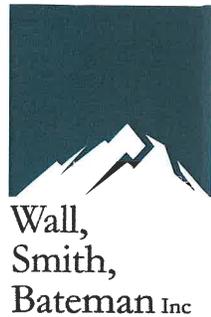


TOWN OF CENTER
FINANCIAL STATEMENTS
December 31, 2011

TOWN OF CENTER
TABLE OF CONTENTS
December 31, 2011

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Governmental Fund Financial Statements:	
Balance Sheet	5
Reconciliation of Governmental Fund Balances to the Statement of Net Assets	6
Statement of Revenues, Expenditures, and Changes in Fund Balance	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Fund Financial Statements:	
Statement of Net Assets	9
Statement of Revenues, Expenses and Changes in Fund Net Assets	10
Statement of Cash Flows	11
Notes to the Basic Financial Statements	12
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Major Funds:	
General Fund	24
Conservation Trust	25
Street Improvement Fund	26
Other Supplementary Information:	
Schedule of Expenditures all Proprietary Funds	27
Local Highway Finance Report	28

INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor
and Board of Trustees
Town of Center
Center, Colorado

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

Except as discussed in the following paragraph, 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.

The Town did not perform physical inventory counts for inventories in the business-type activities at year end. Accounting principles generally accepted in the United States of America require that inventory counts should be conducted at year-end to ensure that inventory values are correctly reported in the financial statements. The amount by which this departure would affect the assets, net assets and expenses of the business-type activities is not reasonably determinable.

In our opinion, except for the effects of not performing physical inventory counts for the business-type activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Town of Center, Colorado, as of December 31, 2011, and the respective changes in financial position and where applicable cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24 through 26 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

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other schedules and reports listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other schedules and reports are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 25, 2012

TOWN OF CENTER

BASIC FINANCIAL STATEMENTS

TOWN OF CENTER
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 628,122	\$ 1,002,108	\$ 1,630,230
Property Taxes Receivable	177,640	-	177,640
Accounts Receivable	26,448	330,238	356,686
Due from Other Governments	51,241	-	51,241
Due from Other Funds	7,051	-	7,051
Inventories	-	72,500	72,500
Total Current Assets	890,502	1,404,846	2,295,348
Capital Assets			
Land	3,750	186,828	190,578
Buildings and Improvements	29,751	423,984	453,735
Infrastructure	27,500	-	27,500
Plant, Property, and Equipment	107,238	572,781	680,019
Enterprise System	-	2,453,441	2,453,441
Construction in Progress	-	308,468	308,468
Water Rights	-	74,500	74,500
Less Accumulated Depreciation	(34,807)	(2,246,722)	(2,281,529)
Total Capital Assets	133,432	1,773,280	1,906,712
TOTAL ASSETS	1,023,934	3,178,126	4,202,060
LIABILITIES			
Current Liabilities			
Accounts Payable	47,882	154,924	202,806
Deferred Tax Revenue	177,640	-	177,640
Due to Other Governments	26,340	41,000	67,340
Due to Other Funds	-	7,051	7,051
Customer Deposits	3,630	174,146	177,776
Total Current Liabilities	255,492	377,121	632,613
Long-Term Liabilities			
Compensated Absences	20,491	22,914	43,405
Total Long-Term Liabilities	20,491	22,914	43,405
TOTAL LIABILITIES	275,983	400,035	676,018
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	133,432	1,773,280	1,906,712
Restricted for:			
TABOR	34,682	-	34,682
Unrestricted	579,837	1,004,811	1,584,648
TOTAL NET ASSETS	\$ 747,951	\$ 2,778,091	\$ 3,526,042

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General Government	\$ 348,923	\$ 408,600	\$ -	\$ -	\$ 59,677	\$ -	\$ 59,677
Public Safety	334,532	15,911	-	-	(318,621)	-	(318,621)
Municipal Court	14,197	206	-	-	(13,991)	-	(13,991)
Building and Planning	1,562	2,446	-	-	884	-	884
Streets and Parks	111,829	-	22,096	-	(89,733)	-	(89,733)
Health and Welfare	138,668	150,979	-	-	12,311	-	12,311
Highway and Streets	22,286	-	-	-	(22,286)	-	(22,286)
	<u>971,997</u>	<u>578,142</u>	<u>22,096</u>	<u>-</u>	<u>(371,759)</u>	<u>-</u>	<u>(371,759)</u>
Business-Type Activities							
Light and power	1,589,924	1,842,797	-	-	-	252,873	252,873
Gas	680,861	805,115	-	-	-	124,254	124,254
Water	154,632	210,561	-	-	-	55,929	55,929
	<u>2,425,417</u>	<u>2,858,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,056</u>	<u>433,056</u>
Total Business-Type Activities							
	\$ 3,397,414	\$ 3,436,615	\$ 22,096	\$ -	(371,759)	433,056	61,297
Total Primary Government							
General Revenues:							
Taxes:							
General Property Taxes - Net					197,283	-	197,283
Sales Taxes					277,758	-	277,758
Highway Users Tax					69,071	-	69,071
Other Taxes					6,866	-	6,866
Interest on Investments					457	712	1,169
Miscellaneous					9,230	-	9,230
Total General Revenues					<u>560,665</u>	<u>712</u>	<u>561,377</u>
Change in Net Assets					188,906	433,768	622,674
Net Assets - Beginning					571,395	2,647,768	3,219,163
Prior Period Adjustment					(12,350)	(303,445)	(315,795)
Net Assets - Beginning, Restated					559,045	2,344,323	2,903,368
Net Assets - Ending					\$ 747,951	\$ 2,778,091	\$ 3,526,042

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	<u>GENERAL FUND</u>	<u>STREET IMPROVEMENT FUND</u>	<u>CONSERVATION TRUST FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 252,197	\$ 282,907	\$ 93,018	\$ 628,122
Accounts Receivable	26,448	-	-	26,448
Due from Other Governments	28,269	22,972	-	51,241
Due from Other Funds	110,004	-	-	110,004
Property Taxes Receivable	177,640	-	-	177,640
TOTAL ASSETS	<u>\$ 594,558</u>	<u>\$ 305,879</u>	<u>\$ 93,018</u>	<u>\$ 993,455</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 45,508	\$ 2,374	-	\$ 47,882
Due to Other Governments	26,340	-	-	26,340
Due to Other Funds	-	102,953	-	102,953
Customer Deposits	3,630	-	-	3,630
Deferred Revenue - Property Tax	177,640	-	-	177,640
TOTAL LIABILITIES	<u>253,118</u>	<u>105,327</u>	<u>-</u>	<u>358,445</u>
FUND BALANCE				
Restricted:				
Restricted for TABOR	34,682	-	-	34,682
Restricted for Conservation Trust	-	-	63,918	63,918
Restricted for Street Improvement	-	200,552	-	200,552
Assigned	-	-	29,100	29,100
Unassigned	306,758	-	-	306,758
TOTAL FUND BALANCE	<u>341,440</u>	<u>200,552</u>	<u>93,018</u>	<u>635,010</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 594,558</u>	<u>\$ 305,879</u>	<u>\$ 93,018</u>	<u>\$ 993,455</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2011

Total Governmental Fund Balances	\$ 635,010
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	133,432
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	<u>(20,491)</u>
Net Assets of Governmental Activities	<u><u>\$ 747,951</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	<u>GENERAL FUND</u>	<u>STREET IMPROVEMENT FUND</u>	<u>CONSERVATION TRUST FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Taxes	\$ 343,028	\$ 138,879	\$ -	\$ 481,907
Licenses and Permits	3,746	-	-	3,746
Intergovernmental Revenue				
Highway Users Tax	69,071	-	-	69,071
Lottery Proceeds	-	-	22,096	22,096
Charges for Services	574,396	-	-	574,396
Interest on Accounts	174	283	-	457
Miscellaneous Revenue	9,230	-	-	9,230
TOTAL REVENUES	<u>999,645</u>	<u>139,162</u>	<u>22,096</u>	<u>1,160,903</u>
EXPENDITURES				
General Government	336,903	-	-	336,903
Public Safety	324,588	-	-	324,588
Municipal Court	14,197	-	-	14,197
Building and Planning	1,562	-	-	1,562
Streets and Parks	106,614	-	-	106,614
Health and Welfare	138,668	-	-	138,668
Highway and Streets	-	21,768	-	21,768
Capital Outlay	51,576	-	20,992	72,568
TOTAL EXPENDITURES	<u>974,108</u>	<u>21,768</u>	<u>20,992</u>	<u>1,016,868</u>
Excess (deficiency) of revenues over expenditures	<u>25,537</u>	<u>117,394</u>	<u>1,104</u>	<u>144,035</u>
Fund Balance Beginning of Year	328,253	83,158	91,914	503,325
Prior Period Adjustment	<u>(12,350)</u>	<u>-</u>	<u>-</u>	<u>(12,350)</u>
Fund Balance Beginning of Year, Restated	<u>315,903</u>	<u>83,158</u>	<u>91,914</u>	<u>490,975</u>
Fund Balance at End of Year	<u>\$ 341,440</u>	<u>\$ 200,552</u>	<u>\$ 93,018</u>	<u>\$ 635,010</u>

The accompanying notes are an integral part of this financial statement.

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, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 144,035

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

Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Fixed asset additions	\$	72,050	
Depreciation expense		<u>(16,319)</u>	
Excess of capital outlay over depreciation			55,731

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 on Governmental funds			<u>(10,860)</u>
--	--	--	-----------------

Change in Net Assets of Governmental Funds \$ 188,906

TOWN OF CENTER
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 487,976	\$ 449,063	\$ 65,069	\$ 1,002,108
Accounts Receivable	198,539	114,110	17,589	330,238
Inventories	11,697	42,396	18,407	72,500
Total Current Assets	698,212	605,569	101,065	1,404,846
Capital Assets				
Land and Improvements	114,128	5,750	66,950	186,828
Buildings	178,228	105,690	140,066	423,984
Enterprise System Assets	1,576,380	269,042	608,019	2,453,441
Intangible and Water Rights	-	-	74,500	74,500
Equipment and Furniture	387,614	122,632	62,534	572,780
Construction in Progress	125,870	125,952	56,646	308,468
Less Accumulated Depreciation	(1,353,673)	(405,269)	(487,779)	(2,246,721)
Total Capital Assets	1,028,547	223,797	520,936	1,773,280
TOTAL ASSETS	1,726,759	829,366	622,001	3,178,126
LIABILITIES				
Current Liabilities				
Accounts Payable	114,547	29,904	10,473	154,924
Customer Deposits	65,322	99,215	9,609	174,146
Due to Other Funds	1,586	1,248	4,217	7,051
Due to Other Governments	13,000	28,000	-	41,000
Total Current Liabilities	194,455	158,367	24,299	377,121
Noncurrent Liabilities				
Compensated Absences	9,960	9,492	3,462	22,914
Total Noncurrent Liabilities	9,960	9,492	3,462	22,914
TOTAL LIABILITIES	204,415	167,859	27,761	400,035
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	1,028,547	223,797	520,936	1,773,280
Unrestricted	493,797	437,710	73,304	1,004,811
TOTAL NET ASSETS	\$ 1,522,344	\$ 661,507	\$ 594,240	\$ 2,778,091

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
OPERATING REVENUES				
Charges for Services				
Utility Sales	\$ 1,793,522	\$ 785,961	\$ 209,811	\$ 2,789,294
Labor and Service Charges	49,251	19,104	-	68,355
Miscellaneous Revenue	24	50	750	824
Total Operating Revenues	1,842,797	805,115	210,561	2,858,473
OPERATING EXPENSES				
Salaries	155,464	149,454	69,261	374,179
FICA/Medicare	11,550	10,707	5,180	27,437
Health Insurance Benefits	26,656	24,554	11,120	62,330
Electricity Purchase	1,008,393	-	-	1,008,393
Gas Purchase	-	325,038	-	325,038
Training	3,417	207	1,343	4,967
Repairs and Maintenance	20,905	3,049	16,730	40,684
Gas Meter Replacement	-	3,880	-	3,880
Water Meter Replacement	-	-	1,004	1,004
Professional Fees	383	17,823	6,007	24,213
Fuel and oil	1,918	2,045	1,269	5,232
Supplies and Equipment	77,507	34,652	6,549	118,708
Depreciation	59,075	7,570	12,866	79,511
Administration Fees	200,000	100,000	23,000	323,000
Miscellaneous	7,952	1,882	303	10,137
Total Operating Expenses	1,573,220	680,861	154,632	2,408,713
Operating Income (Loss)	269,577	124,254	55,929	449,760
NON-OPERATING REVENUES (EXPENSES)				
Interest on Accounts	214	425	73	712
Interest Expense	(16,704)	-	-	(16,704)
Total Non-operating Revenues (Expenses)	(16,490)	425	73	(15,992)
Net Income (Loss)	253,087	124,679	56,002	433,768
Net Assets Beginning of Year	1,442,166	650,204	555,398	2,647,768
Prior Period Adjustment	(172,909)	(113,376)	(17,160)	(303,445)
Net Assets Beginning of Year, Restated	1,269,257	536,828	538,238	2,344,323
Net Assets End of Year	\$ 1,522,344	\$ 661,507	\$ 594,240	\$ 2,778,091

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	LIGHT AND POWER FUND	GAS FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 1,693,466	\$ 723,204	\$ 198,671	\$ 2,615,341
Cash Received from Miscellaneous Activities	24	50	750	824
Cash Payments to Suppliers for Goods and Services	(1,336,766)	(504,016)	(47,006)	(1,887,788)
Cash Payments to Employees	(155,464)	(149,454)	(69,261)	(374,179)
Cash Payments for Employee Benefits and Taxes	(33,729)	(28,388)	(14,756)	(76,873)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	167,531	41,396	68,398	277,325
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES:	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Customer Deposits	781	(895)	(216)	(330)
Interest Paid on Notes and Bonds	(16,704)	-	-	(16,704)
Principal Paid on Notes and Bonds	(245,000)	-	-	(245,000)
Purchase of Fixed Assets	(362,873)	(141,969)	(56,646)	(561,488)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(623,796)	(142,864)	(56,862)	(823,522)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	214	425	73	712
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	214	425	73	712
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(456,051)	(101,043)	11,609	(545,485)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	944,027	550,106	53,460	1,547,593
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 487,976	\$ 449,063	\$ 65,069	\$ 1,002,108
OPERATING INCOME (LOSS)	\$ 269,577	\$ 124,254	\$ 55,929	\$ 449,760
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation expense	59,075	7,570	12,866	79,511
Prior Period Adjustment	(172,909)	(113,376)	(17,160)	(303,445)
Change in Assets and Liabilities				
(Increase) decrease in accounts receivable	23,352	31,515	6,020	60,887
(Increase) decrease in other accounts receivable	250	-	-	250
(Increase) decrease in inventories of supplies	(11,697)	-	-	(11,697)
Increase (decrease) in accounts payable	(6,180)	(16,688)	4,982	(17,886)
Increase (decrease) in compensated absences	4,477	6,873	1,544	12,894
Increase (decrease) in due to other funds	1,586	1,248	4,217	7,051
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 167,531	\$ 41,396	\$ 68,398	\$ 277,325

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Center, (the Town), reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Town of Center 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.

Component Units

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the Town, except for Town fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Street Improvement Fund** is used to account for street improvement costs and is funded by a sales tax of one percent.
- The **Conservation Trust Fund** is used to account for the Town share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

The Town reports the following major enterprise funds:

- The ***Light and Power Fund*** is used to account for user charges and expenses for operating, financing, and maintaining the Town's light and power system.
- The ***Natural Gas Fund*** is used to account for user charges and expenses for operating, financing, and maintaining the Town's natural gas system.
- The ***Water Fund*** is used to account for user charges and expenses for operating, financing, and maintaining the Town's water system.

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 subject to this same limitation. The Town has elected not to follow subsequent private sector guidance.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

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. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with maturity of three months or less from the date of acquisition. All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Town's property taxes are collected by the County Treasurer who remits monthly receipts to the Town. Property tax revenue is recognized when received by the County Treasurer.

The 2011 property tax levy due January 1, 2012 has been recorded in the financial statements as a receivable and corresponding deferred revenue in the financial statements.

Receivables/Payables From Other Town Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

Inventory

Inventories held by all funds except the Light and Power, Natural Gas, and Water Funds have been recorded as expenditures at the time of purchase. Light and Power, Natural Gas, and Water Fund inventories are stated at the lower of cost or market.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Capital Assets

Capital Assets, which include land, buildings and improvements, infrastructure, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The Town defines capital assets as assets with an initial, individual cost of more than \$1,000 and life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	5-60
Equipment	5-10
Plant	60-100
Infrastructure	10
Vehicles	5-10

GASB No. 34 requires the Town to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town.

Personal Time Off

Personal time off (PTO) is granted to full-time employees only and accrual rates are dependent on years of employment and exempt status. Employees may not carry-over more than 360 hours on December 31st of every year. Upon separation from the Town an employee will be paid for all accrued PTO leave, up to the maximum accrual of 360 hours. The Town records a liability for PTO earned.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

Interest Capitalization

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

Encumbrances

The Town does record purchase orders in the accounting system upon approval of administration. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Fund Equity and Net Assets

In the Government-Wide Financial Statements, net assets are classified in the following categories:

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

Restricted Net Assets - This category represents the net assets of the Town, which are restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets - This category represents the net assets of the Town, which are not restricted for any project or other purpose.

Beginning the 2011 year, the Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types.

As a result fund balances are classified based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with the Statement, fund balances are now classified in one of the five categories:

- ***Nonspendable Fund Balance***- are amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- ***Restricted Fund Balance***- are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- ***Committed Fund Balance***- are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board of Trustees removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

- **Assigned Fund Balance-** are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- **Unassigned Fund Balance-** are amounts that are available for any purpose; these amounts are reported only in the General Fund.

Beginning fund balances have been restated to reflect the above classifications.

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

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town of Center follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did adopt supplemental appropriations during 2011.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash and Investments for the Town are as follows:

Cash in Banks and on Hand	\$ <u>1,630,230</u>
Total cash and deposits on the Statement of Net Assets	\$ <u>1,630,230</u>

CASH AND DEPOSITS

Colorado State Statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits. All deposits in 2011 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2011, \$1,153,739 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

The Town's investments are subject to interest rate, credit risk, and concentration of credit risk. The types of investments which are authorized to be made with Town funds are controlled by state statute and the investment policies of the Town. Colorado statutes and the Town's investment policies specify investment instruments meeting defined rating and risk criteria in which the Town may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

Credit Risk

The Town's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The Town's investment policy allows for the Town to invest in local government investment pools. As of December 31, 2011 the local government investment pools (ColoTrust) in which the Town had invested was rated AAAM by Standard & Poor's.

Cash on Hand and in Banks	\$ 1,331,901
ColoTrust	<u>298,329</u>
Total Deposits and Investments	<u><u>\$ 1,630,230</u></u>

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

The Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates in a manner similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2011, the Town had \$51,241 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES

The Town reports interfund balances between many of its funds. The balances result from the time lapse between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are reported in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

Interfund receivable and payable balances at December 31, 2011 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 102,953
General Fund	Proprietary Funds	<u>7,051</u>
Total		<u>\$ 110,004</u>

NOTE 6 CAPITAL ASSETS

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

	<u>BALANCE 12/31/2010</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 12/31/2011</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and Land Improvements	\$ 3,750	\$ -	\$ -	\$ 3,750
Total capital assets not being depreciated	<u>3,750</u>	<u>-</u>	<u>-</u>	<u>3,750</u>
Capital assets being depreciated				
Buildings and Improvements	-	29,751	-	29,751
Property, Plant & Equipment	92,439	14,799	-	107,238
Infrastructure	-	27,500	-	27,500
Total capital assets being depreciated	<u>92,439</u>	<u>72,050</u>	<u>-</u>	<u>164,489</u>
Less: Accumulated Depreciation	<u>18,488</u>	<u>16,319</u>		<u>34,807</u>
Total capital assets being depreciated, net	<u>73,951</u>	<u>55,731</u>	<u>-</u>	<u>129,682</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 77,701</u>	<u>\$ 55,731</u>	<u>\$ -</u>	<u>\$ 133,432</u>

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

	<u>BALANCE</u> <u>12/31/2010</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/2011</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and Land Improvements	\$ 158,048	\$ 28,780	\$ -	\$ 186,828
Water Rights	74,500	-	-	74,500
Construction in Progress	-	308,468	-	308,468
Total capital assets not being depreciated	<u>232,548</u>	<u>337,248</u>	<u>-</u>	<u>569,796</u>
Capital assets being depreciated				
Buildings	245,756	178,228	-	423,984
Enterprise System	2,453,441	-	-	2,453,441
Equipment and Furniture	526,768	46,013	-	572,781
Total capital assets being depreciated	<u>3,225,965</u>	<u>224,241</u>	<u>-</u>	<u>3,450,206</u>
Less: Accumulated Depreciation	<u>2,167,210</u>	<u>79,512</u>		<u>2,246,722</u>
Total capital assets being depreciated, net	<u>1,058,755</u>	<u>144,729</u>	<u>-</u>	<u>1,203,484</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 1,291,303</u>	<u>\$ 481,977</u>	<u>\$ -</u>	<u>\$ 1,773,280</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES:

General Government	\$ 1,160
Streets and Parks	5,215
Public Safety	9,944
Total depreciation expense – governmental activities	<u>\$ 16,319</u>

BUSINESS-TYPE ACTIVITIES:

Light & Power Services	\$ 59,076
Natural Gas Services	7,570
Water Services	12,866
Total depreciation expense – business-type activities	<u>\$ 79,512</u>

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 LONG-TERM DEBT

Changes in Long-term Debt

	<u>Balance 12/31/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2011</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Paid Time Off	\$ 9,631	\$ 10,860	\$ -	\$ 20,491	\$ -
BUSINESS-TYPE ACTIVITIES					
L&P Warrants	\$ 245,000	\$ -	\$ 245,000	\$ -	\$ -
Paid Time Off	4,536	18,378	-	22,914	-
TOTAL LONG-TERM DEBT	<u>\$ 249,536</u>	<u>\$ 18,378</u>	<u>\$ 245,000</u>	<u>\$ 22,914</u>	<u>\$ -</u>

BUSINESS-TYPE ACTIVITIES:

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. The revenue anticipation warrant was paid off in 2011.

NOTE 8 FIRE AND POLICE PENSION ASSOCIATION

Plan Description

The Town of Center contributes to the State-Wide Defined Benefit Fund (The Plan), a cost-sharing multiple-employer defined benefit plan administered by the Fire and Police Pension Association (FPPA). The Plan covers all full-time police officers hired on or after April 8, 1978 (New Hires) under the provisions of Title 31, Article 30, of Colorado Revised Statutes 1973, as amended. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Fire and Police Association, 5290 DTC Parkway, Suite 100, Englewood, CO 80111-2721 or by calling 1-800-332-FPPA.

Funding Policy

Plan members and the Town are required by Colorado statute to contribute 8% of the employees' salary to the Plan. The Town's contributions to the Plan for the years ending December 31, 2011, 2010, and 2009 were \$13,257, \$1,168, and \$3,335, respectively, equal to the required contributions.

TOWN OF CENTER
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On April 4, 2000, the voters of Center passed a ballot issue to permit the Town of Center “in 1999 and each subsequent year thereafter, to retain and spend Town revenues in excess of the spending, revenue raising, or other limits in Article X, Section 20, of the Colorado constitution, utilizing such revenues for public safety, municipal services, transportation and other public improvements, park and recreational facilities, and any other lawful purpose as voter-approved revenue change.”

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending in 1995 and thereafter. This Emergency Reserve has been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 10 COMMITMENTS AND CONTINGENCIES

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 coverage during the past three years.

NOTE 11 PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to accurately state beginning net assets in the Light and Power, Natural Gas and Water Funds. In the prior year the January 2011 utility billings were included in charges for services causing revenue and ending net assets to be over stated by the January 2011 billings.

TOWN OF CENTER

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 305,051	\$ 333,551	\$ 343,028	\$ 9,477
Licenses and Permits	9,750	12,250	3,746	(8,504)
Intergovernmental Revenue				
Highway Users Tax	70,189	78,189	69,071	(9,118)
Charges for Services	495,572	614,325	574,396	(39,929)
Interest on Accounts	1,200	1,200	174	(1,026)
Miscellaneous Revenue	23,400	15,900	9,230	(6,670)
TOTAL REVENUE	905,162	1,055,415	999,645	(55,770)
EXPENDITURES				
General Government	459,289	446,580	336,903	109,677
Public Safety	300,941	308,588	324,588	(16,000)
Municipal Court	30,704	29,708	14,197	15,511
Building and Planning	20,384	32,156	1,562	30,594
Streets and Parks	189,659	159,095	106,614	52,481
Contractual	153,200	153,200	138,668	14,532
Capital Outlay	10,000	20,385	51,576	(31,191)
TOTAL EXPENDITURES	1,164,177	1,149,712	974,108	175,604
Excess (deficiency) of revenues over expenditures	(259,015)	(94,297)	25,537	119,834
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	2,500	2,500	-	(2,500)
Excess (deficiency) of revenues over expenditures and Other Sources (Uses)	(256,515)	(91,797)	25,537	117,334
Fund Balance at Beginning of Year	318,459	318,459	328,253	9,794
Prior Period Adjustment	-	-	(12,350)	(12,350)
Fund Balance at beginning of Year, Restated	318,459	318,459	315,903	(2,556)
Fund Balance at End of Year	\$ 61,944	\$ 226,662	\$ 341,440	\$ 114,778

Notes Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

TOWN OF CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental Revenue				
Lottery Proceeds	\$ 22,100	\$ 22,100	\$ 22,096	\$ (4)
TOTAL REVENUES	<u>22,100</u>	<u>22,100</u>	<u>22,096</u>	<u>\$ (4)</u>
EXPENDITURES				
Capital Outlay	-	-	20,474	(20,474)
Miscellaneous	51,200	51,200	518	50,682
TOTAL EXPENDITURES	<u>51,200</u>	<u>51,200</u>	<u>20,992</u>	<u>30,208</u>
Excess (deficiency) of revenues over expenditures	(29,100)	(29,100)	1,104	30,204
Fund Balance at Beginning of Year	<u>31,700</u>	<u>91,914</u>	<u>91,914</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,600</u>	<u>\$ 62,814</u>	<u>\$ 93,018</u>	<u>\$ 30,204</u>

Notes Required Supplementary Information
The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

TOWN OF CENTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT FUND
For the Year Ended December 31, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Sales Tax	\$ 130,000	\$ 115,100	\$ 138,879	\$ 23,779
Interest Income	250	-	283	283
TOTAL REVENUES	<u>130,250</u>	<u>115,100</u>	<u>139,162</u>	<u>\$ 24,062</u>
EXPENDITURES				
Highway and Streets	-	61,200	21,768	39,432
TOTAL EXPENDITURES	<u>-</u>	<u>61,200</u>	<u>21,768</u>	<u>39,432</u>
Excess (deficiency) of revenues over expenditures	130,250	53,900	117,394	63,494
Fund Balance at Beginning of Year	<u>100,947</u>	<u>83,158</u>	<u>83,158</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 231,197</u>	<u>\$ 137,058</u>	<u>\$ 200,552</u>	<u>\$ 63,494</u>

Notes Required Supplementary Information
The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

TOWN OF CENTER

OTHER SUPPLEMENTARY INFORMATION

TOWN OF CENTER, COLORADO
SCHEDULE OF EXPENDITURES
ALL PROPRIETARY FUNDS
BUDGET AND ACTUAL
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		EXPENDITURES REPORTED ON THE GAAP BASIS		ADJUSTMENTS TO BUDGETARY BASIS		EXPENDITURES ON THE BUDGETARY BASIS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL								
Proprietary Funds										
Enterprise Funds										
Light and Power Fund	\$ 2,041,337	\$ 2,551,000	\$ 1,589,924	\$ 422,928	\$ 2,012,852	\$ 538,148				
Natural Gas Fund	557,205	1,265,441	680,861	134,398	815,259	450,182				
Water Fund	563,667	1,602,690	154,632	43,780	198,412	1,404,278				
Total Enterprise Funds	\$ 3,162,209	\$ 5,419,131	\$ 2,425,417	\$ 601,106	\$ 3,026,523	\$ 2,392,608				

Adjustments to budgetary basis include principal reductions on long-term debt, costs of capitalized assets, and depreciation expense.

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Town of Center
YEAR ENDING :
December 2011

This Information From The Records Of : Town of Center

Prepared By: Christian Samora
Phone: (719)-754-3497

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	21,768
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	138,879	c. Other	34,252
4. Miscellaneous local receipts (from page 2)	233	d. Total (a. through c.)	34,252
5. Transfers from toll facilities		4. General administration & miscellaneous	69,111
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	125,131
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	139,162	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	69,071	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	208,233	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	125,131

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	60,970	208,233	125,131	144,072	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	283
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	138,879	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	
6. Total (1. through 5.)	138,879	h. Other	
c. Total (a. + b.)	138,879	i. Total (a. through h.)	283
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	65,169	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		d. Federal Transit Admin	
d. Other (Specify)RG County Road	3,902	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	3,902	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	69,071	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: