

Town of Center, Colorado

Financial Statements

December 31, 2010

*r*farmer, llc
a certified public accounting and consulting firm

Town of Center, Colorado
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Independent Auditor's Report

The Governing Body
Town of Center

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Center, as of December 31, 2010 and for the year then ended, which collectively comprise Town of Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Center, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

The management's discussion and analysis and the budgetary comparison information on pages iii through viii and 20 through 21, respectively, are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Center's basic financial statements. The balance sheet and statement of revenues, expenditures and changes in fund balances- other governmental funds and the budgetary comparison information-non major and proprietary funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. The balance sheet and statement of revenues, expenditures and changes in fund balances-other governmental funds and the budgetary comparison information-non major and proprietary funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***r*farmer, llc**

May 11, 2011

Management Discussion and Analysis

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Town of Center for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town of Center total assets exceeded liabilities by \$3,219,165 at December 31, 2010.
- The Governmental Fund balances were \$503,325 as of December 31, 2010 and include the General, Street Improvement and Conservation Trust funds. Of this amount, \$29,215 is reserved for emergencies per TABOR.
- The December 31, 2010 Governmental Fund balances are \$52,818 more than the previous year total of \$450,507.
- The Proprietary Fund balances were \$1,442,166, \$650,204 and \$555,398, as of December 31, 2010 and include the Light & Power, Natural Gas and Water funds, respectively. The total Proprietary Fund balance is \$2,647,768.
- The December 31, 2010 Proprietary Fund balances are \$232,875 more than the previous year total of \$2,414,893.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Center, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. (additional information will be obtained from the footnotes)

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However,

unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide adjustments to facilitate this comparison between *governmental funds* and *governmental activities*, which are also explained in the notes.

The basic governmental fund financial statements can be found on pages 4-7 of this report and include the General, Street Improvement and Conservation Trust Funds.

Proprietary Funds. Proprietary Funds are used to distinguish operating revenues and expenses from governmental fund items and are also called Enterprise Funds. The Town of Center maintains three (3) Enterprise Funds for the Light & Power, Natural Gas and Water activities which function independently from the Governmental Funds. These funds also operate differently than the General Fund in respect to TABOR requirements.

The basic proprietary fund financial statements can be found on pages 8-11 of this report and include the Light & Power, Natural Gas and Water Funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the Town's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

There are no fiduciary fund financial statements in this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 19 of this report.

Budgetary Comparisons. The Town of Center adopts an annual appropriated budget for all funds in accordance with Colorado Revised Statutes. Budgetary comparison statements had been provided for the financial statements on pages 20-25 of this report.

Government-wide Financial Analysis

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town has increase net assets consistently while at the same time reduced liabilities since 2005. As of December 31, 2009, net assets exceeded liabilities by \$2,941,556.

The following table provides a comparison of the Town's assets and liabilities over a three year period and includes Governmental and Business (Proprietary) Activities:

	12/31/08	12/31/09	12/31/10
Assets:			
Current and other assets	\$2,287,732	\$2,423,293	\$2,711,129
Capital assets	<u>\$1,419,946</u>	<u>\$1,439,823</u>	<u>\$1,469,728</u>
Total Assets	\$3,707,678	\$3,863,116	\$3,873,243
Liabilities:			
Current liabilities	<u>\$1,066,493</u>	<u>\$921,560</u>	<u>\$931,686</u>
Total Liabilities	<u>\$1,066,493</u>	<u>\$921,560</u>	<u>\$931,686</u>
Net Assets:			
Invested in capital assets	\$957,580	\$1,167,453	\$1,158,209
Restricted	\$29,215	\$29,215	\$29,215
Unrestricted	<u>\$1,654,391</u>	<u>\$1,744,888</u>	<u>\$2,031,741</u>
Total Net Assets	<u>\$2,641,186</u>	<u>\$2,941,556</u>	<u>\$3,219,165</u>

A significant portion of the Town of Center's net assets represents unrestricted net assets of \$2,031,741 which may be used to meet the Town's ongoing obligations, including operations and maintenance, and capital improvements. Increased net assets for the year are a result of overall increased assets and reduced liabilities.

Another significant portion of the Town's net assets reflects its investment in capital assets. These assets include land, building, equipment, and vehicles. These capital assets are used to provide services to Town customers and consequently, they are not available for future spending.

An additional \$29,215 of the Towns' net assets represents resources that are subject to TABOR emergency reserves.

Capital Asset and Debt Administration

Capital Assets. The Town of Center investment in capital assets for its governmental type activities as of December 31, 2010, totals \$77,701 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The Town of Center investment in capital assets for its business-type activities as of December 31, 2010, totals \$1,291,304. Total capital assets are \$1,369,005.

The Town implemented the straight-line depreciation method under GASB 34 for its capital assets, except or land which is not depreciated. Additional information on the Town's capital assets can be found in Note 4, Page 17 of this report.

Net Fund Balances. Balanced budgets are required by Statute and the Town seeks to operate efficiently and without the utilization of reserve funds. The Town has grown reserves steadily since 2005 and maintains reserve balances in all funds. However certain years require expenditures in excess of revenues and reserves are utilized to offset these impacts.

The following table provides a comparison of the Town's fund balances over a three year period and includes Governmental and Business (Proprietary) Activities:

	12/31/08	12/31/09	12/31/10
Revenues:			
Program revenues:			
Service Charges (L&P, Gas, Water)	\$2,434,644	\$2,441,377	\$2,818,830
Operating, grants and contributions	\$403,103	\$328,335	\$0
Miscellaneous	\$201,604	\$198,248	\$690,240
General revenues:			
Property, Sales and S.O. Taxes	\$444,548	\$555,913	\$969,209
Investment earnings	<u>\$56,734</u>	<u>\$14,199</u>	<u>\$10,138</u>
Total Revenues	\$3,540,633	\$3,538,072	\$4,488,417
Expenses:			
General Government	\$242,044	\$276,186	\$389,982
Public Safety	\$35,441	\$225,053	\$317,187
Public Works	\$530,456	\$299,210	\$135,780
Repairs/Utilities/Power/Other	\$136,592	\$92,439	\$1,339,474
Services (L&P, Gas, Water)	\$2,131,545	\$2,367,174	\$1,933,829
Depreciation	<u>\$75,782</u>	<u>\$76,551</u>	<u>\$69,550</u>
Total Expenses	\$3,151,860	\$3,336,613	\$4,185,802
Other Revenues/Expenses:			
Transfers In/Out (Gen. Government)	\$207,661	(\$180,018)	\$0
Transfers In/Out (Enterprise)	(\$207,661)	\$180,018	\$0
Interest	(\$12,210)	\$0	(\$16,565)
Other and Miscellaneous	<u>(\$257,483)</u>	<u>\$0</u>	<u>(\$357)</u>
Total Other Revenues/Expenses	(\$269,693)	\$0	(\$16,922)
Total Change in Fund Balances	<u>\$119,080</u>	<u>\$201,459</u>	<u>\$285,693</u>
Prior Year Fund Balances	<u>\$2,544,856</u>	<u>\$2,663,936</u>	<u>\$2,865,400</u>
Total Current Fund Balances	<u>\$2,663,936</u>	<u>\$2,865,395</u>	<u>\$3,151,093</u>

Governmental Activities. Governmental activities increased the Town's net fund balances by \$52,818 during the current year. The General Fund and Conservation Trust Funds increased \$9793 and \$60,814 respectively, while the Street Improvement Fund decreased \$17,789. Previous audits identified balances due to and due from for all three of these funds, however these funds were funded in full or written off and consequently no longer reflected in this audit.

Business (Proprietary) Activities. Business activities increased in the Light and Power and Gas funds \$263,322 and \$119,931 respectively, while the Water Fund decreased \$150,378. Previous audits identified balances due to and due from for all three of these funds, however these funds were funded in full or written off and consequently no longer reflected in this audit.

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado Revised Statutes and adopted annually by ordinance on or before December 15th. Balanced budgets are required and approved budgets must be submitted to the State Department of Local Governments.

The following table provides a comparison of the Town's budget comparisons for the last two years and includes Governmental and Business (Proprietary) Activities:

	12/31/09		12/31/10	
	Budget	Actual	Budget	Actual
Revenues:				
Program revenues:				
Service Charges (L&P, Gas, Water)	\$2,851,222	\$2,441,377	\$3,419,112	\$2,818,830
Operating, grants and contributions	\$324,365	\$328,335	\$0	\$0
Miscellaneous	\$166,875	\$198,248	\$310,950	\$690,240
General revenues:				
Property, Sales and S.O. Taxes	\$427,869	\$555,913	\$645,736	\$969,209
Investment earnings	<u>\$7,225</u>	<u>\$14,199</u>	<u>\$6,550</u>	<u>\$10,138</u>
Total Revenues	\$3,777,556	\$3,538,072	\$4,382,348	\$4,488,417
Expenses:				
General Government	\$222,585	\$276,186	\$257,545	\$389,982
Public Safety	\$328,719	\$225,053	\$345,867	\$317,187
Public Works	\$208,385	\$299,210	\$117,414	\$135,780
Purchased Utilities	\$1,980,126	\$1,442,684	\$2,513,658	\$1,895,047
General Utility Administration	\$308,840	\$310,192	\$252,869	\$694,203
Repairs, Capital Outlay, Operating	\$322,700	\$258,604	\$1,727,123	\$662,193
Services (L&P, Gas, Water)	\$440,120	\$448,133	\$52,782	\$38,782
Depreciation	<u>\$0</u>	<u>\$76,551</u>	<u>\$29,449</u>	<u>\$69,550</u>
Total Expenses	\$3,811,475	\$3,336,613	\$5,296,707	\$4,202,724
Other Revenues/Expenses:				
Transfers In/Out (Gen. Government)	\$27,875	(\$180,018)	(\$12,125)	\$0
Transfers In/Out (Enterprise)	\$0	\$180,018	\$954,716	\$0
Revenues in Excess of Expenditures	<u>(\$6,044)</u>	<u>\$201,459</u>	<u>\$28,232</u>	<u>\$285,693</u>

Other Matters/Factors

The following factors are expected to have significant effect on the Town's financial position and overall operations. These factors need to be considered when developing future budgets:

- Overall general government expenditures are down due to reduced staffing and no major capital improvement projects. Priorities need to be established for future staffing levels and major capital improvement projects.
- The price of power purchased for electricity has remained flat while the price for natural gas has decreased, and both rates have not been adjusted to reflect these rates. Similarly, demand metering is not utilized effectively and revenues are lost due to charges by providers for demand services.
- Major revenues are not realized due to the lack of water metering. This needs to be a high priority for the Town to help fund deferred maintenance and other related utility improvements. Backflow prevention is also not incorporated and the Town is in non-compliance with the State on this issue.
- Rate structures need to be analyzed on all utilities and results implemented into a comprehensive rate program.
- A comprehensive capital improvement plan is needed for the Town and associated utilities. The plan should depict funding strategies and a schedule for capital improvements.
- Employee salaries and benefits need to be analyzed and results implemented into a classification plan complete with allocated funding.

Requests For Information

This financial report is designed to provide a general overview of the Town's finances for all individual or business interests. Questions concerning any of the information provided or for additional financial information should be addressed to the Town Clerk at:

Town of Center, PO Box 400, Center, CO 81125.

**Town of Center
Statement of Net Assets
December 31, 2010**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 471,423	\$ 1,547,594	\$ 2,019,017
Receivables	245,934	391,375	637,309
Inventories	-	60,803	60,803
Capital Assets:			
Land	3,750	158,048	161,798
Buildings	-	105,690	105,690
Property, Plant and Equipment	92,439	3,120,275	3,212,714
Other Capital Assets	-	74,500	74,500
Less: Accumulated Depreciation	<u>(18,488)</u>	<u>(2,167,209)</u>	<u>(2,185,697)</u>
Total Capital Assets	<u>77,701</u>	<u>1,291,304</u>	<u>1,369,005</u>
Total Assets	<u>795,058</u>	<u>3,291,076</u>	<u>4,086,134</u>
LIABILITIES			
Accounts payable and accrued expenses	38,441	178,293	216,734
Due to other governmental agencies	(195)	41,000	40,805
Deferred Revenues	172,450	-	172,450
Customer Deposits	3,335	174,477	177,812
Long-term liabilities			
Due within one year			
Anticipation Warrants and Notes Payable	-	34,934	34,934
Compensated Absences	9,631	4,536	14,167
Due in more than one year			
Anticipation Warrants and Notes Payable	-	210,066	210,066
Total liabilities	<u>223,662</u>	<u>643,306</u>	<u>866,968</u>
NET ASSETS			
Invested in capital assets, net of related debt	77,701	1,080,508	1,158,209
Restricted for:			
TABOR	29,215	-	29,215
Unrestricted	464,480	1,567,261	2,031,741
Total net assets	<u>\$ 571,396</u>	<u>\$ 2,647,769</u>	<u>\$ 3,219,165</u>

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

Town of Center
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs Primary Government	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
	\$	\$	\$	\$	\$	\$
General Government	544,462	269,314	-	(275,148)	-	(275,148)
Public Safety	428,092	32,921	-	(395,171)	-	(395,171)
Public Works	33,888	146,952	-	113,064	-	113,064
Culture and Recreation	-	-	-	-	-	-
Total governmental activities	1,006,442	449,187	-	(557,255)	-	(557,255)
Business-type activities:						
Light & Power	1,645,134	1,882,795	-	-	237,661	237,661
Water	333,968	282,787	-	-	(51,181)	(51,181)
Gas	786,740	904,962	-	-	118,222	118,222
Total business-type activities	2,765,842	3,070,544	-	-	304,702	304,702
Total primary government	3,772,284	3,519,731	-	(557,255)	304,702	(252,553)
	\$	\$	\$	\$	\$	\$
General revenues:						
Taxes:						
Property taxes, levied for general purposes				203,498	-	203,498
Payment in Lieu of taxes and franchise fees				-	-	-
Sales Tax				224,240	-	224,240
Highway Users, Severance, and Misc Taxes				66,649	-	66,649
Unrestricted investment earnings				4,003	6,135	10,138
Transfers				77,961	(77,961)	-
Total general revenues, special items, and transfers				601,988	(71,826)	530,162
Change in net assets				44,733	232,876	277,609
Net assets - beginning				526,663	2,414,893	2,941,556
Net assets - ending				\$ 571,396	\$ 2,647,769	\$ 3,219,165

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

**Town of Center
Balance Sheet
Governmental Funds
December 31, 2010**

	<u>General Fund</u>	<u>Street Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 317,476	\$ 62,031	\$ 91,914	\$ 471,421
Taxes receivable, net	171,951	21,371	-	193,322
Other receivables	52,808	-	-	52,808
Total assets	<u>542,235</u>	<u>83,402</u>	<u>91,914</u>	<u>717,551</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	38,197	244	-	38,441
Deferred revenue	172,450	-	-	172,450
Total liabilities	<u>213,982</u>	<u>244</u>	<u>-</u>	<u>214,226</u>
 Fund balances:				
Reserved for:				
TABOR	29,215	-	-	29,215
Unreserved	299,038	83,158	-	382,196
Unreserved, reported in non-major:				
Special revenue funds	-	-	91,914	91,914
Total fund balances	<u>328,253</u>	<u>83,158</u>	<u>91,914</u>	<u>503,325</u>
Total liabilities and fund balances	<u>\$ 542,235</u>	<u>\$ 83,402</u>	<u>\$ 91,914</u>	<u>\$ 717,551</u>

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

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

Total fund balance, governmental funds	\$	503,325
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	77,701
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	(9,630)
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Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$</u>	<u>571,396</u>
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The accompanying notes to financial statements
are an integral part of these statements.

Town of Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>General Fund</u>	<u>Street Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 387,584	\$ -	\$ -	\$ 387,584
SO Tax	2,384	-	-	2,384
Sales Taxes	119,183	109,246	-	228,429
Licenses and permits	10,232	-	-	10,232
Intergovernmental	65,029	-	20,683	85,712
Charges for services	254,868	-	-	254,868
Investment earnings	3,783	35	185	4,003
Total revenues	<u>843,063</u>	<u>109,281</u>	<u>20,868</u>	<u>973,212</u>
EXPENDITURES				
Current:				
General government	296,800	93,182	-	389,982
Public safety	317,187	-	-	317,187
Public works	101,892	33,888	-	135,780
Payments to Contractor	155,406	-	-	155,406
Total Expenditures	<u>871,285</u>	<u>127,070</u>	<u>-</u>	<u>998,355</u>
Excess (deficiency) of revenues over expenditures	<u>(28,222)</u>	<u>(17,789)</u>	<u>20,868</u>	<u>(25,143)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	77,961	532	39,946	118,439
Transfers out	(39,946)	(532)	-	(40,478)
Total other financing sources and uses	<u>38,015</u>	<u>-</u>	<u>39,946</u>	<u>77,961</u>
SPECIAL ITEM				
Net change in fund balances	9,793	(17,789)	60,814	52,818
Fund balances - beginning	318,460	100,947	31,100	450,507
Fund balances - ending	<u>\$ 328,253</u>	<u>\$ 83,158</u>	<u>\$ 91,914</u>	<u>\$ 503,325</u>

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

Town of Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds: \$ 52,818

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$0 was less than depreciation of \$9,244 in the current period. (9,244)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in Compensated Absences not reflected on Governmental funds	1,159
Change in net assets of governmental activities	\$ 44,733

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

**Town of Center
Statement of Net Assets
Proprietary Funds
December 31, 2010**

	<u>Enterprise Funds</u>			
	<u>Light and Power Fund</u>	<u>Water Fund</u>	<u>Natural Gas Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 944,027	\$ 53,460	\$ 550,106	\$ 1,547,593
Accounts Receivable, net	221,891	23,609	145,625	391,125
Other receivables	250	-	-	250
Inventories	-	18,407	42,396	60,803
Total current assets	<u>1,166,168</u>	<u>95,476</u>	<u>738,127</u>	<u>1,999,771</u>
Non-current assets:				
Capital Assets:				
Land and improvements	85,348	66,950	5,750	158,048
Enterprise System Assets	1,576,380	748,085	253,024	2,577,489
Intangibles and water rights	-	74,500	105,690	180,190
Equipment and Furniture	357,619	62,534	122,633	542,786
Less Accumulated depreciation	(1,294,597)	(474,913)	(397,699)	(2,167,209)
Total non-current assets	<u>724,750</u>	<u>477,156</u>	<u>89,398</u>	<u>1,291,304</u>
Total assets	<u>1,890,918</u>	<u>572,632</u>	<u>827,525</u>	<u>3,291,075</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	120,727	5,491	46,592	172,810
Due to other governments	13,000	-	28,000	41,000
Compensated absences	5,483	1,918	2,619	10,020
Customer deposits	64,542	9,825	100,110	174,477
Bonds, notes and loans payable	34,934	-	-	34,934
Total current liabilities	<u>238,686</u>	<u>17,234</u>	<u>177,321</u>	<u>433,241</u>
Non-current liabilities:				
Bonds, notes and loans payable	210,066	-	-	210,066
Total non-current liabilities	<u>210,066</u>	<u>-</u>	<u>-</u>	<u>210,066</u>
Total liabilities	<u>448,752</u>	<u>17,234</u>	<u>177,321</u>	<u>643,307</u>
NET ASSETS				
Invested in capital assets, net of related debt	501,608	484,679	94,221	1,080,508
Unrestricted	940,558	70,719	555,983	1,567,260
Total net assets	<u>\$ 1,442,166</u>	<u>\$ 555,398</u>	<u>\$ 650,204</u>	<u>\$ 2,647,768</u>

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

Town of Center
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2010

	Enterprise Funds			Total
	<u>Light and Power Fund</u>	<u>Water Fund</u>	<u>Natural Gas Fund</u>	
REVENUES				
Charges for services	\$ 1,830,295	\$ 207,414	\$ 781,121	\$ 2,818,830
Miscellaneous-Dispatch Fees	56,250	-	-	56,250
Total operating revenues	<u>1,886,545</u>	<u>207,414</u>	<u>781,121</u>	<u>2,875,080</u>
OPERATING EXPENSES				
Cost of Goods Sold	1,402,398	38,782	492,649	1,933,829
Distribution Costs	31,138	-	20,674	51,812
General and Administrative Expenses	446,960	60,322	186,921	694,203
System Costs	48,556	22,265	-	70,821
Repairs and maintenance	-	167,939	-	167,939
Generation Costs	85,481	34,721	79,091	199,293
Depreciation	52,207	9,939	7,404	69,550
Total Operating Expenses	<u>2,066,740</u>	<u>333,968</u>	<u>786,739</u>	<u>3,187,447</u>
Operating income (loss)	<u>(180,195)</u>	<u>(126,554)</u>	<u>(5,618)</u>	<u>(312,367)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	4,327	100	1,708	6,135
Other revenues	434,777	75,372	123,841	633,990
Interest expense	(16,565)	-	-	(16,565)
Miscellaneous (expenses) revenues	(357)	-	-	(357)
Total non-operating revenue (expenses)	<u>422,182</u>	<u>75,472</u>	<u>125,549</u>	<u>623,203</u>
Income (loss) before contributions and transfers	<u>241,987</u>	<u>(51,082)</u>	<u>119,931</u>	<u>310,836</u>
Transfers in	99,296	(99,296)	-	-
Transfers out	(77,961)	-	-	(77,961)
Change in net assets	<u>263,322</u>	<u>(150,378)</u>	<u>119,931</u>	<u>232,875</u>
Total net assets - beginning	1,178,844	705,776	530,273	2,414,893
Total net assets - ending	<u>\$ 1,442,166</u>	<u>\$ 555,398</u>	<u>\$ 650,204</u>	<u>\$ 2,647,768</u>

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

**Town of Center
Statement of Cash Flows
Business-Type Activities
For the year ended December 31, 2010**

	Business-type Activities- Enterprise Funds			Totals
	Light and Power Fund	Water Fund	Natural Gas Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Charges for Services	\$ 1,857,672	\$ 205,192	\$ 818,029	\$ 2,880,893
Cash Payments to Suppliers for Goods & Services & Salaries & Benefits	(2,031,178)	(177,509)	(810,827)	(3,019,514)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(173,506)</u>	<u>27,683</u>	<u>7,202</u>	<u>(138,621)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Customer Deposits Increase (Decrease)	2,913	2,412	7,240	12,565
Other non operating income	356,814	75,371	123,676	555,861
Other non operating expenses	(357)	-	-	(357)
Transfer In	99,296	(99,296)	-	-
Transfer Out	(77,961)	-	-	(77,961)
Miscellaneous Cash Receipts(Disbursements)	-	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>380,705</u>	<u>(21,513)</u>	<u>130,916</u>	<u>490,108</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Debt Retired	(27,370)	-	-	(27,370)
Interest Paid on Long-Term Debt	(16,565)	-	-	(16,565)
Purchase of Equipment	(3,227)	(2,415)	(2,416)	(8,058)
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(47,162)</u>	<u>(2,415)</u>	<u>(2,416)</u>	<u>(51,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Received on Investments	4,327	100	1,708	6,135
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,327</u>	<u>100</u>	<u>1,708</u>	<u>6,135</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	164,364	3,855	137,410	305,629
Cash & Cash Equivalents:				
Beginning of Year	779,663	49,605	412,696	1,241,964
End of Year	<u>\$ 944,027</u>	<u>\$ 53,460</u>	<u>\$ 550,106</u>	<u>\$ 1,547,593</u>

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

**Town of Center
Statement of Cash Flows
Business-Type Activities
For the year ended December 31, 2010
(Continued)**

	Business-type Activities- Enterprise Funds			Totals
	Light and Power Fund	Water Fund	Natural Gas Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (180,195)	\$ (126,554)	\$ (5,618)	\$ (312,367)
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:				
Transfers Out	77,961	-	-	77,961
Depreciation	52,207	9,939	7,404	69,550
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(28,873)	(2,222)	36,908	5,813
(Increase) Decrease Due from Other Funds	77,961	147,296	77,676	302,933
Increase (Decrease) Due to Other Funds	(166,723)	-	(74,098)	(240,821)
Increase (Decrease) in Compensated Absences	(404)	(1,050)	(870)	(2,324)
Increase (Decrease) in Accounts Payable	(5,440)	274	(34,200)	(39,366)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (173,506)	\$ 27,683	\$ 7,202	\$ (138,621)

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

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

Note 1 - **Description of Entity:**

The Town of Center, Colorado was incorporated in 1906. A Board of Trustees, consisting of six elected Board members and an elected mayor, governs the Town. As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments. The Town provides numerous services to all Town residents including, but not limited to, general government, road maintenance, police protection, trash collection, utility services, and parks and recreation.

Note 2 - **Summary of significant accounting policies:**

The accounting policies of the Town of Center, Colorado (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

The Town has no component unites as defined by the Governmental Accounting Standards Board (GASB) statements.

A. Government-wide and fund financial statements:

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report on all activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent of fees and charges for support.

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

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

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied.

The Town generally applies, to its business-type activities, all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales, and use taxes are considered susceptible to accrual. All other revenue items are considered measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund This is the Town's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Street Improvement Fund This fund accounts for street improvement costs and is funded by a sales tax of one cent.

The Town reports the following non-major governmental funds:

Conservation Trust Fund This fund accounts for conservation trust monies received from the State and the expenditures of those monies for culture and recreation purposes.

The Town reports the following major proprietary funds:

Light and Power, Natural Gas, and Water Funds account for these services.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the funds principal ongoing operations. The Town also recognizes as operating revenue tap fees intended to recover the cost connecting new customers to the respective systems. Operating expenses for the funds include administrative expenses, depreciation on capital assets, and delivery expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and investments:

The Town's cash and cash equivalents are considered to be cash on hand and demand deposits. For purposes of the statement of cash flows, checks written in excess of cash on deposit are included in the cash flow statement and not reported as a liability in the cash flow statement.

D. Fair value of financial instruments assets, liabilities, and equity:

The Town's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The Town estimates that the fair value of all financial instruments at December 31, 2010 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

E. Property taxes:

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in two equal installments due February 28 and June 15 if paid in installments, or April 30 if made in a single payment.

Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the Town on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

F. Receivables and payables:

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due from or due to other funds." The allowance for doubtful accounts is shown separately.

G. Inventories:

Inventories are carried at estimated historical value. Inventory balances do not fluctuate significantly from year to year and accordingly are treated as imprest balances.

H. Capital assets:

Capital assets of the proprietary funds, which include land, wells, water rights, buildings, generation and distribution equipment and trucks and equipment are reported in the business-type activities columns of the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimate fair market value at the date of donation.

I. Compensated absences:

All full-time employees are entitled to receive 8 hours of sick time and 6 2/3 to 10 hours of vacation time for each full month worked. Employees are not paid for the accumulated sick leave upon retirement or other termination; therefore, no accrual is made for sick leave. The Town records a liability for vacation time earned. All vacation time earned must be taken the following year or within twelve months of the hire date.

J. Long-term obligations:

In the government-wide financial statements, long-term debt is reported as a liability in the business-type activities in the fund statements and the statement of net assets.

K. Net assets/ fund equity:

In the fund financial statements, governmental funds report designations/ restrictions of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose.

L. Risk management:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years.

M. Estimates:

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

N. Contracts:

The Town contracts with a private carrier for trash removal. The Town bills the individual customers and remits the collections less a 5 percent billing fee to the carrier.

Note 3 - **Stewardship, compliance and accountability:**

Budgetary information

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds. The enterprise funds adopt budgets on the non-U.S. GAAP basis wherein principal payments on debt and capital expenditures are recognized as expenses. Depreciation expense is not budgeted.

Prior to September 30, the Town Clerk (not an elected official) submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Trustees (elected officials). The operating budget for all budgeted funds includes proposed expenditures and the means of financing.

Public hearings are held at the regular Board of Trustees meetings to obtain taxpayer input. Prior to December 1, the budget is legally enacted through passage of a budget resolution. The Board of Trustees may transfer budget items within a department, division or fund without the passage of a budget resolution.

Appropriations are controlled and the budget is amended in conformity with Colorado Revised Statutes, which require a balanced budget. Expenditures in excess of appropriations may violate Colorado Revised Statutes and must be reported to the State Auditor.

Expenditures exceeded budgeted amounts in the General, Street Improvement, and Light and Power Funds and may be a violation of Colorado Revised Statutes.

Note 4 - **Cash and investments- custodial credit risk**

Cash

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 equal to 102% of the aggregate uninsured value.

As of December 31, 2010, all of the Town's deposits were either insured by the Federal Deposit Insurance Corporation held in eligible public depositories as required by PDPA or deposited with COLOTRUST.

Investments

COLOTRUST PRIME and PLUS+ pools are a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME and PLUS+ Portfolios are rated AAAM by S&P. COLOTRUST PLUS+ is rated Aaa by Moody's and AAA/V1+ by Fitch.
- Custodial credit risk: COLOTRUST PRIME and PLUS+ participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The Town had \$497,843 in COLOTRUST with the balance of cash in local banks. The Town does not have a formal investment policy, but invests excess funds in local banks to obtain FDIC coverages with the banks stating they are also in compliance with the Public Depository Protection Act and investing in COLOTRUST or like kind entities.

Accounts receivable

It is the policy of the Town to record the property tax receivable in the year in which the taxes are levied and to recognize the property tax revenues in the year in which the lien attaches to the property. Property taxes are reported in the General fund as receivable and deferred revenue of \$171,951.

Interfund receivables and payables

With the adoption of GASB 34, the Town has eliminated all internal balances on the face of State of Net Assets. In addition, all amounts due to the Center Fire District are reported by the applicable funds.

Capital assets- the following is a summary of the Proprietary/ Enterprise funds capital assets at December 31, 2010:

	January 1	Additions	Deletions	December 31
Land	\$ 158,048	\$ -	\$ -	\$ 158,048
Buildings	105,690	-	-	105,690
Property, Plant & Equipment	3,112,462	7,813	-	3,120,275
Other Capital Assets	74,500	-	-	74,500
	3,450,700	7,813	-	3,458,513
Less: Accumulated Depreciation	(2,097,823)	(69,386)	-	(2,167,209)
Total Capital Assets	\$ 1,352,877	\$ (61,573)	\$ -	\$ 1,291,304

In the Proprietary / Enterprise funds, estimated useful lives are used to compute depreciation using the straight-line method:

Buildings	7-60 years
Generating	15-60 years
Distribution	5-60 years
Trucks and equipment	5-40 years

Long-term debt

Light and Power Fund Revenue Anticipation Warrant, Series 1996

The Town issued a revenue anticipation warrant for the purpose of building an electrical substation. The warrant was issued pursuant to the provisions of Colorado Revised Statutes 30-20-301 et seq. and does not constitute an indebtedness of the Town within the meaning of any constitutional provisions or limitations and is payable solely from operations of the Town's light and power fund. The warrant is dated July 1, 1996 with an interest rate of 6.5% payable semiannually, January 1 and July 1, of each year through July 1, 2016. Mandatory sinking fund redemption principal payments due annually on July 1 and interest amounts due semiannually are as follows:

	Principal	Interest	Total
2011	\$ 34,934	\$ 16,040	\$ 50,974
2012	37,205	13,769	50,974
2013	39,834	11,140	50,974
2014	42,199	8,775	50,974
2015	44,942	6,032	50,974
2016	45,886	3,113	48,999
	\$ 245,000	\$ 58,869	\$ 303,869

Interest paid by the Light & Power Fund was \$16,565.

Collateral consists of all property now or hereafter belonging to the Town, until paid in full.

Changes in long-term debt of the Light and Fund was:

	January 1	Additions	Deletions	December 31
L&P Warrants	\$ 272,370	\$ -	\$ 27,370	\$ 245,000
Total	\$ 272,370	\$ -	\$ 27,370	\$ 245,000

Note 5 - **Other information:**

TABOR Amendment

In November of 1992, Colorado voters approved Amendment 1 to the State Constitution. The amendment is commonly known as the Taxpayer’s Bill of Rights or the TABOR Amendment. The amendment applies to all units of local government and limits taxes, spending, revenue, and multi-year debt (excepting bond refunding to lower interest rates and adding employees to pension plans). The amendment does not apply to units that are defined as “Enterprises.” The Town of Center, Colorado does not qualify as an “Enterprise,” except for the operation of its proprietary funds.

The amendment defined the Town’s year-end, December 31, 1992, as the initial base year for purposes of defining compliance with the amendment. The amendment defines inflation and local growth. Future years’ revenue, based upon prior years’ revenue, is not allowed to increase more than inflationary and local growth factors. The Town must refund revenue received in excess of the limit to the voters, unless the voters approve retention of the excess revenue. On November 7, 1995, the voters approved the exemption of sales tax revenue from the TABOR amendment.

The amendment also requires the Town to establish an “Emergency Reserve” which must be equal to 3% of current year’s revenue. Conditions under which these reserves may be spent are severely limited.

The Town of Center, Colorado believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions may not become fully understood without judicial review.

Governmental funds- restricted net assets

TABOR- the Town has reserved a portion of fund balance for the TABOR emergency reserve.

Defined benefit plan

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

required supplementary information for both plans. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-3772 from outside the metro area.

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established by Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8.0% of covered salary and for the Town is 8.0% of covered salary.

Lawsuits

The Town is involved in various lawsuits. The Town has been and will continue to vigorously defend itself in these actions. Any settlements have not exceeded insurance coverages during the past three years.

**Town of Center
Budget and Actual
General Fund
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 352,994	\$ 352,994	\$ 387,584
SO Taxes	-	-	2,384
Sales and miscellaneous taxes	102,730	102,730	119,183
Fees and fines	-	-	-
Licenses and permits	6,950	6,950	10,232
Intergovernmental	61,062	61,062	65,029
Charges for services	262,120	262,120	254,868
Investment earnings	1,200	1,200	3,783
Miscellaneous	1,250	1,250	-
Total revenues	<u>790,806</u>	<u>790,806</u>	<u>843,063</u>
EXPENDITURES			
Current:			
General government	193,668	193,668	296,800
Public Safety	289,407	289,407	317,187
Highways and roads	117,414	117,414	101,892
Miscellaneous	150,000	150,000	155,406
Total Expenditures	<u>750,489</u>	<u>750,489</u>	<u>871,285</u>
Excess (deficiency) of revenues over expenditures	<u>40,317</u>	<u>40,317</u>	<u>(28,222)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	77,961
Transfers out	(40,000)	(40,000)	(39,946)
Total other financing sources and uses	<u>(40,000)</u>	<u>(40,000)</u>	<u>38,015</u>
Net change in fund balances	317	317	9,793
Fund balances - beginning	-	-	318,460
Fund balances - ending	<u>\$ 317</u>	<u>\$ 317</u>	<u>\$ 328,253</u>

**Town of Center
Budget and Actual
Street Improvement Fund
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Sales and miscellaneous taxes	\$ 100,000	\$ 100,000	\$ 109,246
Investment earnings	250	250	35
Total revenues	<u>100,250</u>	<u>100,250</u>	<u>109,281</u>
EXPENDITURES			
Current:			
General government	42,377	42,377	93,182
Highways and roads	<u>56,460</u>	<u>56,460</u>	<u>33,888</u>
Total Expenditures	<u>98,837</u>	<u>98,837</u>	<u>127,070</u>
Excess (deficiency) of revenues over expenditures	<u>1,413</u>	<u>1,413</u>	<u>(17,789)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	532
Transfers out	<u>-</u>	<u>-</u>	<u>(532)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,413	1,413	(17,789)
Fund balances - beginning	-	-	100,947
Fund balances - ending	<u>\$ 1,413</u>	<u>\$ 1,413</u>	<u>\$ 83,158</u>

**Town of Center
Balance Sheet
Other Governmental Funds
December 31, 2010**

	<u>Conservation Trust</u>	<u>Total Special Revenue Funds</u>
ASSETS		
Cash and cash equivalents	\$ 91,914	\$ 91,914
Total assets	91,914	91,914
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	-	-
Due to other funds	-	-
Total liabilities	-	-
 Fund balances:		
Unreserved	91,914	91,914
Total fund balances	91,914	91,914
Total liabilities and fund balances	\$ 91,914	\$ 91,914

Town of Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2010

	<u>Conservation</u> <u>Trust</u>	<u>Total Special</u> <u>Revenue Funds</u>
REVENUES		
Intergovernmental	\$ 20,683	\$ 20,683
Investment earnings	185	185
Total revenues	<u>20,868</u>	<u>20,868</u>
EXPENDITURES		
Current:		
Culture and recreation	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>20,868</u>	<u>20,868</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	39,946	39,946
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>39,946</u>	<u>39,946</u>
Net change in fund balances	<u>60,814</u>	<u>60,814</u>
Fund balances - beginning	<u>31,100</u>	<u>31,100</u>
Fund balances - ending	<u>\$ 91,914</u>	<u>\$ 91,914</u>

**Town of Center
Budget and Actual
Conservation Trust
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 22,000	\$ 22,000	\$ 20,683
Investment earnings	100	100	185
Total revenues	<u>22,100</u>	<u>22,100</u>	<u>20,868</u>
EXPENDITURES			
Current:			
Culture and recreation	21,500	21,500	-
Total Expenditures	<u>21,500</u>	<u>21,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>600</u>	<u>600</u>	<u>20,868</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	27,875	27,875	39,946
Total other financing sources and uses	<u>27,875</u>	<u>27,875</u>	<u>39,946</u>
Net change in fund balances	28,475	28,475	60,814
Fund balances - beginning	-	-	31,100
Fund balances - ending	<u>\$ 28,475</u>	<u>\$ 28,475</u>	<u>\$ 91,914</u>

**Town of Center
Budget and Actual
Light and Power Fund
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 1,605,998	\$ 1,605,998	\$ 1,830,295
Investment earnings	2,400	2,400	4,327
Miscellaneous	306,700	306,700	491,027
Total revenues	<u>1,915,098</u>	<u>1,915,098</u>	<u>2,325,649</u>
OPERATING EXPENSES			
Personal services	-	-	-
Purchased Electricity	1,369,631	1,369,631	1,402,398
Payment in Lieu of taxes	40,895	40,895	31,138
General Administrative Expenses	103,565	103,565	446,960
Utilities	286,512	286,512	48,556
Insurance claims and expenses	113,894	113,894	85,481
Depreciation	-	-	52,207
Interest	-	-	16,565
Miscellaneous	600	600	357
Total Operating Expenses	<u>1,915,097</u>	<u>1,915,097</u>	<u>2,083,662</u>
Operating income (loss)	<u>1</u>	<u>1</u>	<u>241,987</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	99,296
Transfers out	-	-	(77,961)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>21,335</u>
Net change in fund balances	1	1	263,322
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,178,844</u>
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,442,166</u>

**Town of Center
Budget and Actual
Water Fund
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 209,975	\$ 209,975	\$ 207,414
Investment earnings	600	600	100
Miscellaneous	3,000	3,000	75,372
Total revenues	<u>213,575</u>	<u>213,575</u>	<u>282,886</u>
OPERATING EXPENSES			
Contractual services	52,782	52,782	38,782
General Administrative Expenses	78,343	78,343	60,322
Utilities	21,641	21,641	22,265
Repairs and maintenance	746,619	746,619	167,939
Insurance claims and expenses	25,730	25,730	34,721
Depreciation	18,251	18,251	9,939
Total Operating Expenses	<u>943,366</u>	<u>943,366</u>	<u>333,968</u>
Operating income (loss)	<u>(729,791)</u>	<u>(729,791)</u>	<u>(51,082)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	731,216	731,216	99,296
Total other financing sources and uses	<u>731,216</u>	<u>731,216</u>	<u>99,296</u>
Net change in fund balances	1,425	1,425	48,214
Fund balances - beginning	-	-	705,776
Fund balances - ending	<u>\$ 1,425</u>	<u>\$ 1,425</u>	<u>\$ 753,990</u>

**Town of Center
Budget and Actual
Natural Gas Fund
For the year ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 1,341,019	\$ 1,341,019	\$ 781,121
Investment earnings	2,000	2,000	1,708
Miscellaneous	-	-	123,841
Total revenues	<u>1,343,019</u>	<u>1,343,019</u>	<u>906,670</u>
OPERATING EXPENSES			
Purchased gas	1,144,027	1,144,027	492,649
Payment in Lieu of taxes	234,700	234,700	20,674
General Administrative Expenses	70,961	70,961	186,921
Insurance claims and expenses	107,732	107,732	79,091
Depreciation and amortization	11,198	11,198	7,404
Miscellaneous	(1,200)	(1,200)	-
Total Operating Expenses	<u>1,567,418</u>	<u>1,567,418</u>	<u>786,739</u>
Operating income (loss)	<u>(224,399)</u>	<u>(224,399)</u>	<u>119,931</u>
OTHER FINANCING SOURCES (USES)			
Sale of Assets	<u>224,700</u>	<u>224,700</u>	<u>-</u>
Total other financing sources and uses	<u>224,700</u>	<u>224,700</u>	<u>-</u>
Net change in fund balances	301	301	119,931
Fund balances - beginning	-	-	530,273
Fund balances - ending	<u>\$ 301</u>	<u>\$ 301</u>	<u>\$ 650,204</u>