Accounts Receivable	(118,347)	(45,585)	3,563	(160,369)	120,328
Increase (Decrease) in:					
Accounts Payable	(37,792)	(112,436)	(4,596)	(154,824)	9,572
Other Accrued Liabilities	-	381,699	-	381,699	(27,861)
Accrued Interest	-	-	-	-	(768)
Deferred Revenue	-	(2,000)	(1,969)	(3,969)	150,000
Accrued Salaries and Benefits	516	988	644	2,148	2,180
Total Adjustments	<u>182,185</u>	<u>415,083</u>	<u>62,742</u>	<u>660,010</u>	<u>898,337</u>
Net Cash Provided by Operating Activities	<u>\$ 464,195</u>	<u>\$ 741,102</u>	<u>\$ (86,295)</u>	<u>\$ 1,119,002</u>	<u>\$ 977,514</u>

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

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Function of the Organization

The City of Salida, Colorado (the City) is organized as a statutory city under the constitution of the State of Colorado. The City operates under a council-mayor form of government and provides the following services: public safety (fire and police), public works, culture-recreation, public improvements, planning and zoning, water and sewer, and general administrative services.

Reporting Entity

The City is organized under Colorado statutes for Cities. Management of the City is independent of other state or local governments. The County Treasurer collects taxes for the City, but exercises no control over its expense/expenditure.

The membership of the Council consists of six members and a mayor elected by the public. The Council has broad control responsibilities including the approval of the annual budget, establishment of a system of accounting and budgetary control, acquisition and disposition of property, and the establishment, organization and operation of City utilities.

In accordance with governmental accounting standards, the City has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of these criteria, the City does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are not assessed by the City and therefore are not included in these financial statements. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 nonoperating revenues and expenses.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund (Conservation Trust Fund) - This fund accounts for funds received through the State of Colorado Lottery/ Conservation Trust Fund program. These funds are required to be spent on parks and recreation. This type of fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

The City also reports the following major proprietary funds:

Water, Sewer, and SteamPlant Event Center Funds - These funds account for the activities related to offering services to the City's residents.

Budgetary Data

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary comparisons presented for the proprietary funds are presented on a non-GAAP budgetary basis. Under this basis debt proceeds are recognized as revenues for budget purposes. Capital outlays and debt principal payments are recognized as expenditures, while depreciation is not budgeted. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- o Budgets are required by state law for all funds. By October 15, the City Administrator submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- o Public hearings are conducted by the City Council to obtain taxpayer comments.
- o Prior to December 15, the budget is adopted by formal resolution.
- o The City Administrator is authorized to transfer budgeted amounts between departments of any budgeted fund; however, any revisions that alter the total expenditures of any budgeted fund must be approved by the City Council.
- o Expenditures may not legally exceed appropriations at the fund level.
- o Budgeted amounts reported in the accompanying financial statements are as originally adopted or as revised by the City Council.
- o Encumbrance accounting is not utilized.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity

Cash – The City pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – The City’s capital assets are recorded at original cost. Donated assets are listed at their fair value at the date of donation. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

It is the policy of the City to capitalize all fixed assets costing more than \$5,000 with an estimated useful life of two or more years.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Collection, Transmission and Distribution systems -	50 years
Infrastructure -	15 to 30 years
Buildings and Improvements -	20 to 50 years
General Equipment -	5 to 30 years

The City began recording and depreciating infrastructure in 2003. The City has not retroactively added infrastructure acquired prior to January 1, 2003.

Long-Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Vacation, Sick Leave, Salary Related Payments, and Other Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment. Employees are allowed to accumulate benefits up to predetermined maximums and may be compensated for these accumulated benefits either through paid time off or, in the case of vacation, are paid at termination or retirement.

Net Assets – Net assets in the government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through state statute.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Fund Balances – In the governmental fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact. The City had no such amounts at December 31, 2011.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation. “Federal Seizures” represents amounts received under Federal drug enforcement activities.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. “Sales tax”, “Capital”, and “Economic Development” represent amounts as defined in the Salida Municipal Code.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. “Employees” represents unspent amounts collected under the employee’s health care spending plan.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.
- When fund balance resources are available for a specific purpose in more than one classification, it is the City’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The City considers all unassigned fund balances to be “reserves” for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note 9 - TABOR).

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable, are legally segregated for a specific purpose, or are restricted by the grant agreement. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures

Revenues and Expenditures - Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end, outstanding balances between funds are reported as "due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2: CASH AND INVESTMENTS

Cash and Investments at December 31, 2011 were:

<u>Type</u>	<u>Rating</u>	<u>Carrying Value</u>
Deposits:		
Demand Deposits		\$ 80,921
Held with Fiscal Agents		11,946,075
Cash on Hand		2,000
		12,028,996
Investments:		
Savings	NA	2,957
Colotrust	AAAm by S & P	3,939,573
Certificate of Deposit	NA	377,837
		4,320,367
Total deposits and investments		\$ 16,349,363
Reconciliation to Statement of Net Assets		
Current:		
Cash and Investments		\$ 3,338,053
Cash with Fiscal Agent		11,946,075
Restricted Cash and Investments		1,065,235
		\$ 16,349,363

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2011, all of the City's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

The City considers all cash held in checking and savings accounts, Colotrust, and all certificates of deposits as cash and cash equivalents.

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Issue: Water and Sewer Refunding and Improvement Revenue Bonds, 2007

Original Amount: \$3,940,000

Interest: 4.00%

Purpose: (i) To finance capital additions to the water system for the purpose of increasing capacity to serve customers and improving the reliability of the water system and (ii) the refunding, paying, and discharging the City's outstanding Water and Sewer Revenue Bonds Series 1996

Reserve Requirement: To be maintained in an amount equal to the least of (a) the maximum annual payments of principal and interest on the 2007 Bonds and all Parity Lien Bonds or (b) the maximum amount which may be credited to the Reserve Account and allow such account to qualify as a "reasonably required reserve or replacement fund" under Section 148(d) of the Code to prevent deficiencies in the payment of the Series 2007 Bonds. The minimum reserve requirement at December 31, 2009 was \$343,552; the City has exceeded this requirement by reserving \$343,605 on that date.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ 260,000	\$ 124,462	\$ 384,462	\$ 2,745,000
2013	250,000	114,063	364,063	2,495,000
2014	275,000	101,562	376,562	2,220,000
2015	275,000	90,563	365,563	1,945,000
2016	300,000	79,562	379,562	1,645,000
2017-2021	635,000	292,538	927,538	1,010,000
2022-2026	825,000	146,887	971,887	185,000
2027	185,000	7,863	192,863	-
	<u>\$ 3,005,000</u>	<u>\$ 957,500</u>	<u>\$ 3,962,500</u>	

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CAPITAL ASSETS

A summary of changes in governmental activity capital assets for the year is as follows:

	<u>Balance January 1, 2011</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>Balance December 31, 2011</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets not being depreciated:				
Land and Right-of-Way	\$ 3,742,938	\$ -	\$ -	\$ 3,742,938
Construction in progress	185,005	23,505	175,462	33,048
Total capital assets not being depreciated	<u>3,927,943</u>	<u>23,505</u>	<u>175,462</u>	<u>3,775,986</u>
Capital assets being depreciated:				
Buildings	6,132,891	398,957	93,076	6,438,772
Gen Govt Land Improvements	4,831,626	58,871	-	4,890,497
Park Land Improvements	2,884,238	140,568	-	3,024,806
Total Infrastructure	<u>7,715,864</u>	<u>199,439</u>	<u>-</u>	<u>7,915,303</u>
General Equipment	802,899	5,228	-	808,127
Fire Equipment	207,285	5,220	15,225	197,280
Total Equipment	<u>1,010,184</u>	<u>10,448</u>	<u>15,225</u>	<u>1,005,407</u>
Fire Vehicles	952,347	-	-	952,347
Other Vehicles	1,326,746	-	23,505	1,303,241
Total Vehicles	<u>2,279,093</u>	<u>-</u>	<u>23,505</u>	<u>2,255,588</u>
Total capital assets being depreciated	<u>17,138,032</u>	<u>608,844</u>	<u>131,806</u>	<u>17,615,070</u>
Total capital assets	<u>\$ 21,065,975</u>	<u>\$ 632,349</u>	<u>\$ 307,268</u>	<u>\$ 21,391,056</u>
Accumulated depreciation:				
Buildings	\$ (1,680,630)	\$ (191,213)	\$ (58,436)	\$ (1,813,407)
Gen Govt Land Improvements	(746,394)	(408,514)	-	(1,154,907)
Park Land Improvements	(883,513)	(108,596)	-	(992,109)
Total Infrastructure	<u>(1,629,907)</u>	<u>(517,110)</u>	<u>-</u>	<u>(2,147,017)</u>
General Equipment	(478,308)	(39,846)	-	(518,154)
Fire Equipment	(182,023)	(8,268)	(15,225)	(175,066)
Total Equipment	<u>(660,331)</u>	<u>(48,114)</u>	<u>(15,225)</u>	<u>(693,220)</u>
Fire Vehicles	(726,521)	(41,890)	-	(768,411)
Other Vehicles	(772,279)	(104,359)	-	(876,638)
Total Vehicles	<u>(1,498,800)</u>	<u>(146,249)</u>	<u>-</u>	<u>(1,645,049)</u>
Total accumulated depreciation	<u>(5,469,668)</u>	<u>(902,686)</u>	<u>(73,661)</u>	<u>(6,298,693)</u>
Net capital assets	<u>\$ 15,596,307</u>	<u>\$ (270,337)</u>	<u>\$ 233,607</u>	<u>\$ 15,092,363</u>

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation has been recorded against the various governmental activities as follows:

General Government	\$521,461
Public Safety	100,400
Public Works	87,775
Culture, Parks and Recreation	193,050
Total Depreciation	\$902,686

A summary of changes in business-type activity capital assets for the year is as follows:

	Balance January 1, 2011	Additions/ Transfers	Deletions	Balance December 31, 2011
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 76,027	\$ -	\$ -	\$ 76,027
Water Rights	1,391,521	-	-	1,391,521
Work in Process	2,324,165	4,522,869	-	6,847,034
Capital assets being depreciated:				
Lines	8,606,474	218,203	-	8,824,677
Structures	7,989,969	97,475	-	8,087,444
Equipment	2,870,999	50,162	(62,114)	2,859,047
Total Capital Assets	23,259,154	4,888,710	(62,114)	28,085,750
Accumulated depreciation:				
Lines	(2,662,971)	(209,243)	-	(2,872,214)
Structures	(3,087,039)	(215,386)	-	(3,302,425)
Equipment	(1,224,159)	(170,696)	39,487	(1,355,368)
Total Accumulated Depreciation	(6,974,169)	(595,325)	39,487	(7,530,007)
Net Capital Assets	\$ 16,284,985	\$ 4,293,385	\$ (22,627)	\$ 20,555,743

Depreciation has been charged to the various business-type activities as follows:

Water Operations	\$ 337,809
Sewer Operations	192,417
Culture/Recreation Operations	65,100
Total Depreciation	\$ 595,325

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT

Governmental Activities - The following summarizes the changes in the City's governmental long-term debt activity for the year ended December 31, 2011:

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2011</u>	<u>Due Within One Year</u>
Governmental Activities					
1994 General Obligation Bonds	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -
1996 General Obligation Bonds	130,000	-	130,000	-	-
1998 Sales Tax Revenue Bonds	435,000	-	435,000	-	-
2008 Community Services Complex Lease Purchase	823,577	-	27,711	795,866	34,627
2009 Community Services Complex Lease Purchase	1,021,875	-	34,918	986,957	42,151
Compensated Absences	35,365	37,260	36,930	35,695	
	<u>\$ 2,565,817</u>	<u>\$ 37,260.00</u>	<u>\$ 747,629</u>	<u>\$ 1,818,518</u>	<u>\$ 76,778</u>

Issue: General Obligation Limited Tax Water Bonds, 1994 Series

Original Amount: \$370,000

Interest: 5.50% to 7.10%

Purpose: To pay the costs of certain water system improvements and hot springs pool improvements including the costs of a major water transmission line to transport geothermal water.

Reserve requirements: None.

These bonds were entirely paid off in 2011.

Issue: General Obligation Limited Tax Water Bonds, 1996 Series

Original Amount: \$410,000

Interest: 4.50% to 6.00%

Purpose: To pay the costs of certain water system improvements and hot springs pool improvements including the costs of a major water transmission line to transport geothermal water.

Reserve requirements: None.

These bonds were entirely paid off in 2011.

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Issue: Sales Tax Revenue Refunding Bonds, Series 1998

Original Amount: \$1,925,000

Interest: 4.10% to 4.90%

Purpose: To refinance the outstanding Sales Tax Revenue Refunding Bonds Series 1998

These bonds were entirely paid off in 2011.

Issue: 2008 Community Services Complex Lease Purchase - General Fund

Original Amount: \$875,000

Interest: 3.4%

Purpose: To acquire and renovate the Community Services Complex

Reserve requirements: None.

The payment schedule was amended effective March 15, 2012, which reduced the interest rate and changed semi-annual payments to monthly payments. The following schedule reflects the changes in the amended agreement.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ 34,627	\$ 19,904	\$ 54,531	\$ 761,239
2013	47,563	25,145	72,708	713,676
2014	49,205	23,503	72,708	664,471
2015	50,904	21,804	72,708	613,567
2016	52,662	20,046	72,708	560,905
2017-2021	291,881	71,659	363,540	269,024
2022-2025	269,024	18,900	287,924	-
	<u>\$ 795,866</u>	<u>\$ 200,961</u>	<u>\$ 996,827</u>	

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Issue: 2009 Community Services Complex Lease Purchase - General Fund

Original Amount: \$1,100,000

Interest: 3.4%

Purpose: To acquire and renovate the Community Services Complex

Reserve requirements: None.

The payment schedule was amended effective March 15, 2012, which reduced the interest rate and changed semi-annual payments to monthly payments, and reduced the length of the repayment schedule. The following schedule reflects the changes in the amended agreement.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ 42,151	\$ 24,692	\$ 66,843	\$ 944,806
2013	57,897	31,227	89,124	886,909
2014	59,898	29,226	89,124	827,011
2015	61,965	27,159	89,124	765,046
2016	64,105	25,019	89,124	700,941
2017-2021	355,303	90,317	445,620	345,638
2022-2026	345,638	25,536	371,174	-
	<u>\$ 986,957</u>	<u>\$ 253,176</u>	<u>\$ 1,240,133</u>	

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities

The following summarizes the changes in the City's business-type long-term debt activity for the year ended December 31, 2011:

	Balance January 1, 2011	Issued	Retired	Balance December 31, 2011	Due Within One Year
Business-Type Activities					
2001 DOLA Note Payable - Water	\$ 116,643	\$ -	\$ 8,210	\$ 108,433	\$ 8,621
2003 CWRPDA Loan Agreement	188,412	-	188,412	-	-
2007 Water & Sewer Refunding and Improvement Bonds	3,255,000	-	250,000	3,005,000	260,000
2008 SteamPlant Theater & Event Center Lease Purchase	461,632	-	461,632	-	-
2011 Water & Sewer Enterprise Tax- Exempt Loan	-	12,103,000	-	12,103,000	-
2011 Drinking Water Revolving Loan	-	545,000	-	545,000	13,625
Bond Disc./Issue Costs, Net	(76,170)	-	(7,871)	(68,299)	-
	<u>\$ 3,945,517</u>	<u>\$ 12,648,000</u>	<u>\$ 900,382</u>	<u>\$ 15,693,134</u>	<u>\$ 282,246</u>

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities(Continued)

Issue: 2001 Division of Local Affairs (DOLA), Energy Impact Assistance Loan

Original Amount: \$175,000

Interest: 5.00%

Purpose: The construction of a one million gallon steel tank for treated water storage and installation of approximately 9,300 linear feet of water transmission line from the tank to the existing distribution system for the City.

Reserve requirements: None.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ 8,621	\$ 5,421	\$ 14,042	\$ 99,812
2013	9,052	4,990	14,042	90,760
2014	9,504	4,538	14,042	81,256
2015	9,980	4,062	14,042	71,276
2016	10,479	3,563	14,042	60,797
2017-2021	60,797	9,413	70,210	-
	\$ 108,433	\$ 31,987	\$ 140,420	

**Issue: 2003 Colorado Water Resources and Power Development Authority
Water Pollution Control Revolving Fund Note**

Original Amount: \$550,000

Interest: 4.00%

Purpose: Construction of improvements to the existing wastewater treatment plant including installation of sludge digesters, a high solids centrifuge, and other associated appurtenances

Reserve Requirement: An operating and maintenance reserve fund is to be established in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Said reserve may be in the form of unobligated fund balance or other unobligated cash or securities.

The entire remaining principal due at December 31, 2010 was paid in January 2011.

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Issue: Water and Sewer Refunding and Improvement Revenue Bonds, 2007

Original Amount: \$3,940,000

Interest: 4.00%

Purpose: (i) To finance capital additions to the water system for the purpose of increasing capacity to serve customers and improving the reliability of the water system and (ii) the refunding, paying, and discharging the City's outstanding Water and Sewer Revenue Bonds Series 1996

Reserve Requirement: To be maintained in an amount equal to the least of (a) the maximum annual payments of principal and interest on the 2007 Bonds and all Parity Lien Bonds or (b) the maximum amount which may be credited to the Reserve Account and allow such account to qualify as a "reasonably required reserve or replacement fund" under Section 148(d) of the Code to prevent deficiencies in the payment of the Series 2007 Bonds. The minimum reserve requirement at December 31, 2009 was \$343,552; the City has exceeded this requirement by reserving \$343,605 on that date.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ 260,000	\$ 124,462	\$ 384,462	\$ 2,745,000
2013	250,000	114,063	364,063	2,495,000
2014	275,000	101,562	376,562	2,220,000
2015	275,000	90,563	365,563	1,945,000
2016	300,000	79,562	379,562	1,645,000
2017-2021	635,000	292,538	927,538	1,010,000
2022-2026	825,000	146,887	971,887	185,000
2027	185,000	7,863	192,863	-
	<u>\$ 3,005,000</u>	<u>\$ 957,500</u>	<u>\$ 3,962,500</u>	

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Issue: 2008 SteamPlant Theater and Event Center Lease Purchase

Original Amount: \$530,000

Interest: 4.70%

Purpose: To finance the renovation and expansion costs of the SteamPlant Theater and Events Center

Reserve requirement: None.

The entire lease balance was paid off in 2011.

Issue: 2011 Drinking Water Revolving Loan

Original Amount: \$545,000

Interest: 0.0%

Purpose: The project will replace the failing roof, install a new tank liner, and install security fencing at the City's treated water storage tank; replace aging distribution lines, and update the City's Tenderfoot water tank to eliminate water overflows.

Reserve requirement: None.

This loan was executed December 21, 2011. Calculations for imputed interest have not been made at December 31, 2011 since they are considered immaterial.

	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	Balance <u>December 31</u>
2012	\$ 13,625	\$ 13,625	-	\$ 13,625	\$ 531,375
2013		27,250	-	27,250	504,125
2014		27,250	-	27,250	476,875
2015		27,250	-	27,250	449,625
2016		27,250	-	27,250	422,375
2017-2021		136,250	-	136,250	286,125
2022-2026		136,250	-	136,250	149,875
2027-2028		136,250	-	136,250	13,625
2029-2032		13,625	-	13,625	-
		<u>\$ 545,000</u>	<u>\$ -</u>	<u>\$ 545,000</u>	

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 4: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Issue: 2011 Water & Sewer Enterprise Tax-Exempt Loan

Original Amount: \$12,103,000

Interest: Months 1- 24, 65% of 30-day LIBOR +2%

Months 25-36, 65% of 30-day LIBOR + 4.5% (Floor 2.6%)

Callable beginning in month 12

Purpose: Construction of wastewater facility improvements

Reserve requirement: \$314,678.

Interest is not shown on the table below because the actual interest cost is dependent upon the timing and amount of actual draws. No construction draws were taken as of 12/31/11. The proceeds of the above loan were transferred to a construction escrow account (see Note 2). On or before the conclusion of the 36-month interim financing period, this loan is expected to be refinanced into two new loans from USDA Department of Rural Development, each with a 40-year repayment schedule. Additional grant, loan, and local contributions are expected in future years to complete the project.

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance December 31</u>
2012	\$ -	\$ -	\$ -	\$ 12,103,000
2013	12,103,000	-	12,103,000	-
	<u>\$ 12,103,000</u>	<u>\$ -</u>	<u>\$ 12,103,000</u>	

NOTE 5: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions and employee health claims. The City provides for this risk of loss through their participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) and the purchase of commercial insurance. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against CIRSA, their employees or officers. The City recognizes as an expense/expenditure the amounts paid to CIRSA annually for these coverages. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City.

**CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011**

NOTE 5: RISK MANAGEMENT (Continued)

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

CIRSA is a separate legal entity and the City does not approve its budget, nor does it have the ability to significantly affect the operations of the unit. CIRSA is a combination of the Colorado Intergovernmental Risk Sharing Agency Property and Casualty Pool and the Colorado Intergovernmental Risk Sharing Agency for Worker's Compensation.

The City has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the City has not recorded any liability for unpaid claims at December 31, 2011.

NOTE 6: INTERFUND TRANSACTIONS

DUE TO/FROM FUNDS

At December 31, the following balances existed between funds to offset cash flow shortages:

<u>Due From</u>	<u>Due To</u>	
Water Fund	Sewer Fund	<u>\$300,000</u>

TRANSFERS

During 2011, the City made the following budgeted transfer to retire the 2008 lease purchase obligation and pay for unexpected facility repairs:

General Fund to SteamPlant Theater Events Fund	<u>\$545,000</u>
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CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8: PENSION PLANS

The City participates in various retirement plans as follows:

OLD-HIRE FIRE PLAN

Plan description - The City of Salida, on behalf of its full-time, paid firefighters hired prior to April 7, 1978, contributes to the City of Salida old-hire fire plan, a defined benefit pension plan which is affiliated with the Colorado Fire and Police Member's Benefit Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Members' Benefit Fund, an agent, multiple-employer defined benefit pension plan administered by FPPA. As outlined in Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, the plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the City of Salida. FPPA issues a publicly available annual financial report that includes the assets of the City of Salida old-hire fire 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 (303) 770-3772 in the Denver metro area, or 1-800-322-3772 from outside the metro area.

Funding Policy - Plan members and the City of Salida are required to contribute at a rate set by statute. Since all plan members are presently retired, no plan member contributions have been made for the last three years. The City of Salida's contributions to the pension plan fund for the years ended December 31, 2011, 2010 and 2009 were \$-0-, \$-0- and \$-0-. These contribution amounts have been actuarially determined and were equal to the required contribution for each year.

Annual Pension Cost/Actuarial Information - For the year ended December 31, 2011, the City of Salida's annual pension cost of \$0 for the old-hire fire plan was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2008 actuarial valuation using the entry age normal cost method. The actuarial assumptions used in the valuation at January 1, 2008 were (a) life expectancy of participants obtained from the 1994 group annuity mortality table set back two years and increased at each age by .0002 for fire and police experience; (b) retirement age assumption of age 50 and 20 years experience; (c) salary increases of 3.5% for inflation and 9.75% downgraded to .5% by years of service for merit raises; and (d) investment return of 8.0% per year net of operating expenses. The plan asset valuation method used was based on a three-year moving average of expected and actual market values as adjusted for various factors outlined in the actuarial study.

The actuarial valuation utilized a level dollar amortization over a closed period of the longer of: (i) the years remaining until 2022, or (ii) 10 years from the valuation date; but in no case longer than the average remaining life expectancy of the covered group.

The plan was updated as of 1/1/2010, which affects funding contributions for 2011 and 2012. The updated plan included a change in the method used for amortization from the method described in the preceding paragraph to amortizing over the lesser of 20 years or the remaining life expectancy of the covered group. The annual required contribution for 2011 and 2012 is \$2,386.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8: PENSION PLANS (Continued)

OLD-HIRE FIRE PLAN (Continued)

The table below represents the required disclosures for the most recent actuarial valuation and the two preceding valuations:

Actuarial Valuation Date	Net Assets Available for Benefits	Actuarial Accrued Liability	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as a % of Covered Payroll
1/1/2010	\$ 228,808	\$ 248,446	\$ (19,638)	92.1%	\$ -	\$ -
1/1/2008	296,097	262,994	33,103	112.6%	-	-
1/1/2006	289,599	282,186	7,413	102.6%	-	-

OLD-HIRE POLICE PLAN

Plan Description - The City of Salida, on behalf of its full-time, paid police officers hired prior to April 7, 1978, contributes to the City of Salida old-hire police plan, a defined plan affiliated with the Colorado Fire and Police Pension Association of the plan are commingled for investment purposes in the Fire and Benefit Fund, an agent multiple-employer defined benefit pension plan FPPA. As outlined in Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, the plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the City of Salida. FPPA issues a publicly available annual financial report that includes the assets of the City of Salida old-hire police 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 (303) 770-3772 in the Denver metro area or 1 800-332-3772 from outside the metro area.

Funding Policy - Plan members and the City of Salida are required to contribute at a rate set by statute. The City is required to contribute at an actuarially determined rate; the current rate is 4.55% of covered salaries. The City of Salida's contributions to the pension fund for the years ended December 31, 2011, 2010 and 2009, were \$35,998, \$35,998, and \$46,130. The contributions of the City of Salida were equal to the required contribution for each year.

Annual Pension Cost/Actuarial Information - For the year ended December 31, 2011, the City of Salida's annual pension cost of \$35,998 for the old-hire police plan was equal to the City's required and actual contribution. The required contribution was determined as part of the January 1, 2008 actuarial valuation using the entry age normal cost method. The actuarial assumptions used in the valuation at January 1, 2008 were (a) life expectancy of participants obtained from the 1994 group annuity mortality table set back two years and increased at each age by .0002 for fire and police experience; (b) retirement age assumptions of age 55 and 20 years of service or upon completion of 25 years of service if earlier; (c) salary increases of 3.5% for inflation and 9.75% downgraded to 1.25% by years of service for merit raises; and (e) investment return of 8.0% net of operating expenses. The plan asset valuation method used was based on a three-year moving average of expected and actual market values as adjusted for various factors outlined in the actuarial study.

The actuarial valuation utilized a level dollar amortization over a closed period of the longer of: (i) the years remaining until 2022, or (ii) 10 years from the valuation date; but in no case longer than the average remaining life expectancy of the covered group.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8: PENSION PLANS (Continued)

OLD-HIRE POLICE PLAN (Continued)

The plan was updated as of 1/1/2010, which affects funding contributions for 2011 and 2012. The updated plan included a change in the method used for amortization from the method described in the preceding paragraph to amortizing over the lesser of 20 years or the remaining life expectancy of the covered group. The annual required contribution for 2011 and 2012 is \$49,069.

The table below represents the required disclosures for the most recent actuarial valuation and the two preceding valuations:

Actuarial Valuation Date	Net Assets Available for Benefits	Actuarial Accrued Liability	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as a % of Covered Payroll
1/1/2010	\$ 845,832	\$ 1,333,608	\$ (487,776)	63.4%	\$ -	n/a
1/1/2008	1,055,166	1,373,164	(317,998)	76.8%	-	n/a
1/1/2006	1,008,884	1,425,499	(416,615)	70.8%	-	n/a

NEW-HIRE FIRE AND POLICE

The City of Salida contributes to this statewide, defined benefit pension plan which is 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 that is a non-contributory plan which is also administered by FPPA. All full-time paid police officers and firefighters of the City of Salida hired after April 7, 1978, are members of the statewide defined benefit plan and the statewide death and disability plan. Title 31, Article 30 of the Colorado Revised Statutes (CR5), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for both the statewide defined benefit plan and the statewide death and disability plan. The report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at (303) 770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the City of Salida are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Salida are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8% of covered salary. The City of Salida's contributions to the statewide benefit plan for the years ended December 31, 2011, 2010, and 2009 were \$86,752 \$92,088, and \$81,458 equal to their required contributions for each year.

CITY OF SALIDA, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 8: PENSION PLANS (Continued)

DEFINED CONTRIBUTION PLANS

The City contributes to a simplified employee pension (SEP) on behalf of all full-time employees, except full-time fire and police personnel. The plan is administered by FTJ Fund Choice and provides that the City contributes 3% for each full-time employee and then will match employee Section 457 contributions up to an additional 3% of each employee's compensation with the City's contribution totaling \$77,711 during 2011.

NOTE 9: TAXPAYER'S BILL OF RIGHTS AND ELECTION QUESTION

At the November 3, 1992 general election, Colorado voters approved an amendment to the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (the Amendment). The Amendment was effective December 31, 1992, and its provisions limit government taxes, spending, revenues and debt without electoral approval.

The Amendment by its terms applies to local governments, such as the City, but excludes "enterprises" which are defined as a (1) government owned business, (2) authorized to issue its own debt and (3) receives less than 10% of its annual revenue in grants from all state and local governments. The City considers its Water, Sewer, and SteamPlant Funds to be "enterprise" funds and, therefore, considers them excluded from the terms of the Amendment.

In November 1993, an election question was put before and approved by the Citizen's of Salida. The election question asked the citizens for the City to retain the ability to collect and retain certain revenues generated without any increase in any tax rate and expenditures and revenues on debt service, municipal operations and capital projects without the limitation of the Amendment.

For 2011, the City was required to reserve 3% of its fiscal year spending as "emergency reserves". Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Tabor emergency reserve of \$174,858 has been recorded as reserved net assets in the General Fund.

NOTE 10: SUBSEQUENT EVENTS

The City has performed an evaluation of subsequent events through March 24, 2012, which is the date the financial statements were available to be issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes:					
City Sales Tax	\$ 3,350,000	\$ 3,673,000	\$ 3,675,758	\$ 2,758	\$ 3,415,004
County Sales Tax	1,150,000	1,250,000	1,256,791	6,791	1,360,881
Lodging Occupation Tax	150,000	150,000	120,357	(29,643)	170,304
Franchise Taxes	280,000	280,000	268,895	(11,105)	287,580
Total Taxes	<u>4,930,000</u>	<u>5,353,000</u>	<u>5,321,801</u>	<u>(31,199)</u>	<u>5,233,769</u>
Licenses and Permits:					
Liquor Licenses	12,000	12,000	14,359	2,359	10,901
Permits	5,000	5,000	669	(4,331)	3,736
Business Licenses	2,500	2,500	3,441	941	2,375
Animal Licenses	1,500	1,500	1,433	(67)	1,675
Total Licenses and Permits	<u>21,000</u>	<u>21,000</u>	<u>19,902</u>	<u>(1,098)</u>	<u>18,687</u>
Intergovernmental:					
Cigarette Taxes	26,000	26,000	22,836	(3,164)	23,565
Motor Vehicle Registrations	26,000	26,000	24,539	(1,461)	25,110
Federal Grants	86,400	86,400	-	(86,400)	(5,863)
State Grants	200,600	200,600	184,726	(15,874)	427,787
Highway Users Taxes	218,500	218,500	208,184	(10,316)	210,067
Severance Taxes	6,000	6,000	8,008	2,008	2,674
South Ark. Fire District	70,000	70,000	70,075	75	70,000
County Road & Bridge	7,000	7,000	6,307	(693)	5,799
State Highway 291	2,600	2,600	-	(2,600)	2,600
Total Intergovernmental	<u>643,100</u>	<u>643,100</u>	<u>524,675</u>	<u>(118,425)</u>	<u>761,739</u>
Fines and Forfeits:					
Court Fines	75,000	75,000	46,121	(28,879)	57,348
Parking Fines	12,000	12,000	14,667	2,667	11,711
Total Fines and Forefeits	<u>87,000</u>	<u>87,000</u>	<u>60,788</u>	<u>(26,212)</u>	<u>69,059</u>
Charges for Services:					
Charges for Services	13,000	85,000	92,505	7,505	25,179
Vital Statistics Records	15,000	15,000	13,618	(1,382)	13,632
Hot Springs Pool Fees	305,500	305,500	295,755	(9,745)	274,070
Other Parks and Recreation Fees	54,500	54,500	47,217	(7,283)	38,796
Total Charges for Services	<u>388,000</u>	<u>460,000</u>	<u>449,095</u>	<u>(10,905)</u>	<u>351,677</u>
Interest Revenue:	<u>5,000</u>	<u>5,000</u>	<u>2,682</u>	<u>(2,318)</u>	<u>5,486</u>
Miscellaneous:					
Rents and Leases	10,000	10,000	11,853	1,853	12,441
Planning and Zoning	25,000	25,000	12,548	(12,452)	29,923
Donations	6,500	16,500	18,806	2,306	24,667
Other Revenue	5,000	5,000	14,861	9,861	22,821
Non-Governmental	-	-	7,117	7,117	26,460
Sales of Fixed Assets	-	140,000	139,933	(67)	900
Medical/Dental Reimbursement (COBRA)	-	-	-	-	(567)
Insurance Proceeds	-	-	305	305	1,128
Total Miscellaneous	<u>46,500</u>	<u>196,500</u>	<u>205,423</u>	<u>8,923</u>	<u>117,773</u>
TOTAL REVENUES	<u>6,120,600</u>	<u>6,765,600</u>	<u>6,584,366</u>	<u>(181,234)</u>	<u>6,558,190</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES					
General Government:					
General Government					
Administration					
Personnel Services	327,400	327,400	312,465	14,935	316,149
Supplies	22,000	22,000	22,530	(530)	19,653
Purchased Services	370,300	380,300	352,115	28,185	384,902
Capital Outlay	-	-	33,067	(33,067)	267,357
Total Administration	<u>719,700</u>	<u>729,700</u>	<u>720,177</u>	<u>9,523</u>	<u>988,061</u>
Community Development					
Personnel Services	184,500	184,500	154,233	30,267	182,042
Supplies	1,400	1,400	1,570	(170)	1,567
Purchased Services	123,500	38,500	32,059	6,441	78,131
Capital Outlay	-	-	77,333	(77,333)	141,257
Total Community Development	<u>309,400</u>	<u>224,400</u>	<u>265,195</u>	<u>(40,795)</u>	<u>402,997</u>
Total General Government	<u>1,029,100</u>	<u>954,100</u>	<u>985,372</u>	<u>(31,272)</u>	<u>1,391,058</u>
Public Safety:					
Police					
Personnel Services	1,042,500	1,042,500	1,030,079	12,421	1,066,407
Supplies	53,900	64,900	65,082	(182)	66,097
Purchased Services	142,300	152,300	146,882	5,418	136,604
Capital Outlay	-	-	2,500	(2,500)	10,183
Total Police	<u>1,238,700</u>	<u>1,259,700</u>	<u>1,244,543</u>	<u>15,157</u>	<u>1,279,291</u>
Fire					
Personnel Services	642,700	672,700	731,501	(58,801)	649,961
Supplies	39,800	50,000	39,022	10,978	40,364
Purchased Services	44,100	44,100	35,827	8,273	33,817
Capital Outlay	13,200	52,200	41,050	11,150	39,791
Total Fire	<u>739,800</u>	<u>819,000</u>	<u>847,400</u>	<u>(28,400)</u>	<u>763,933</u>
Total Public Safety	<u>1,978,500</u>	<u>2,078,700</u>	<u>2,091,943</u>	<u>(13,243)</u>	<u>2,043,224</u>
Public Works:					
Personnel Services	308,700	308,700	276,790	31,910	371,446
Supplies	63,900	72,900	58,986	13,914	70,872
Purchased Services	133,100	143,100	118,326	24,774	122,845
Capital Outlay	533,500	539,500	355,435	184,065	417,853
Total Public Works	<u>1,039,200</u>	<u>1,064,200</u>	<u>809,537</u>	<u>254,663</u>	<u>983,016</u>
Culture, Parks and Recreation:					
Recreation					
Personnel Services	27,400	27,400	25,647	1,753	20,357
Supplies	5,450	5,450	3,473	1,977	3,409
Purchased Services	15,650	15,650	12,937	2,713	11,777
Total Recreation	<u>48,500</u>	<u>48,500</u>	<u>42,057</u>	<u>6,443</u>	<u>35,543</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

**BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND**

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES (Continued)					
Hot Springs Pool					
Personnel Services	273,800	273,800	269,673	4,127	272,884
Supplies	51,400	51,400	43,574	7,826	39,411
Purchased Services	111,400	124,400	94,076	30,324	84,733
Fixed Charges	-	-	-	-	-
Capital Outlay	253,400	253,400	256,086	(2,686)	337,567
Total Hot Springs Pool	<u>690,000</u>	<u>703,000</u>	<u>663,409</u>	<u>39,591</u>	<u>734,595</u>
Parks & Trails					
Personnel Services	108,800	108,800	85,166	23,634	116,141
Supplies	27,400	27,400	26,139	1,261	19,316
Purchased Services	66,000	69,000	83,876	(14,876)	70,387
Capital Outlay	224,500	224,500	28,753	195,747	288,734
Total Parks & Trails	<u>426,700</u>	<u>429,700</u>	<u>223,934</u>	<u>205,766</u>	<u>494,578</u>
Other Properties					
Purchased Services	17,100	17,100	12,665	4,435	14,672
Grants and Contributions	35,000	17,000	16,863	137	10,000
Capital Outlay	42,500	42,500	75,134	(32,634)	1,235
Airport Operations	30,000	30,000	30,000	-	30,000
Total Other Properties	<u>124,600</u>	<u>106,600</u>	<u>134,662</u>	<u>(28,062)</u>	<u>55,907</u>
Total Culture, Parks and Recreation	<u>1,289,800</u>	<u>1,287,800</u>	<u>1,064,062</u>	<u>223,738</u>	<u>1,320,623</u>
Debt Service					
Interest	136,800	128,640	130,062	(1,422)	154,516
Principal	552,600	747,600	747,629	(29)	309,367
Total Debt Service	<u>689,400</u>	<u>876,240</u>	<u>877,691</u>	<u>(1,451)</u>	<u>463,883</u>
TOTAL EXPENDITURES	<u>6,026,000</u>	<u>6,261,040</u>	<u>5,828,605</u>	<u>432,435</u>	<u>6,201,804</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	<u>(99,350)</u>	<u>(545,050)</u>	<u>(545,000)</u>	<u>(50)</u>	<u>(87,800)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(99,350)</u>	<u>(545,050)</u>	<u>(545,000)</u>	<u>(50)</u>	<u>(87,800)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,750)	(40,490)	210,761	251,151	268,586
FUND BALANCE - Beginning of Year	<u>2,943,610</u>	<u>2,837,511</u>	<u>2,837,511</u>	<u>-</u>	<u>2,568,925</u>
FUND BALANCE - End of Year	<u>\$ 2,938,860</u>	<u>\$ 2,797,021</u>	<u>\$ 3,048,272</u>	<u>\$ 251,151</u>	<u>\$ 2,837,511</u>

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CONSERVATION TRUST FUND

For the Year Ended December 31, 2011
 With Comparative Totals for the Year Ended December 31, 2010

	2011			2010 ACTUAL
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	
REVENUES				
Intergovernmental Revenues	\$ 50,100	\$ 47,365	\$ (2,735)	\$ 46,143
Interest Revenue	-	180	180	195
Total Revenues	<u>50,100</u>	<u>47,545</u>	<u>(2,555)</u>	<u>46,338</u>
EXPENDITURES				
Other City Assets	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>52,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	38,100	47,545	9,445	(5,807)
FUND BALANCE - Beginning of Year	<u>179,321</u>	<u>156,914</u>	<u>(22,407)</u>	<u>162,721</u>
FUND BALANCE - End of Year	<u>\$ 217,421</u>	<u>\$ 204,459</u>	<u>\$ (12,962)</u>	<u>\$ 156,914</u>

See the accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF SALIDA, COLORADO

WATER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended December 31, 2011
With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental Revenues	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -
Charges for Services	1,127,000	1,498,000	1,356,250	(141,750)	887,834
Resource Fees	72,800	72,800	11,587	(61,213)	54,400
System Development Fees	105,400	105,400	28,568	(76,832)	82,088
Other Revenue	4,000	4,000	4,171	171	24,050
Interest Revenue	3,000	3,000	3,731	731	5,580
Debt Proceeds	345,000	345,000	545,000	200,000	-
TOTAL OPERATING REVENUES	1,657,200	2,038,200	1,959,307	(78,893)	1,053,952
EXPENDITURES					
Water Plant					
Personnel Services	256,000	256,000	256,482	(482)	266,175
Supplies	14,600	14,600	17,221	(2,621)	10,337
Chemicals, Laboratory Supplies	25,000	25,000	18,658	6,342	24,291
Purchased Water	70,000	70,000	81,116	(11,116)	48,576
Purchased Services	70,400	97,800	98,152	(352)	61,572
Utilities	39,300	39,300	32,565	6,735	34,645
Legal	25,000	50,000	62,186	(12,186)	49,870
Fixed Charges	42,000	42,000	39,363	2,637	48,185
Debt Service Principal	280,600	280,600	258,210	22,390	307,819
Interest Expense	151,100	151,100	147,208	3,892	160,944
Water Rights	40,000	40,000	-	40,000	14,141
Total Water Plant	1,014,000	1,066,400	1,011,161	55,239	1,026,555
Public Works - Water					
Personnel Services	114,400	114,400	107,957	6,443	82,638
Supplies	9,600	9,600	16,324	(6,724)	8,708
Purchased Services	5,000	5,000	5,443	(443)	10,714
Construction and Building	9,400	9,400	5,136	4,264	3,724
Total Public Works - Water	138,400	138,400	134,860	3,540	105,784
Capital Outlay	455,000	405,000	225,457	179,543	301,434
TOTAL EXPENDITURES	1,607,400	1,609,800	1,371,478	238,322	1,433,773
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES - BUDGET BASIS	49,800	428,400	587,829	159,429	(379,821)

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

WATER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended December 31, 2011

With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS	<u>\$ 49,800</u>	<u>\$ 428,400</u>	\$ 587,829	<u>\$ 159,429</u>	\$ (379,821)
GAAP BASIS ADJUSTMENTS					
Loan proceeds transferred to trustee			(545,000)		-
Capital Outlay			225,457		304,339
Depreciation			(337,808)		(367,604)
Debt Service Principal			<u>258,210</u>		<u>307,819</u>
TOTAL GAAP BASIS ADJUSTMENTS			<u>(399,141)</u>		<u>244,554</u>
NET INCOME - GAAP BASIS			188,688		(135,267)
NET ASSETS - Beginning of Year			<u>5,002,352</u>		<u>5,137,619</u>
NET ASSETS - End of Year			<u>\$ 5,191,040</u>		<u>\$ 5,002,352</u>

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended December 31, 2011

With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 1,180,200	\$ 1,180,200	\$ 1,192,704	\$ 12,504	\$ 1,149,538
Intergovernmental Revenues	-	-	41,423	41,423	-
System Development Fees	114,600	114,600	26,879	(87,721)	115,907
Other Revenue	13,000	13,000	10,644	(2,356)	13,294
Interest Revenue	5,000	5,000	2,806	(2,194)	15,664
Debt Proceeds	8,000,000	12,103,000	12,103,000	-	-
TOTAL REVENUES	9,312,800	13,415,800	13,377,456	(38,344)	1,294,403
EXPENDITURES					
Sewer Plant					
Personnel Services	324,400	324,400	317,782	6,618	312,103
Chemicals, Laboratory Supplies	30,000	30,000	28,589	1,411	28,920
Supplies	16,000	16,000	11,546	4,454	14,534
Utilities	91,300	91,300	74,293	17,007	78,233
Professional Services	8,000	8,000	6,182	1,818	6,097
Legal	15,000	15,000	12,895	2,105	11,057
Purchased Services	29,600	29,600	27,558	2,042	41,107
Construction and Building	-	-	-	-	269
Fixed Charges	42,000	42,000	38,643	3,357	48,184
Debt Service Principal	-	60,400	188,412	(128,012)	57,990
Debt issuance	-	1,100,633	1,100,633	-	-
Interest Expense	-	7,000	346	6,654	8,897
Total Sewer Plant	556,300	1,724,333	1,806,879	(82,546)	607,391
Public Works - Sewer					
Personnel Services	89,300	89,300	100,560	(11,260)	16,673
Supplies	5,000	5,000	1,145	3,855	1,886
Sewer Cleaning	55,000	55,000	53,606	1,394	46,234
Purchased Services	57,200	57,200	12,113	45,087	215
Construction and Building	4,600	4,600	-	4,600	2,335
Total Public Works - Sewer	278,500	211,100	167,424	43,676	67,343
Capital Outlay	8,391,000	8,391,000	4,663,253	3,727,747	1,193,492
TOTAL EXPENDITURES	9,225,800	10,326,433	6,637,556	3,688,877	1,868,226
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS	87,000	3,089,367	6,739,900	3,650,533	(573,823)

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended December 31, 2011

With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS	<u>\$ 87,000</u>	<u>\$ 3,089,367</u>	\$ 6,739,900	<u>\$ 3,650,533</u>	\$ (573,823)
GAAP BASIS ADJUSTMENTS					
Debt proceeds transferred to construction escrow			(11,002,367)		-
Depreciation			(192,417)		(212,182)
Capital Outlay			4,663,253		1,193,492
Principal Paid			188,412		57,990
Loss on Disposal of Capital Assets			(22,626)		-
TOTAL GAAP BASIS ADJUSTMENTS			<u>(6,365,745)</u>		<u>1,039,300</u>
NET INCOME - GAAP BASIS			374,155		465,477
NET ASSETS - Beginning of Year			<u>9,014,099</u>		<u>8,548,622</u>
NET ASSETS - End of Year			<u>\$ 9,388,254</u>		<u>\$ 9,014,099</u>

See the accompanying Independent Auditors' Report.

CITY OF SALIDA, COLORADO

STEAMPLANT THEATER & EVENTS CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended December 31, 2011

With Comparative Totals for the Year Ended December 31, 2010

	2011			VARIANCE POSITIVE (NEGATIVE)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 83,000	\$ 83,000	\$ 58,987	\$ (24,013)	\$ 87,006
Rents and Leases	101,700	101,700	93,250	(8,450)	96,430
Donations/Contributions	9,000	9,000	11,048	2,048	27,444
Other Revenue	-	-	477	477	-
Transfers In	99,350	545,050	545,000	(50)	87,800
TOTAL REVENUES	293,050	738,750	708,762	(29,988)	298,680
EXPENDITURES					
Cost of Sales	25,000	25,000	18,074	6,926	30,758
Personnel Services	156,800	156,800	154,290	2,510	169,542
Supplies	10,000	15,700	11,002	4,698	13,553
Purchased Services	52,950	52,950	53,285	(335)	51,719
Capital Outlay	-	-	-	-	-
Interest Expense	19,800	19,800	18,707	1,093	20,875
Debt Service Principal	28,500	468,500	461,632	6,868	27,301
TOTAL EXPENDITURES	293,050	738,750	716,990	21,760	313,748
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS	\$ -	\$ -	(8,228)	\$ (8,228)	(15,068)
GAAP BASIS ADJUSTMENTS					
Depreciation			(65,100)		(65,100)
Capital Outlay			-		-
Principal Paid			461,632		27,301
TOTAL GAAP BASIS ADJUSTMENTS			396,532		(37,799)
NET INCOME - GAAP BASIS			388,304		(52,867)
NET ASSETS - Beginning of Year			1,028,624		1,081,491
NET ASSETS - End of Year			<u>\$ 1,416,928</u>		<u>\$ 1,028,624</u>

See the accompanying Independent Auditors' Report.

STATE REQUIRED REPORT SECTION

City Council
City of Salida
Salida, Colorado

**INDEPENDENT AUDITORS' REPORT ON THE
LOCAL HIGHWAY FINANCE REPORT**

We have audited the basic financial statements of the City of Salida, Colorado, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 24, 2012. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Salida, Colorado, taken as a whole. The accompanying local highway finance report is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that report has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Johnson and Associates

March 24, 2012
Centennial, CO

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Salida
	YEAR ENDING : December 2011

This Information From The Records Of (example - City of _ or County of City of Salida) Prepared By: Brenda Wallis
Phone: (719) 539-6257

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)	67,272
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	19,051
2. General fund appropriations		b. Snow and ice removal	43,953
3. Other local imposts (from page 2)	4,941,394	c. Other	7,874
4. Miscellaneous local receipts (from page 2)	14,667	d. Total (a. through c.)	70,878
5. Transfers from toll facilities		4. General administration & miscellaneous	38,103
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	684,833
a. Bonds - Original Issues		6. Total (1 through 5)	868,960
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	21,315
7. Total (1 through 6)	4,956,061	b. Redemption	435,000
B. Private Contributions		c. Total (a. + b.)	456,315
C. Receipts from State government (from page 2)	235,322	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,191,383	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	456,315
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,325,275

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	435,000		435,000	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
		5,191,383	1,325,275		3,866,108

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	
b. Other local imposts:		b. Traffic Fines & Penalties	14,667
1. Sales Taxes	4,935,087	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Road & Bridge	6,307	f. Charges for Services	
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	
6. Total (1. through 5.)	4,941,394	h. Other	
c. Total (a. + b.)	4,941,394	i. Total (a. through h.)	14,667
	(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	208,183	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	24,539	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	2,600	f. Other Federal	
f. Total (a. through e.)	27,139	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	235,322	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,915	3,915
(4). System Enhancement & Operation		2,418	60,939
(5). Total Construction (1) + (2) + (3) + (4)		6,333	67,272
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		6,333	67,272
			(Carry forward to page 1)
Notes and Comments:			