

Town of Wellington, Colorado

Financial Statements and Supplementary Information For the Year Ended December 31, 2011



Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 14
<u>Basic Financial Statements:</u>	
<u>Government-wide Financial Statements:</u>	
Statement of Net Assets	15
Statement of Activities	16 - 17
<u>Fund Financial Statements:</u>	
Balance Sheet - Governmental Funds	18 - 19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20 - 21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Assets	25
Statement of Changes in Fiduciary Net Assets	26
<u>Notes to Financial Statements</u>	27 - 41
<u>Required Supplementary Information:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) - General Fund	42
Schedule of Revenues, Expenditures and Changes in Fund Balances (Budget to Actual) - Street and Park Funds	43 - 44
<u>Other Supplementary Information:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget to Actual) - Conservation Trust Fund	45
<u>Budgetary Comparison Schedules - Enterprise Funds:</u>	
Water Fund	46
Sewer Fund	47
Storm Drainage Fund	48
Schedule of Changes in Fiduciary Net Assets (Budget to Actual) - Library Trust Fund	49
<u>State Compliance Section:</u>	
Local Highway Finance Report	50 - 51



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Board of Trustees
Town of Wellington, Colorado

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison for the General, Street and Park Funds on pages 3 through 14 and 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Anton Collins Mitchell LLP

Greeley, Colorado
July 24, 2012

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

As management of the Town of Wellington (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

The assets of the Town of Wellington exceeded its liabilities at the close of 2011 by \$40,918,199 (*net assets*). Of this amount, \$8,812,942 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net assets decreased by \$553,675; the reduction involves the draw down in net assets of both the governmental activities and business-type activities.

At the end of the fiscal year, unassigned fund balance for the general fund was \$1,062,400, about 66 percent of total general fund expenditures.

The Town retired \$325,165 of its debt (6.8 percent) during the fiscal year. The key factor in this decrease was the annual principal payments made on the Town's outstanding debts shown in Footnote 7, pages 38 through 40 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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 (i.e., assets minus liabilities) reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town'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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, community development, culture, parks, and recreation. The business-type activities of the Town include water, sewer, and storm drainage operations.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

The government-wide financial statements include only the Town itself (known as the primary government) and can be found on pages 15 through 17 of this report

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The governmental funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of changes in cash, the fund's operations and the basic services that it provides. These statements help one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds on reconciliations shown on pages 19 and 21.

The basic governmental fund financial statements can be found on pages 18 to 21 of this report.

Proprietary funds - The Town maintains three proprietary or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Wellington uses enterprise funds to account for its water, sewer, and storm drainage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for sewer and water operations, which are considered to be major funds of the Town of Wellington.

The basic proprietary fund financial statements can be found on pages 22 to 24 of this report.

Fiduciary funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Additional information on the Town's Fiduciary Fund can be found on pages 25 and 26 of this report

Notes to the financial statements - The notes provide additional information that is essential to gain 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 27 to 41 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town's budgetary comparison schedules for the non-major Conservation Trust Fund, the Town's three major enterprise funds, the Library Trust Fund, and the Local Highway Finance Report. The required and other supplementary information can be found on pages 42 to 51 of this report.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$40,918,199 at the close of 2011.

By far the largest portion of the Town's net assets (76.5 percent) reflects its investment in capital assets (e.g., land, buildings machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors. The Town is providing condensed financial information for fiscal year 2011 compared with 2010 totals.

Condensed Statement of Net Assets

	2011			2010 Totals
	Governmental Activities	Business-Type Activities	Totals	
<u>ASSETS</u>				
Current assets	\$ 4,935,478	\$ 6,508,716	\$ 11,444,194	\$ 12,895,200
Other assets	-	29,935	29,935	34,029
Capital assets	14,069,363	21,921,858	35,991,221	37,323,034
<u>Total assets</u>	19,004,841	28,460,509	47,465,350	50,252,263
<u>LIABILITIES</u>				
Current liabilities	1,338,899	796,189	2,135,088	4,148,927
Long-term liabilities	60,642	4,351,421	4,412,063	4,631,462
<u>Total liabilities</u>	1,399,541	5,147,610	6,547,151	8,780,389
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	14,069,363	17,236,570	31,305,933	32,297,671
Restricted	75,621	723,703	799,324	2,169,761
Unrestricted	3,460,316	5,352,626	8,812,942	7,004,442
<u>Total net assets</u>	\$ 17,605,300	\$ 23,312,899	\$ 40,918,199	\$ 41,471,874

The restricted portion of net assets (2.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$8,812,942) may be used to meet the Town's ongoing obligations to citizens and creditors.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

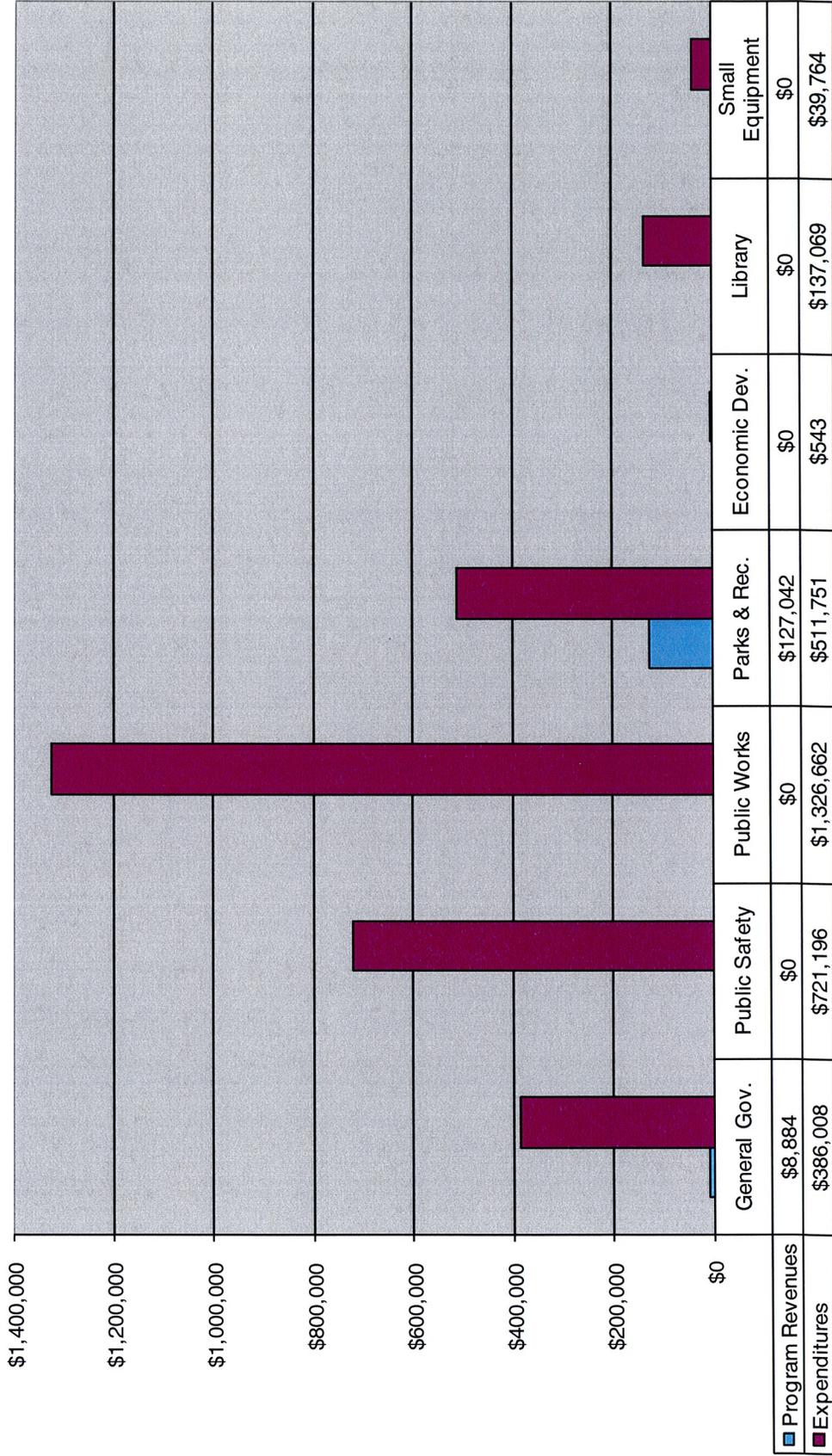
The following table provides a summary of changes in net assets.

Condensed Statement of Activities

	2011			2010 Totals
	Governmental Activities	Business-Type Activities	Totals	
Revenues				
Program revenues				
Charges for services	\$ 84,181	\$ 1,925,107	\$ 2,009,288	\$ 1,910,503
Operating grants and contributions	51,745	-	51,745	48,172
Capital grants and contributions	-	313,622	313,622	273,818
General revenues				
Property taxes	675,780	86,092	761,872	762,798
Sales and use taxes	840,267	-	840,267	900,604
Other taxes	774,002	-	774,002	536,343
Impact fees	22,258	72,036	94,294	104,420
Licenses and permits	84,339	-	84,339	104,351
Fines and forfeitures	8,636	-	8,636	14,135
Grants, undesignated	4,350	-	4,350	5,754
Earnings on investments	4,183	2,580	6,763	11,783
Other	25,722	13	25,735	18,168
Transfers in	1,445	-	1,445	-
Total revenues	2,576,908	2,399,450	4,976,358	4,690,849
Expenses				
General government	386,008	-	386,008	402,261
Public safety	721,196	-	721,196	724,304
Public works	1,326,662	-	1,326,662	1,382,965
Parks and recreation	511,751	-	511,751	525,230
Economic development	543	-	543	626
Library	137,069	-	137,069	137,336
Small equipment	39,764	-	39,764	63,936
Water	-	1,269,262	1,269,262	1,205,227
Sewer	-	822,903	822,903	872,264
Storm drainage	-	314,875	314,875	307,414
Total expenses	3,122,993	2,407,040	5,530,033	5,621,563
Change in net assets	(546,085)	(7,590)	(553,675)	(930,714)
Net assets at beginning of year	18,151,385	23,320,489	41,471,874	42,402,588
Net assets at end of year	<u>\$ 17,605,300</u>	<u>\$ 23,312,899</u>	<u>\$ 40,918,199</u>	<u>\$ 41,471,874</u>

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

PROGRAM REVENUES & EXPENDITURES - GOVERNMENTAL ACTIVITIES

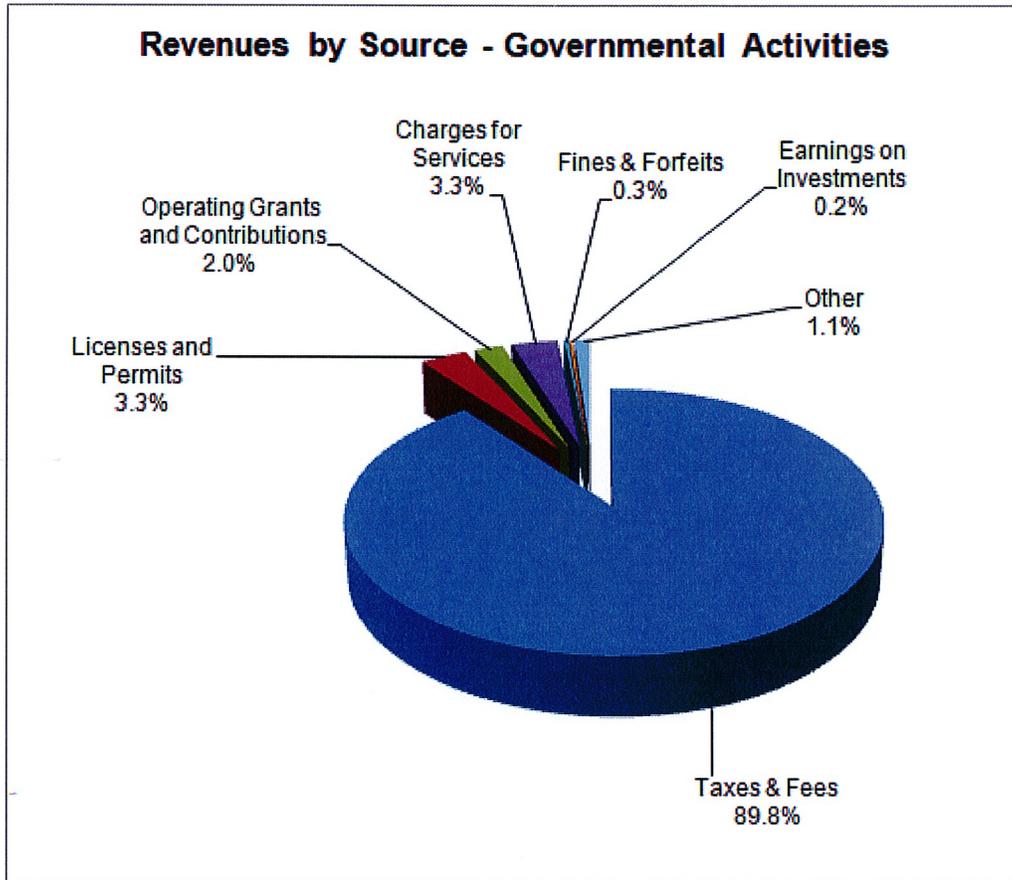


■ Program Revenues ■ Expenditures

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

Revenue percentages have changed from those seen in the last few years. During 2011, the largest portion of taxes and fees have come from sales & use tax (32.6%) and property taxes (26.2%). This is in contrast with the years from the late 1990's through 2007 where the largest impact was from use taxes on building materials, derived from the sale of building permits.

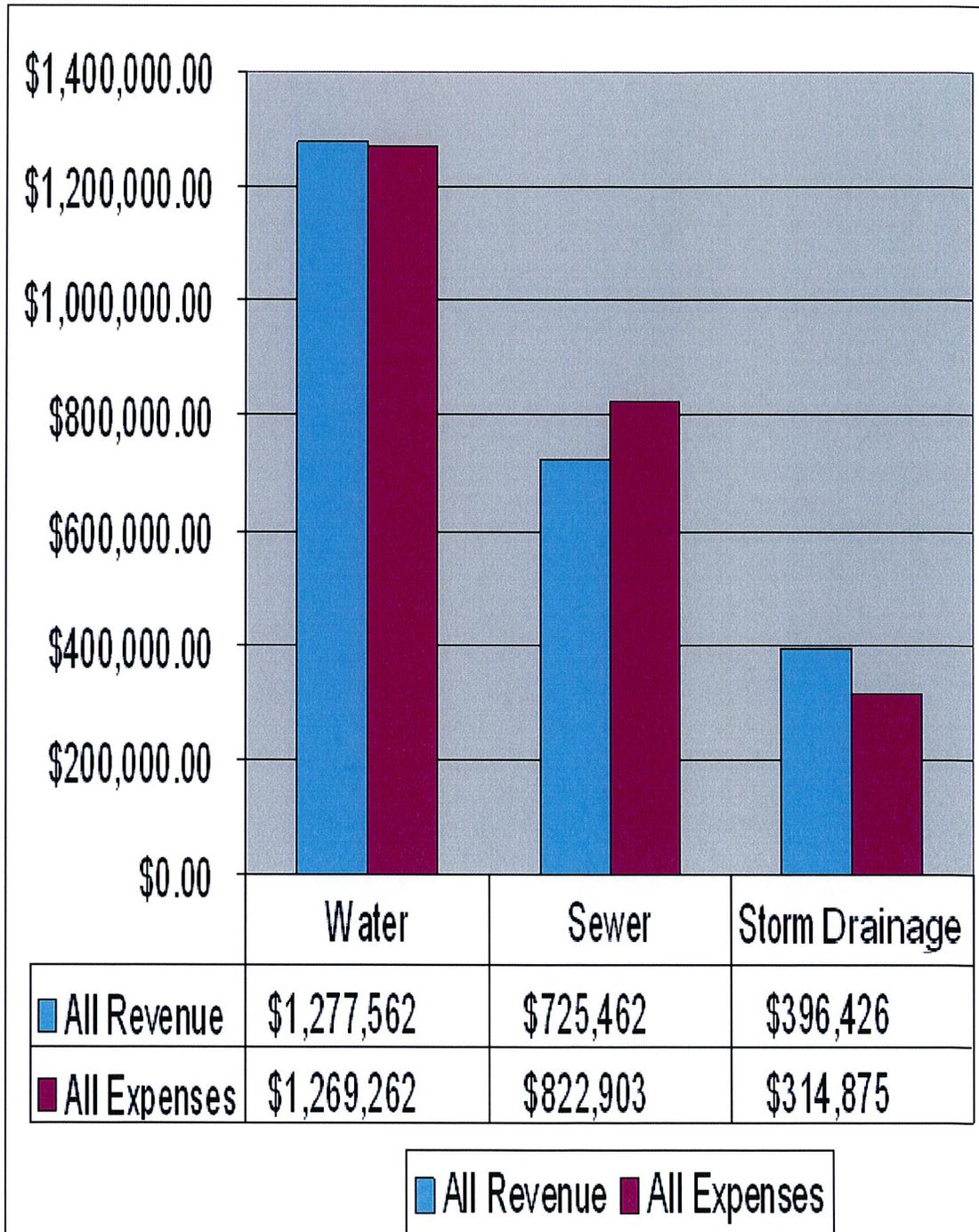
A portion of the year-end net assets is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expensed. Within the governmental activities category, restrictions are placed the TABOR emergency reserve. The business-type activities restrictions were related to the operation and maintenance reserve required by the loan agreements.



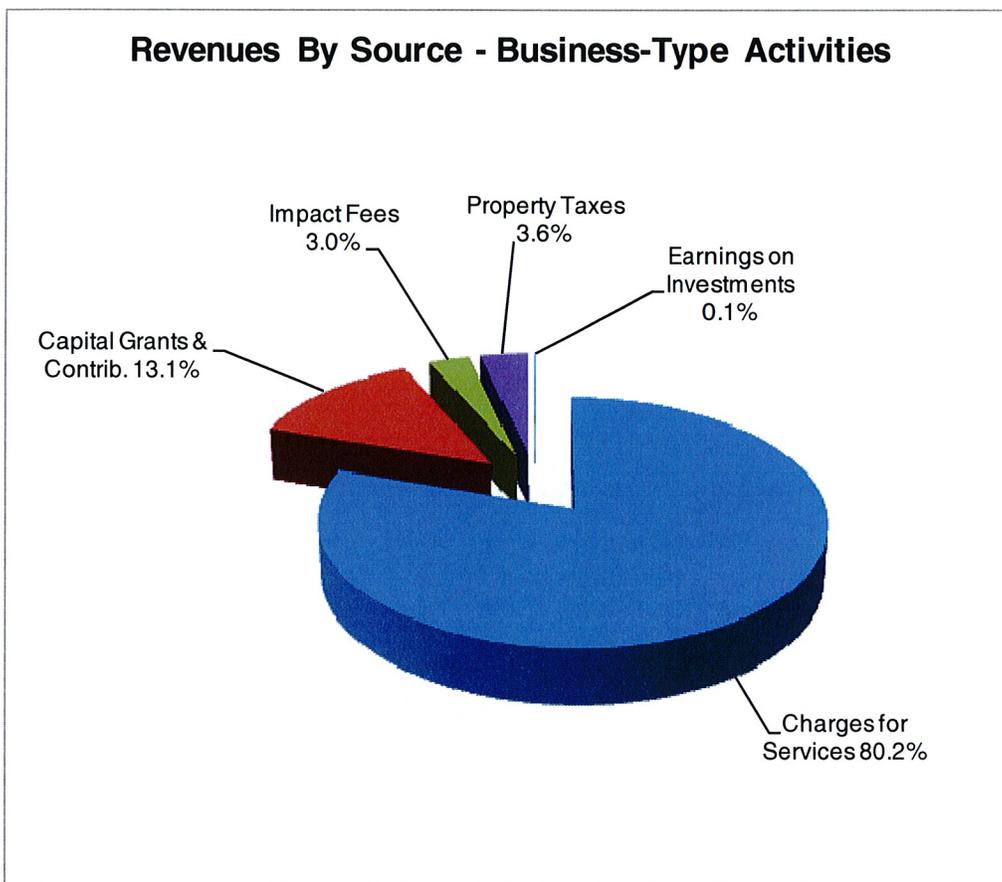
**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

The following chart displays revenues and expenses of the Business-type Activities:

Program Revenues & Expenses - Business-type Activities



**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**



Financial Analysis of the Town's Funds

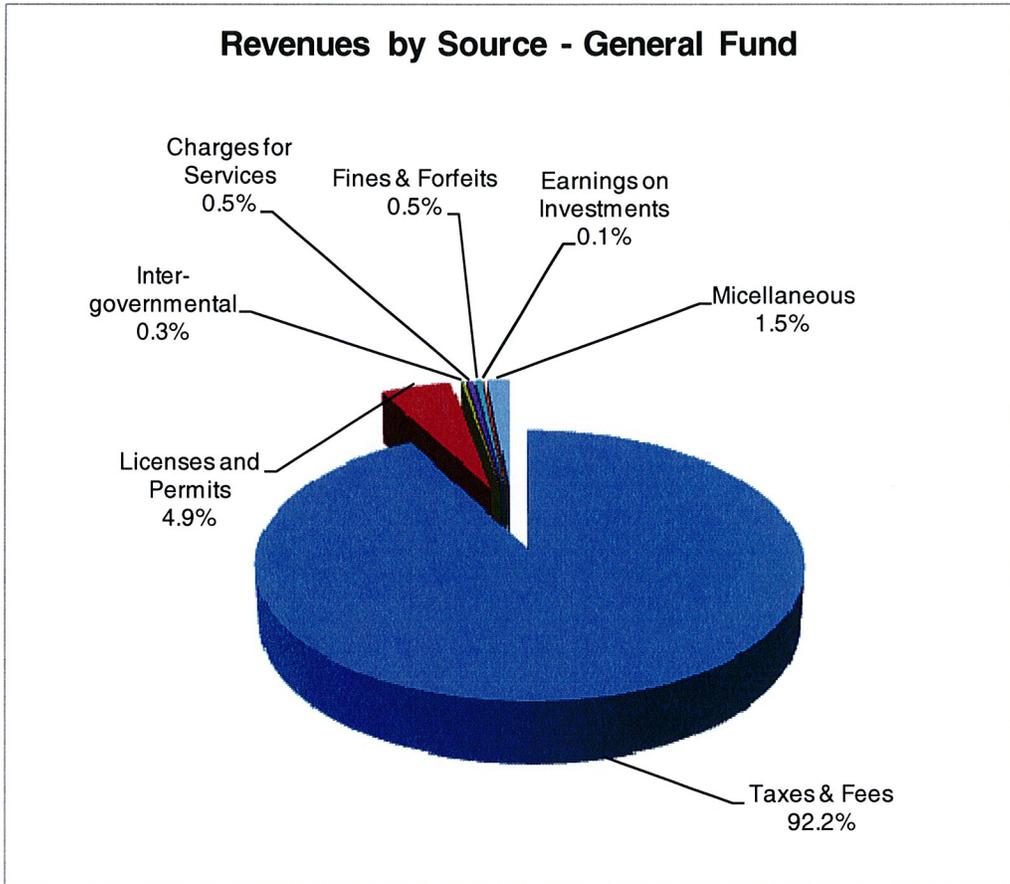
As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,596,579, approximately 29.5% of this total amount (\$1,062,400) constitutes unassigned fund balance, which is available for spending at the government's discretion. During the year, the Town adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB No. 54"). The requirements in GASB No. 54 are intended to improve financial reporting by providing fund balance categories and classifications that will be more easily understood, and to eliminate the reserved component of fund balance in favor of a restricted classification, presumably enhancing the consistency between information reported in the government-wide statements and information in the governmental fund financial statements to avoid confusion about the relationship between reserved fund balance and restricted net assets. See foot note 1 *Net Assets and Fund Balances* for the breakdown of fund balance at December 31, 2011.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

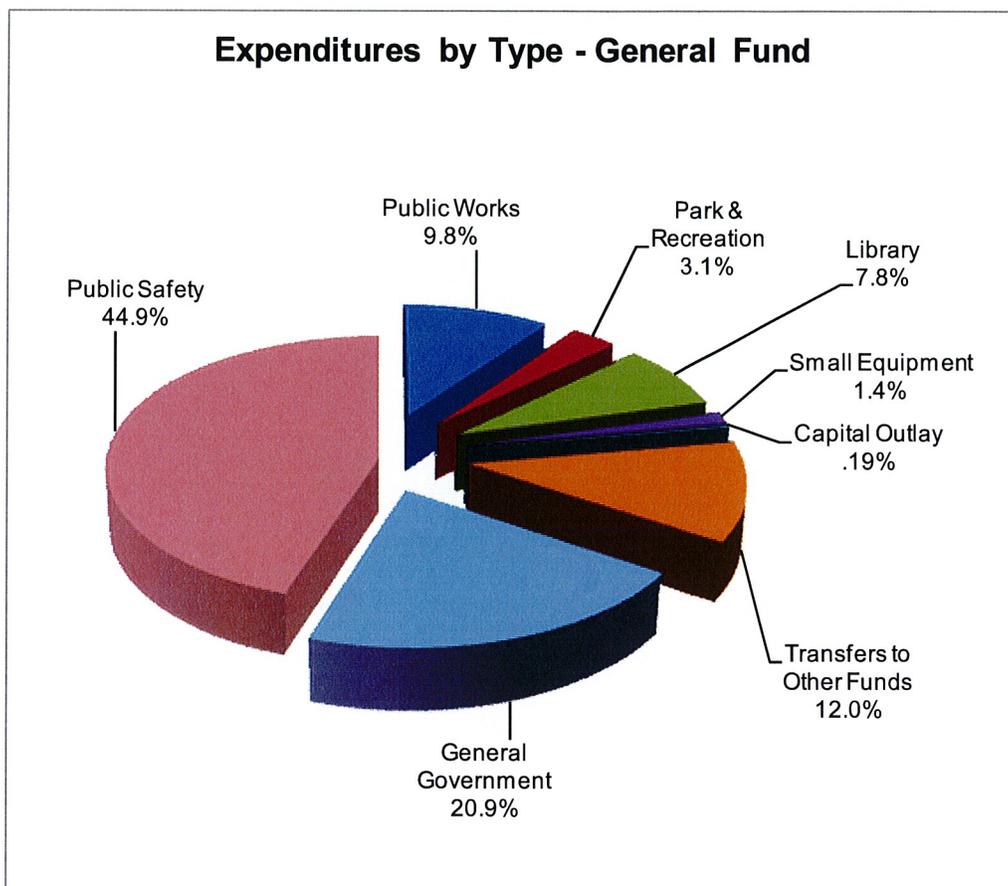
General Fund Budgetary Highlights

The General Fund accounts for all of the general services provided by the Town of Wellington. At the end of 2011, the fund balance of the General Fund totaled \$1,302,881.



General government expenditures include all administrative functions of the Town (i.e. Town Board of Trustees (the "Town Board"), Municipal Court, Town Administrator, Finance Director, Town Attorney, and all other admin. support staff).

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**



During 2011, the Town Board did not amend the General Fund budget.

For the General Fund, the original budgeted revenues and other sources were \$1,407,013, compared to the actual amount of \$1,698,077. The General Fund's original budgeted expenditures and other uses were \$1,826,253, compared to the actual amount of \$1,604,822.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water, sewer, and storm drainage operations at the end of the year were \$3,913,130, \$1,164,490 and \$275,006 respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$35,991,221 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. At December 31, 2010, this figure was \$37,323,034; during 2011 there was a decrease of 3.6% in the book value of capital assets. This situation is brought about by the economy. The Town is not adding capital assets at the rates experienced during the construction boom. Depreciation continues to erode these values.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

The major capital asset expenditures occurring in 2011 were the I-25 Pedestrian Underpass Engineering (\$22,055), Right of Way Mower & Rotary Cutter (\$11,764), Buffalo Creek Booster Station (\$12,607), and the Water Line Project at Cleveland Ave. & Third Street (\$138,063).

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 18,000	\$ 18,000	\$ 130,283	\$ 130,283	\$ 148,283	\$ 148,283
Water rights	160,380	160,380	-	-	160,380	160,380
Water delivery rights	-	-	265,785	265,785	265,785	265,785
Buildings	441,503	482,103	-	-	441,503	482,103
Improvements other than Buildings	4,566,288	4,773,524	-	-	4,566,288	4,773,524
Streets & improvements	8,476,786	9,046,900	-	-	8,476,786	9,046,900
Machinery & equipment	251,413	285,917	537,330	563,787	788,743	849,704
Utility systems	-	-	20,988,460	21,463,416	20,988,460	21,463,416
Construction in progress	154,993	132,938	-	-	154,993	132,938
Total	\$ 14,069,363	\$ 14,899,762	\$ 21,921,858	\$ 22,423,271	\$ 35,991,221	\$ 37,323,033

Additional information on the Town of Wellington's capital assets can be found in footnote 6, pages 37 through 38 of this report.

Long-term debt - At the end of 2011, the Town of Wellington had total debt outstanding of \$4,437,331. \$260,000 of this debt is the 1984 general obligation bond balance debt backed by the full faith and credit of the Town. The remainder of the Town's debt represents bonds and loans secured solely by specified revenue sources.

Outstanding Long-Term Debt

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ -	\$ -	\$ 260,000	\$ 276,000	\$ 260,000	\$ 276,000
Revenue loans & notes	-	-	4,177,331	4,486,496	4,177,331	4,486,496
Total	\$ -	\$ -	\$ 4,437,331	\$ 4,762,496	\$ 4,437,331	\$ 4,762,496

This debt payable does not include compensated absences of \$60,642 for the year 2011 or the premium on long-term debt, in the business-type activities, \$113,501.

Additional information on the Town of Wellington's long-term debt can be found in footnote 7, pages 38 through 40 of this report.

**Town of Wellington
Management's Discussion and Analysis
December 31, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget assures the efficient, effective and economic uses of Town resources, as well as, establishing that highest priority objectives are accomplished. Through the budget, the Town Board sets the direction of the Town, allocates its resources and establishes priorities.

The Town Board approved the 2012 Budget on December 13, 2012, appropriating \$22,093,191 for expenditure. The 2011 appropriation reflects a 0.6% decrease from the 2010 Budget.

The Town has experienced significant population growth over the last decade. However 2011, which proved a continuation of a trend that began in 2007, the Town again noted low levels of new home building permits, relative to recent years. This eventuality was due to the economic conditions prevailing in that sector as well as the general economy at this point. This trend is expected to continue, with potential for modest improvement in 2012. These sentiments were incorporated into the 2012 budget. Given this set of short to medium term prospects for economic growth, no additional staff FTE's were added in 2011, nor were any budgeted for in 2012. The administrative staff FTE's are virtually unchanged from as long as five to seven years ago, primarily due to the Town's progressive stance regarding technology (computer equipment & software) with respect to the administrative function. The potential for growth experienced over the period encompassing the late 1990's and seemingly ending in about 2007 may be a thing of the past, the likes of which may not be seen for a fair amount of time. In retrospect, the extreme rates of growth that were experienced in that time frame may have been more detrimental than beneficial. These extreme growth rates, no doubt fueled to a significant degree by federal government housing loan entities such as Fannie Mae and Freddy Mac likely were a federal government induced aberration, that hopefully won't be repeated. It is hoped that a more reasonable and sustainable growth rate occurs in the future.

The primary issues the Town will need to deal with in the 2012 calendar year and beyond include many challenges associated with steering the organization through tougher economic conditions. With the exception of the last three to four years, Town revenues had been on an ever increasing trend primarily due to the prolific new home and commercial construction situation as is outlined above. Related to the construction and growth and in concert trend wise were Town revenues from general sales taxes, motor vehicle sales taxes, and property taxes. It would seem unrealistic at this juncture to presume that a strong rebound in the housing market is on the near term horizon. Given the relatively grim perspective for some of the Town's previously major revenue sources, specifically use taxes on building permits, it will become critically important to carefully weigh particularly capital type expenditures, as well as personnel related expenditures. Customer service improvements (primarily utility billing as well as water quality issues), organizational structure and procedural aspects, particularly as related to personnel hiring (and firing) practices probably need to be addressed. In a brighter note, the Town's general sales tax revenues have held up surprisingly well. This is believed to be a result of Colorado's, and particularly the front range of Colorado, enjoying an economy that seems to be at least somewhat insulated from trends seen in many parts of the nation. The likely explanation here is the diversity in Colorado's economy compared to many areas of the country. Colorado has such a diverse economy, the State may continue to experience the benefits of this diversity in the private sector economic base.

Several other items/issues will also likely contend for top billing in 2012 and possibly beyond. One of these issues is the situation concerning federal government debt and budget issues. State and local government revenues may well be affected by activities at the Federal level. In light of the strong possibility that Federal spending will be reigned in over the course of the next few years, it's a good bet that there will be noticeable changes.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town of Wellington's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Wellington Finance Director, PO Box 127, 3735 Cleveland Ave., Wellington, Colorado 80549.

BASIC FINANCIAL STATEMENTS

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**Town of Wellington
Statement of Net Assets
December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,613,665	\$ 3,606,395	\$ 6,220,060
Equity in pooled cash and cash equivalents	697,663	1,793,443	2,491,106
Certificates of deposit	504,810	-	504,810
Receivables	1,119,340	357,738	1,477,078
Inventory	-	27,437	27,437
Deferred charges	-	29,935	29,935
Restricted cash and cash equivalents	-	723,703	723,703
Capital assets, net of accumulated depreciation	14,069,363	21,921,858	35,991,221
Total assets	19,004,841	28,460,509	47,465,350
LIABILITIES			
Accounts payable	208,509	293,733	502,242
Accrued interest payable	-	60,404	60,404
Accrued wages payable	22,572	20,638	43,210
Developer deposit	132,070	-	132,070
Unearned revenue	975,748	87,547	1,063,295
Noncurrent liabilities:			
Accrued compensated absences	60,642	-	60,642
Due within one year	-	333,867	333,867
Due in more than one year	-	4,216,965	4,216,965
Payable to developer	-	134,456	134,456
Total liabilities	1,399,541	5,147,610	6,547,151
NET ASSETS			
Invested in capital assets net of related debt	14,069,363	17,236,570	31,305,933
Restricted for:			
Emergency reserve	75,621	-	75,621
Other purposes	-	723,703	723,703
Unrestricted	3,460,316	5,352,626	8,812,942
Total net assets	\$ 17,605,300	\$ 23,312,899	\$ 40,918,199

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

**Town of Wellington
Statement of Activities
Year Ended December 31, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental activities:</u>				
General government	\$ 386,008	\$ 8,884	\$ -	\$ -
Public safety	721,196	-	-	-
Public works	1,326,662	-	-	-
Park and recreation	511,751	75,297	51,745	-
Economic development	543	-	-	-
Library	137,069	-	-	-
Small equipment	39,764	-	-	-
<u>Total governmental activities</u>	<u>3,122,993</u>	<u>84,181</u>	<u>51,745</u>	<u>-</u>
<u>Business-type activities:</u>				
Water	1,269,262	1,005,691	-	184,424
Sewer	822,903	595,026	-	129,198
Storm drainage	314,875	324,390	-	-
<u>Total business-type activities</u>	<u>2,407,040</u>	<u>1,925,107</u>	<u>-</u>	<u>313,622</u>
<u>Total primary government</u>	<u>\$ 5,530,033</u>	<u>\$ 2,009,288</u>	<u>\$ 51,745</u>	<u>\$ 313,622</u>

General revenues

Taxes:

- Property taxes levied for general purposes
- Property taxes levied for debt service
- Open space tax
- Sales and use tax
- Franchise fees
- Highway users tax
- Other taxes
- Impact fees
- Licenses and permits
- Fines and forfeitures
- Grants and contributions not restricted to specific programs
- Earnings on investments
- Other revenues
- Gain on sale of capital assets

Subtotal of general revenues

Transfers

Total general revenues and transfers

Changes in net assets

Net assets at beginning of year

Net assets at ending of year

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

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (377,124)	\$ -	\$ (377,124)
(721,196)	-	(721,196)
(1,326,662)	-	(1,326,662)
(384,709)	-	(384,709)
(543)	-	(543)
(137,069)	-	(137,069)
(39,764)	-	(39,764)
<u>(2,987,067)</u>	<u>-</u>	<u>(2,987,067)</u>
-	(79,147)	(79,147)
-	(98,679)	(98,679)
-	9,515	9,515
<u>-</u>	<u>(168,311)</u>	<u>(168,311)</u>
<u>(2,987,067)</u>	<u>(168,311)</u>	<u>(3,155,378)</u>
675,780	-	675,780
-	86,092	86,092
129,817	-	129,817
840,267	25,351	865,618
135,041	-	135,041
192,764	-	192,764
316,380	19,320	335,700
22,258	27,365	49,623
84,339	-	84,339
8,636	-	8,636
4,350	-	4,350
4,183	2,580	6,763
22,710	13	22,723
3,012	-	3,012
<u>2,439,537</u>	<u>160,721</u>	<u>2,600,258</u>
<u>1,445</u>	<u>-</u>	<u>1,445</u>
<u>2,440,982</u>	<u>160,721</u>	<u>2,601,703</u>
(546,085)	(7,590)	(553,675)
<u>18,151,385</u>	<u>23,320,489</u>	<u>41,471,874</u>
<u>\$ 17,605,300</u>	<u>\$ 23,312,899</u>	<u>\$ 40,918,199</u>

**Town of Wellington
Balance Sheet
Governmental Funds
December 31, 2011**

	General	Street	Park
<u>ASSETS</u>			
Cash and cash equivalents	\$ 795,846	\$ 14,390	\$ 1,375,049
Equity in pooled cash and cash equivalents	-	697,663	-
Cash with fiscal agent	-	14,390	-
Certificates of deposit	504,810	-	-
Receivables	683,926	402,656	32,758
Due from other funds	355,979	1,148,049	-
<u>Totals assets</u>	<u>\$ 2,340,561</u>	<u>\$ 2,277,148</u>	<u>\$ 1,407,807</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Due to other funds	\$ 102,514	\$ -	\$ 1,223,039
Accounts payable	186,289	16,769	5,451
Accrued wages payable	11,492	4,490	6,590
Developer deposit	132,070	-	-
Deferred revenues	605,315	370,433	-
<u>Total liabilities</u>	<u>1,037,680</u>	<u>391,692</u>	<u>1,235,080</u>
<u>Fund balances</u>			
Restricted	75,621	-	-
Committed	42,416	-	-
Assigned	122,444	1,885,456	172,727
Unassigned	1,062,400	-	-
<u>Total fund balances</u>	<u>1,302,881</u>	<u>1,885,456</u>	<u>172,727</u>
<u>Total liabilities and fund balances</u>	<u>\$ 2,340,561</u>	<u>\$ 2,277,148</u>	<u>\$ 1,407,807</u>

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

Town of Wellington
Reconciliation of the Governmental Funds Balance Sheet
with the Government-wide Statement of Net Assets
December 31, 2011

<u>Conservation Trust Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>																																																						
<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">\$ 413,990</td> <td style="width: 15%;">\$ 2,599,275</td> <td style="width: 60%;">Amounts reported for governmental activities in the Statement of Net Assets are different because:</td> <td style="width: 10%;"></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">697,663</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">14,390</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">504,810</td> <td>Total fund balance - governmental funds</td> <td style="text-align: right;">\$ 3,596,579</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">1,119,340</td> <td>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">1,504,028</td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;"><u>\$ 413,990</u></td> <td style="border-top: 1px solid black; text-align: right;"><u>\$ 6,439,506</u></td> <td></td> <td></td> </tr> </table>	\$ 413,990	\$ 2,599,275	Amounts reported for governmental activities in the Statement of Net Assets are different because:		-	697,663			-	14,390			-	504,810	Total fund balance - governmental funds	\$ 3,596,579	-	1,119,340	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		-	1,504,028			<u>\$ 413,990</u>	<u>\$ 6,439,506</u>			<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">\$ 178,475</td> <td style="width: 15%;">\$ 1,504,028</td> <td style="width: 60%;">Capital assets</td> <td style="width: 10%;">\$ 23,175,580</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">208,509</td> <td>Accumulated depreciation</td> <td style="text-align: right;"><u>(9,106,217)</u></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">22,572</td> <td></td> <td style="text-align: right;">14,069,363</td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">132,070</td> <td>Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.</td> <td></td> </tr> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">975,748</td> <td></td> <td style="text-align: right;"><u>(60,642)</u></td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;"><u>178,475</u></td> <td style="border-top: 1px solid black; text-align: right;"><u>2,842,927</u></td> <td>Total net assets - governmental activities</td> <td style="text-align: right;"><u>\$ 17,605,300</u></td> </tr> </table>	\$ 178,475	\$ 1,504,028	Capital assets	\$ 23,175,580	-	208,509	Accumulated depreciation	<u>(9,106,217)</u>	-	22,572		14,069,363	-	132,070	Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements.		-	975,748		<u>(60,642)</u>	<u>178,475</u>	<u>2,842,927</u>	Total net assets - governmental activities	<u>\$ 17,605,300</u>		
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Town of Wellington
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2011

	General	Street	Park
<u>Revenues</u>			
Taxes and fees	\$ 1,565,438	\$ 603,442	\$ 143,427
Licenses and permits	83,064	1,275	-
Intergovernmental	4,350	-	-
Charges for services	8,884	-	75,297
Fines and forfeitures	8,636	-	-
Earnings on investments	2,097	693	1,059
Miscellaneous	21,151	10	1,549
<u>Total revenues</u>	<u>1,693,620</u>	<u>605,420</u>	<u>221,332</u>
<u>Expenditures</u>			
Current:			
General government	331,992	-	-
Public safety	721,196	-	-
Public works	158,077	432,982	-
Park and recreation	49,471	-	385,687
Economic development	543	-	-
Library	125,233	-	-
Small equipment	22,607	6,677	10,480
Capital outlay	2,703	47,322	2,703
<u>Total expenditures</u>	<u>1,411,822</u>	<u>486,981</u>	<u>398,870</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>281,798</u>	<u>118,439</u>	<u>(177,538)</u>
<u>Other financing sources (uses)</u>			
Proceeds from sale of capital assets	3,012	-	-
Transfers in	1,445	-	193,000
Transfers out	(193,000)	-	-
<u>Total other financing sources (uses)</u>	<u>(188,543)</u>	<u>-</u>	<u>193,000</u>
<u>Net change in fund balances</u>	<u>93,255</u>	<u>118,439</u>	<u>15,462</u>
<u>Fund balances at beginning of year</u>	<u>1,209,626</u>	<u>1,767,017</u>	<u>157,265</u>
<u>Fund balances at end of year</u>	<u>\$ 1,302,881</u>	<u>\$ 1,885,456</u>	<u>\$ 172,727</u>

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

Town of Wellington
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances
with the Government-wide Statement of Activities
Year Ended December 31, 2011

<u>Conservation Trust Fund (Nonmajor)</u>	<u>Total Governmental Funds</u>		
\$ -	\$ 2,312,307	Amounts reported for governmental activities in the Statement of Activities are different because:	
-	84,339		
51,745	56,095		
-	84,181	Total net change in fund balance - governmental funds.	\$ 279,235
-	8,636		
334	4,183	Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay during the year.	
-	22,710		
<u>52,079</u>	<u>2,572,451</u>		
-	331,992	Capital outlay	\$ 52,728
-	721,196	Depreciation expense	<u>(883,127)</u>
-	591,059		(830,399)
-	435,158	Decrease in accrued compensated absences liability reflected against expense on the Statement of Activities and not reflected as an expenditure on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances.	
-	543		
-	125,233		
-	39,764		
-	52,728		<u>5,079</u>
<u>-</u>	<u>2,297,673</u>	Change in net assets of governmental activities	<u>\$ (546,085)</u>
<u>52,079</u>	<u>274,778</u>		
-	3,012		
-	194,445		
<u>-</u>	<u>(193,000)</u>		
<u>-</u>	<u>4,457</u>		
52,079	279,235		
<u>183,436</u>	<u>3,317,344</u>		
<u>\$ 235,515</u>	<u>\$ 3,596,579</u>		

**Town of Wellington
Statement of Net Assets
Proprietary Funds
December 31, 2011**

<u>ASSETS</u>	Water Fund	Sewer Fund	Storm Drainage Fund	Total
<u>Current assets</u>				
Cash and cash equivalents	\$ 2,029,163	\$ 1,576,471	\$ 761	\$ 3,606,395
Equity in pooled cash and cash equivalents	1,353,922	-	439,521	1,793,443
Receivables	200,248	99,053	58,437	357,738
Due from other funds	453,944	-	-	453,944
Inventory	19,667	7,770	-	27,437
<u>Total current assets</u>	<u>4,056,944</u>	<u>1,683,294</u>	<u>498,719</u>	<u>6,238,957</u>
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	244,279	479,424	-	723,703
Deferred charges	10,888	19,047	-	29,935
Capital assets:				
Land	36,130	83,103	-	119,233
Water rights	276,835	-	-	276,835
Utility system	16,264,302	11,983,906	106,136	28,354,344
Equipment	328,726	418,759	-	747,485
Less accumulated depreciation	(4,978,615)	(2,590,065)	(7,359)	(7,576,039)
Total capital assets - net	<u>11,927,378</u>	<u>9,895,703</u>	<u>98,777</u>	<u>21,921,858</u>
<u>Total noncurrent assets</u>	<u>12,182,545</u>	<u>10,394,174</u>	<u>98,777</u>	<u>22,675,496</u>
<u>Total assets</u>	<u>16,239,489</u>	<u>12,077,468</u>	<u>597,496</u>	<u>28,914,453</u>
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Due to other funds	-	453,944	-	453,944
Accounts payable	49,860	22,316	221,557	293,733
Accrued interest payable	7,053	53,351	-	60,404
Accrued wages payable	10,242	8,240	2,156	20,638
Unearned revenue	87,547	-	-	87,547
Current portion of long-term debt	100,949	232,918	-	333,867
<u>Total current liabilities</u>	<u>255,651</u>	<u>770,769</u>	<u>223,713</u>	<u>1,250,133</u>
<u>Noncurrent liabilities</u>				
Payable to developer	134,456	-	-	134,456
Long-term debt	1,324,696	2,892,269	-	4,216,965
<u>Total noncurrent liabilities</u>	<u>1,459,152</u>	<u>2,892,269</u>	<u>-</u>	<u>4,351,421</u>
<u>Total liabilities</u>	<u>1,714,803</u>	<u>3,663,038</u>	<u>223,713</u>	<u>5,601,554</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	10,367,277	6,770,516	98,777	17,236,570
Restricted for rate stabilization	-	350,000	-	350,000
Restricted for maintenance	244,279	129,424	-	373,703
Unrestricted	3,913,130	1,164,490	275,006	5,352,626
<u>Total net assets</u>	<u>\$ 14,524,686</u>	<u>\$ 8,414,430</u>	<u>\$ 373,783</u>	<u>\$ 23,312,899</u>

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

Town of Wellington
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2011

	Water Fund	Sewer Fund	Storm Drainage Fund	Totals
<u>Operating revenues</u>				
Charges for services	\$ 1,004,793	\$ 595,026	\$ 324,390	\$ 1,924,209
Miscellaneous	898	-	-	898
<u>Total operating revenues</u>	<u>1,005,691</u>	<u>595,026</u>	<u>324,390</u>	<u>1,925,107</u>
<u>Operating expenses</u>				
Administrative	149,309	114,115	249,278	512,702
Operating	620,147	298,257	52,931	971,335
Small equipment	7,568	9,136	9,128	25,832
Depreciation	427,918	281,625	3,538	713,081
<u>Total operating expenses</u>	<u>1,204,942</u>	<u>703,133</u>	<u>314,875</u>	<u>2,222,950</u>
<u>Operating income (loss)</u>	<u>(199,251)</u>	<u>(108,107)</u>	<u>9,515</u>	<u>(297,843)</u>
<u>Non-operating revenues (expenses)</u>				
Property taxes and impact fees	86,092	-	72,036	158,128
Earnings on investments	1,355	1,225	-	2,580
Other nonoperating revenue	-	13	-	13
Interest expense	(64,320)	(119,770)	-	(184,090)
<u>Total non-operating revenues (expenses)</u>	<u>23,127</u>	<u>(118,532)</u>	<u>72,036</u>	<u>(23,369)</u>
<u>Income (loss) before contributions</u>	<u>(176,124)</u>	<u>(226,639)</u>	<u>81,551</u>	<u>(321,212)</u>
Capital contributions	184,424	129,198	-	313,622
<u>Changes in net assets</u>	<u>8,300</u>	<u>(97,441)</u>	<u>81,551</u>	<u>(7,590)</u>
<u>Net assets at beginning of year</u>	<u>14,516,386</u>	<u>8,511,871</u>	<u>292,232</u>	<u>23,320,489</u>
<u>Net assets at end of year</u>	<u>\$ 14,524,686</u>	<u>\$ 8,414,430</u>	<u>\$ 373,783</u>	<u>\$ 23,312,899</u>

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

**Town of Wellington
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011**

	Water Fund	Sewer Fund	Storm Drainage Fund	Total
<u>Cash flows from operating activities</u>				
Cash received from customers	\$ 990,691	\$ 577,986	\$ 323,589	\$ 1,892,266
Cash payments to suppliers	(489,697)	(221,182)	(247,766)	(958,645)
Cash payments to employees	(256,345)	(192,361)	(54,620)	(503,326)
<u>Net cash flows from operating activities</u>	<u>244,649</u>	<u>164,443</u>	<u>21,203</u>	<u>430,295</u>
<u>Cash flows from non-capital financing activities</u>				
Property taxes	86,092	-	72,036	158,128
Other nonoperating revenues	-	13	-	13
Change in interfund balances due	(73,032)	73,032	-	-
<u>Net cash flows from non-capital financing activities</u>	<u>13,060</u>	<u>73,045</u>	<u>72,036</u>	<u>158,141</u>
<u>Cash flows from capital and related financing activities</u>				
Capital contributions	184,424	129,198	-	313,622
Acquisitions of capital assets	(207,615)	(4,053)	-	(211,668)
Principal paid on long-term debt	(97,663)	(227,502)	-	(325,165)
Interest paid on long-term debt	(63,223)	(135,131)	-	(198,354)
<u>Net cash flows from capital and related financing activities</u>	<u>(184,077)</u>	<u>(237,488)</u>	<u>-</u>	<u>(421,565)</u>
<u>Cash flows from investing activities</u>				
Earnings on investments	1,355	1,225	-	2,580
Change in restricted cash and cash equivalents	(244,279)	(349,419)	-	(593,698)
<u>Net cash flows from investing activities</u>	<u>(242,924)</u>	<u>(348,194)</u>	<u>-</u>	<u>(591,118)</u>
<u>Net change in cash and cash equivalents</u>	<u>(169,292)</u>	<u>(348,194)</u>	<u>93,239</u>	<u>(424,247)</u>
<u>Cash and cash equivalents at beginning of year</u>	<u>3,552,377</u>	<u>1,924,665</u>	<u>347,043</u>	<u>5,824,085</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 3,383,085</u>	<u>\$ 1,576,471</u>	<u>\$ 440,282</u>	<u>\$ 5,399,838</u>
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>				
Operating income (loss)	\$ (199,251)	\$ (108,107)	\$ 9,515	\$ (297,843)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	427,918	281,625	3,538	713,081
(Increase) decrease in :				
Receivables	(15,000)	(17,040)	(801)	(32,841)
Inventory	1,960	(4,589)	-	(2,629)
Increase (decrease) in:				
Accounts payable	29,540	12,059	8,925	50,524
Accrued wages payable	(518)	495	26	3
<u>Net cash flows from operating activities</u>	<u>\$ 244,649</u>	<u>\$ 164,443</u>	<u>\$ 21,203</u>	<u>\$ 430,295</u>

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

Town of Wellington
Statement of Fiduciary Net Assets
Fiduciary Fund
December 31, 2011

	<u>Library Trust</u>
<u>ASSETS</u>	
Restricted cash and cash equivalents	\$ 118,550
Equity in pooled cash and cash equivalents, restricted	<u>42,323</u>
<u>Total assets</u>	<u>160,873</u>
<u>LIABILITIES</u>	
Accounts payable	<u>-</u>
<u>NET ASSETS</u>	
Net assets	<u>\$ 160,873</u>

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

Town of Wellington
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Year Ended December 31, 2011

	Library Trust
<u>Additions</u>	
Library impact fees	\$ 4,250
<u>Deductions</u>	
Transfer out	1,445
<u>Change in net assets</u>	2,805
<u>Net assets at beginning of year</u>	158,068
<u>Net assets at end of year</u>	\$ 160,873

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

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies

The Town of Wellington, Colorado (the "Town") was founded on November 10, 1905 as a statutory town. The Town's major operations include general government; public safety; public works; culture, parks and recreation; and community development. The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town also applies Financial Accounting Standards Board ("FASB") statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Town's accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the Town is the reporting entity for financial reporting purposes. The Town is the primary government financially accountable for all activities of the Town. The Town meets the criteria of a primary government: its Town Board of Trustees is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The Town is not included in any other governmental reporting entity.

The determination to include separate governmental entities is based on the criteria of GASB Statement No. 14, "The Financial Reporting Entity," ("GASB No. 14"). GASB No. 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either; A) the primary government must be able to impose its will, or B) the primary government may potentially benefit financially or be financially responsible for the component unit.

The financial statements of the Town do not include any separately administered organizations as there were none as defined in the previous paragraph.

Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due (matured).

Sales taxes, property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net assets and the change in net assets.

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town reports the following major governmental funds:

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

Street Fund - The Street Fund, a special revenue fund, is considered a major fund of the Town and is used to account for the collection and disbursement of specific revenue sources for the maintenance of the Town's streets and alleys.

Park Fund - The Park Fund, a special revenue fund, is considered a major fund of the Town and is used to account for the collection and disbursement of specific revenue sources for the maintenance of the Town's parks and open space.

The other governmental fund (nonmajor fund) is a special revenue fund (Conservation Trust) and has been established to account for revenues derived from specific earmarked revenues sources which finance specific activities as required by law or administrative action.

Proprietary Funds - Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's enterprise funds include the Water, Sewer and Storm Drainage Funds.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Proprietary funds distinguish between operating revenues and expenses and non-operating items in the Statements of Revenues, Expenses and Changes in Net Assets. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Town's purpose of providing water, sewer or storm drainage services to its customers. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of service, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town has one private-purpose trust fund, the Library Trust Fund. This fund accumulates library impact fees and grants and disburses fund for project's at the Town's library. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgets

The Town follows these procedures in establishing the budgetary data reflected in the required and other supplementary information accompanying these statements:

- 1) By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is conducted to obtain taxpayer comments.
- 3) Prior to December 31, the budget is legally enacted through passage of a resolution.
- 4) Any budget revisions that alter the total expenditures of any fund must be approved by the Town Board of Trustees through passage of a resolution.
- 5) The Town legally adopts budgets for all of the funds. Budgets for the General, special revenue, and fiduciary funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis.
- 6) Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board. All appropriations lapse at year end.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

The following table summarizes the individual fund budgeted expenditures, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$ 1,826,253	\$ -	\$ 1,826,253
<u>Special revenue funds:</u>			
Street fund	4,264,827	-	4,264,827
Park fund	4,217,992	-	4,217,992
Conservation trust fund	-	-	-
<u>Business type funds:</u>			
Water fund	7,812,341	-	7,812,341
Sewer fund	2,635,860	-	2,635,860
Storm drainage fund	1,475,746	-	1,475,746
<u>Fiduciary fund type:</u>			
Library trust fund	850	-	850
<u>Total funds</u>	<u>\$ 22,233,869</u>	<u>\$ -</u>	<u>\$ 22,233,869</u>

Cash and Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less, including deposits in a pooled investment fund, to be cash equivalents. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan.

Restricted Cash

The amounts restricted in the water and sewer funds are in compliance with the operation and maintenance reserve and rate stabilization requirements of the loans from the Colorado Water Resource and Power Development Authority (CWR&PDA).

Certificates of Deposit

Certificates of deposit are carried at cost plus accrued interest, which approximates fair value.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide Statement of Net Assets and, classified as due from other funds or due to other funds on the Balance Sheet.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventories

Inventories, consisting primarily of chemicals used in the treatment process of the water and sewer funds, have been valued at cost on a first-in first-out basis. The consumption method is used to account for inventories. Inventory costs are recorded as expenditures when individual inventory items are consumed.

Bond Premiums, Discounts and Issuance Costs

Bond premiums, discounts, and issuance costs in the government-wide and proprietary fund statements are deferred and amortized over the life of the bonds using the effective interest method. Debt issuance costs are reported as assets and the net premiums and discounts are presented as an adjustment to the face amount of the debt.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide Statement of Activities.

Estimated useful lives for asset types are as follows:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and water rights	N/A	N/A
Buildings and improvements	10-40 years	N/A
Improvements other than buildings	5-50 years	N/A
Streets and improvements	20-40 years	N/A
Machinery and equipment	5-20 years	5 years
Utilities systems	N/A	50 years

Accrued Compensated Absences Payable

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of \$60,642 at December 31, 2011.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. At December 31, 2011, there is no accrual in the fund financial statements.

**Town of Wellington
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Net Assets and Fund Balance - In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

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

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors, or laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

As of December 31, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the "Board"). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

**Town of Wellington
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets and Fund Balances (Continued)

As of December 31, 2011, fund balances are composed of the following:

	General Fund	Street Fund	Park Fund	Conservation Trust Fund	Total Governmental Funds
Restricted:					
Emergencies	\$ 75,621	\$ -	\$ -	\$ -	\$ 75,621
Park and open space	-	-	-	235,515	235,515
Committed:					
Cemetery operations	42,416	-	-	-	42,416
Assigned:					
Capital projects	-	1,450,191	137,042	-	1,587,233
Subsequent year's expenditures	122,444	435,265	35,685	-	593,394
Unassigned:	1,062,400	-	-	-	1,062,400
Total fund balances	\$ 1,302,881	\$ 1,885,456	\$ 172,727	\$ 235,515	\$ 3,596,579

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

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Change in Accounting Principle

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," ("GASB No. 54") enhances the usefulness, including the understandability, of governmental fund balance information. GASB No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions. The Town implemented this statement during the current fiscal year, and has disclosed this information in Note 1 (Net Assets and Fund Balances).

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 3 - Cash and Investments

Cash Deposits

Custodial Credit Risk - Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The Town's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2011, all of the Town's deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by the PDPA program, and are therefore not deemed to be exposed to custodial credit risk.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest, which include:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit with original maturities of greater than three months
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities.
- Local government investment pools

Town policy is to hold investments until maturity.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. The Town does not have a specific policy for custodial credit risk. As of December 31, 2011, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is a means of limiting exposure to fair value losses arising from increasing interest rates.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 3 - Cash and Investments

Local Government Investment Pools

At June 30, 2011, the Town had invested \$6,842,707 in the Trust a local government investment pool. As an investment pool, the Trust operates under the CRS section 24-75-701 and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios are rated AAAM by Standard and Poor's and may invest in U.S. Treasury Securities, repurchase agreements collateralized by U.S. Treasury Securities and the highest rated commercial paper. Wells Fargo Bank serves as custodian for the Trust's portfolios and provides services as the depository in connection with direct investments owned by the Trust. Separate financial statements can be obtained by calling (303) 864-7474 or going to www.colotrust.com.

Cash and cash equivalents held by the Town at December 31, 2011, were as follows:

Cash on hand	\$ 300
Cash with county treasurer and clerk	14,390
Cash deposits	2,738,345
Local government investment pool	<u>6,842,707</u>
Total	<u>\$ 9,595,742</u>

Cash and cash equivalents, by statement, are as follows:

Statement of net assets

Cash and cash equivalents	\$ 6,220,060
Equity in pooled cash and cash equivalents	2,491,106
Restricted cash and cash equivalents	723,703

Statement of fiduciary net assets

Restricted cash and cash equivalents	118,550
Equity in pooled cash and cash equivalents	<u>42,323</u>

Total	<u>\$ 9,595,742</u>
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Note 4 - Receivables

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

<u>Types</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes	\$ 597,814	\$ 87,547	\$ 685,361
Trade accounts	-	270,191	270,191
Intergovernmental	65,739	-	65,739
Developers	370,376	-	370,376
Other	85,411	-	<u>85,411</u>
Total	<u>\$ 1,119,340</u>	<u>\$ 357,738</u>	<u>\$ 1,477,078</u>

**Town of Wellington
Notes to Financial Statements
December 31, 2011**

Note 5 - Interfund Receivables/Payables and Transfers

The Town's interfund receivables and payables at December 31, 2011 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental funds		
General	Park	\$ 177,504
	Conservation Trust	178,475
Street	General	102,514
	Park	1,045,535
Total governmental funds		<u>1,504,028</u>
Proprietary funds		
Water	Sewer	453,944
Total proprietary funds		<u>453,944</u>
Total - fund financial statements		1,957,972
Less: fund eliminations		<u>(1,957,972)</u>
Total internal balances - government-wide Statement of Net Assets		<u>\$ -</u>

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them or use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

<u>Transfers In:</u>	<u>Transfers Out:</u>		
	<u>General Fund</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Governmental funds:			
Major funds -			
General fund	\$ -	\$ 1,445	\$ 1,445
Park fund	193,000	-	193,000
Total transfers	<u>\$ 193,000</u>	<u>\$ 1,445</u>	<u>\$ 194,445</u>

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 6 - Capital Assets

A summary of changes in governmental-activities capital assets for the year ended December 31, 2011, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land and water rights	\$ 178,380	\$ -	\$ -	\$ 178,380
Construction in progress	132,938	22,055	-	154,993
Total capital assets, not being depreciated	311,318	22,055	-	333,373
Capital assets, being depreciated:				
Buildings and improvements	948,040	-	-	948,040
Improvements other than buildings	6,553,525	-	-	6,553,525
Streets and improvements	14,263,628	-	-	14,263,628
Machinery and equipment	1,058,341	30,673	(12,000)	1,077,014
Total capital assets, being depreciated	22,823,534	30,673	(12,000)	22,842,207
Less accumulated depreciation for:				
Buildings and improvements	(465,937)	(40,600)	-	(506,537)
Improvements other than buildings	(1,780,001)	(207,236)	-	(1,987,237)
Streets and improvements	(5,216,728)	(570,114)	-	(5,786,842)
Machinery and equipment	(772,424)	(65,177)	12,000	(825,601)
Total accumulated depreciated	(8,235,090)	(883,127)	12,000	(9,106,217)
Total capital assets, being depreciated, net	14,588,444	(852,454)	-	13,735,990
Governmental activities capital assets, net	\$14,899,762	\$ (830,399)	\$ -	\$14,069,363

Depreciation expense for governmental activities has been allocated to various activities as follows:

Governmental Activities:	
General government	\$ 59,095
Public works	735,603
Park and recreation	76,593
Library	11,836
Total depreciation expense - governmental activities	\$ 883,127

**Town of Wellington
Notes to Financial Statements
December 31, 2011**

Note 6 - Capital Assets (Continued)

A summary of changes in business-type activities capital assets for the year ended December 31, 2011, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Land and water rights	\$ 396,068	\$ -	\$ -	\$ 396,068
Total capital assets, not being depreciated	396,068	-	-	396,068
Capital assets, being depreciated:				
Utilities systems	28,150,782	203,562	-	28,354,344
Equipment	739,379	8,106	-	747,485
Total capital assets, being depreciated	28,890,161	211,668	-	29,101,829
Less accumulated depreciation	(6,862,958)	(713,081)	-	(7,576,039)
Total capital assets, being depreciated, net	22,027,203	(501,413)	-	21,525,790
Total business-type activities capital assets, net	\$22,423,271	\$ (501,413)	\$ -	\$21,921,858

Depreciation expense for business-type activities has been allocated to various activities as follows:

Business-type Activities:	
Water	\$ 427,918
Sewer	281,625
Storm drainage	3,538
Total depreciation expense - business-type activities	\$ 713,081

Note 7 - Long-Term Debt

Following is a summary of the business-type activities debt transactions for the year ended December 31, 2011:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
\$500,000 January 13, 1984, general obligation water bond due in installments of \$15,000 in 2012; this bond matures December 1, 2023; interest at 5%.	\$ 276,000	\$ -	\$ (16,000)	\$ 260,000	\$ 16,000
December 1, 1982 Colorado Water Conservation Board note requiring annual payments of \$57,593 principal and interest at 4.0% through December 1, 2023. Revenues of the Town are pledged in an amount sufficient to pay the annual amounts due under the loan contract.	575,119	-	(34,591)	540,528	35,974

**Town of Wellington
Notes to Financial Statements
December 31, 2011**

Note 7 - Long-term Debt (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2001 Colorado Water Resource and Power Development Authority twenty year note requiring semi-annual payments of \$36,747 principal and interest, at 4.0% through May 1, 2022. The loan is a special revenue obligation of the water fund payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.	672,189	-	(47,072)	625,117	48,975
2002 Colorado Water Resouce and Power Development Authority twenty year note requires varying semi-annual principal and interest, at 3.71%, payments through August 1, 2022. The loan is a special revenue obligation of the sewer fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.	3,239,188	-	(227,502)	3,011,686	232,918
	<u>\$4,762,496</u>	<u>\$ -</u>	<u>\$ (325,165)</u>	<u>\$4,437,331</u>	<u>\$ 333,867</u>
Current portion of long-term debt				(333,867)	
Premium on long-term debt				<u>113,501</u>	
Non-current portion of long-term debt				<u>\$4,216,965</u>	

The following table represents future debt service requirements on the business-type activity debt as of December 31, 2011:

<u>Year</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 333,867	\$ 187,182
2013	343,701	177,548
2014	353,673	167,726
2015	369,204	152,595
2016	379,468	142,082
2017-2021	2,121,928	439,430
2022-2023	535,490	35,597
	<u>\$ 4,437,331</u>	<u>\$ 1,302,160</u>

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 7 - Long-term Debt (Continued)

Future Debt Service Requirements

Developer Obligation

The Town received from a developer a cash payment in lieu of a line of credit to insure improvements were made to the developer's property. The deposit has been held by the Town in an interest bearing account and has a balance of \$132,070 at December 31, 2011. The developer has since gone out of business and the improvements to the property have never been made. A final determination of this liability has not been made as of December 31, 2011.

Note 8 - Rate Maintenance - Sewer Fund

The Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's water system (the "System") in an amount sufficient to; (1) meet the operation and maintenance expenses of the System, (2) to comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

The following calculation shows the Town has not complied with the rate maintenance provision of this loan agreement.

Operating revenues	\$	595,026	
Connection fees		129,198	
<u>Subtotal</u>		724,224	
Operation and maintenance expenses		421,508	
<u>Net revenue as defined in loan agreement</u>			302,716
2011 principal due		227,502	
2011 interest due		135,131	
		362,633	
		x110%	398,896
Amount the current year revenues were short of meeting the requirements of the CWRPDA loan agreement.			\$ (96,180)

Per the loan agreement, the Town is required to either raise rates within 60 days after the end of the year to comply with the rate covenant or to hire an independent firm of accountants or consulting engineers to do a rate study within 120 days of year end to recommend a rate increase to meet the loan covenant.

The Town Board approved resolution 1-2012 SE establishing rate stabilization account in conformity with the rate covenant provisions of the 2002 Colorado Water Resource and Power Development Authority loan agreement. This resolution restricted \$350,000 specifically for debt service on the aforementioned CWRPDA loan, retroactive to December 31, 2011. Accordingly, the Town is in compliance with the requirements of the CWRPDA loan.

The CWRPDA loans in the water and sewer funds require the Town to maintain an operations and maintenance reserve in an amount equal to three months of operations and maintenance expenses, excluding depreciation of the system, as set forth in the annual budget for the current fiscal year. The Town has restricted \$244,279 in the water fund and \$129,424 in the sewer fund to comply with the terms of these agreements.

Town of Wellington
Notes to Financial Statements
December 31, 2011

Note 9 - 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; injuries to employees; and natural disasters.

The Town carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

Note 10 - Taxes, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has reserved \$75,261 for this purpose.

On November 5, 1996, the voting citizens of the Town of Wellington authorized the Town (retroactive to January 1, 1995) to, without imposing any new taxes or increases in tax rates, retain all revenue from all sources in 1995 and subsequent years, and to spend the same as a voter-approved revenue change and as exception to limits which would otherwise apply for each of said years under Colorado Constitution Article X, Section 20, the taxpayer's bill of rights. This effectively removed all revenue and spending limits imposed by TABOR.

Note 11 - Violation of State Statutes

During the year ended December 31, 2011, expenditures exceeded budget appropriations by \$595 in the Library Trust Fund, which may be in violation of state statutes.

Note 12 - Subsequent Events

Management of the Town has evaluated subsequent events through July 24, 2012, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to or disclosure in the financial statements were identified.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Wellington
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - General Fund
Year Ended December 31, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 1,215,033	\$ 1,215,033	\$ 1,430,397	\$ 215,364
Franchise fees	92,000	92,000	135,041	43,041
Licenses and permits	51,875	51,875	83,064	31,189
Intergovernmental	-	-	4,350	4,350
Charges for services	19,525	19,525	8,884	(10,641)
Fines and forfeitures	12,000	12,000	8,636	(3,364)
Earnings on investments	3,125	3,125	2,097	(1,028)
Miscellaneous	12,350	12,350	21,151	8,801
Total revenues	1,405,908	1,405,908	1,693,620	287,712
Expenditures				
Current:				
General government:				
Legislative	107,868	107,868	123,589	(15,721)
Judicial	22,600	22,600	22,417	183
Administrative	145,077	145,077	131,222	13,855
Planning and zoning	93,000	93,000	54,764	38,236
Public safety:				
Police	610,250	610,250	609,787	463
Protective inspections	93,856	93,856	111,409	(17,553)
Public works:				
Sanitation	24,500	24,500	19,122	5,378
Operating	93,504	93,504	65,656	27,848
Cemetery	3,200	3,200	1,374	1,826
General use buildings	50,200	50,200	71,925	(21,725)
Park and recreation:				
Community activities	43,984	43,984	49,471	(5,487)
Economic development	2,000	2,000	543	1,457
Library	135,664	135,664	125,233	10,431
Small equipment	34,350	34,350	22,607	11,743
Capital outlay	15,200	15,200	2,703	12,497
Reservation of fund balance	150,000	150,000	-	150,000
Total expenditures	1,625,253	1,625,253	1,411,822	213,431
Excess (deficiency) of revenues over expenditures	(219,345)	(219,345)	281,798	501,143
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	3,012	3,012
Transfers in	1,105	1,105	1,445	340
Transfers out	(201,000)	(201,000)	(193,000)	8,000
Total other financing sources (uses)	(199,895)	(199,895)	(188,543)	11,352
Net change in fund balance	\$ (419,240)	\$ (419,240)	93,255	\$ 512,495
Fund balance at beginning of year			1,209,626	
Fund balance at end of year			\$ 1,302,881	

See accompanying Independent Auditors' Report.

Town of Wellington
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Street and Park Funds
Year Ended December 31, 2011

	Street Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 432,683	\$ 432,683	\$ 594,794	\$ 162,111
Impact fees	5,300	5,300	8,648	3,348
Licenses and permits	916	916	1,275	359
Charges for services	-	-	-	-
Earnings on investments	3,500	3,500	693	(2,807)
Contributions	3,515,417	3,515,417	-	(3,515,417)
Miscellaneous	850	850	10	(840)
<u>Total revenues</u>	<u>3,958,666</u>	<u>3,958,666</u>	<u>605,420</u>	<u>(3,353,246)</u>
<u>Expenditures</u>				
Current:				
Public works/Park and recreation:				
Administrative	52,326	52,326	47,340	4,986
Operating	356,611	356,611	385,642	(29,031)
Small equipment and other	51,773	51,773	6,677	45,096
Recreation	-	-	-	-
Capital outlay	3,802,917	3,802,917	47,322	3,755,595
Contingency	1,200	1,200	-	1,200
<u>Total expenditures</u>	<u>4,264,827</u>	<u>4,264,827</u>	<u>486,981</u>	<u>3,777,846</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>(306,161)</u>	<u>(306,161)</u>	<u>118,439</u>	<u>424,600</u>
<u>Other financing sources</u>				
Transfers in	1,000	1,000	-	(1,000)
<u>Total other financing sources</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<u>Net change in fund balances</u>	<u>\$ (305,161)</u>	<u>\$ (305,161)</u>	<u>118,439</u>	<u>\$ 423,600</u>
<u>Fund balances at beginning of year</u>			<u>1,767,017</u>	
<u>Fund balances at end of year</u>			<u>\$ 1,885,456</u>	

See accompanying Independent Auditors' Report.

Park Fund

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 100,000	\$ 100,000	\$ 129,817	\$ 29,817
8,000	8,000	13,610	5,610
-	-	-	-
77,370	77,370	75,297	(2,073)
1,250	1,250	1,059	(191)
3,722,089	3,722,089	-	(3,722,089)
3,600	3,600	1,549	(2,051)
<u>3,912,309</u>	<u>3,912,309</u>	<u>221,332</u>	<u>(3,690,977)</u>
57,450	57,450	52,342	5,108
235,933	235,933	164,348	71,585
17,000	17,000	10,480	6,520
181,070	181,070	168,997	12,073
3,726,539	3,726,539	2,703	3,723,836
-	-	-	-
<u>4,217,992</u>	<u>4,217,992</u>	<u>398,870</u>	<u>3,819,122</u>
<u>(305,683)</u>	<u>(305,683)</u>	<u>(177,538)</u>	<u>128,145</u>
<u>193,000</u>	<u>193,000</u>	<u>193,000</u>	<u>-</u>
<u>193,000</u>	<u>193,000</u>	<u>193,000</u>	<u>-</u>
<u>\$ (112,683)</u>	<u>\$ (112,683)</u>	15,462	<u>\$ 128,145</u>
		<u>157,265</u>	
		<u>\$ 172,727</u>	

OTHER SUPPLEMENTARY INFORMATION

Town of Wellington
Schedule of Revenues, Expenditures and
Changes in Fund Balance (Budget and Actual)
Conservation Trust Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 48,000	\$ 48,000	\$ 51,745	\$ 3,745
Earnings on investments	225	225	334	109
<u>Total revenues</u>	48,225	48,225	52,079	3,854
<u>Expenditures</u>	-	-	-	-
<u>Net change in fund balance</u>	<u>\$ 48,225</u>	<u>\$ 48,225</u>	52,079	<u>\$ 3,854</u>
<u>Fund balance at beginning of year</u>			183,436	
<u>Fund balance at end of year</u>			<u>\$ 235,515</u>	

See accompanying Independent Auditors' Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 892,500	\$ 892,500	\$ 1,004,793	\$ 112,293
Miscellaneous	5,500	5,500	898	(4,602)
<u>Total operating revenues</u>	<u>898,000</u>	<u>898,000</u>	<u>1,005,691</u>	<u>107,691</u>
<u>Operating expenses</u>				
Administrative	190,340	190,340	149,309	41,031
Operating	743,874	743,874	620,147	123,727
Small equipment	42,900	42,900	7,568	35,332
<u>Total operating expenses</u>	<u>977,114</u>	<u>977,114</u>	<u>777,024</u>	<u>200,090</u>
<u>Operating income (loss)</u>	<u>(79,114)</u>	<u>(79,114)</u>	<u>228,667</u>	<u>307,781</u>
<u>Non-operating revenues (expenses)</u>				
Property taxes	87,135	87,135	86,092	(1,043)
Capital contributions	4,429,511	4,429,511	184,424	(4,245,087)
Earnings on investments	2,250	2,250	1,355	(895)
Miscellaneous	1,000	1,000	-	(1,000)
Transfer in	2,500	2,500	-	(2,500)
Interest expense	(67,143)	(67,143)	(64,320)	2,823
Principal paid	(93,523)	(93,523)	(97,663)	(4,140)
Capital outlay	(6,652,911)	(6,652,911)	(207,615)	6,445,296
Reserve	(21,650)	(21,650)	-	21,650
<u>Total non-operating revenues (expenses)</u>	<u>(2,312,831)</u>	<u>(2,312,831)</u>	<u>(97,727)</u>	<u>2,215,104</u>
<u>Change in net assets - budgetary basis</u>	<u>\$ (2,391,945)</u>	<u>\$ (2,391,945)</u>	<u>130,940</u>	<u>\$ 2,522,885</u>
<u>Reconciliation to GAAP Basis</u>				
Depreciation			(427,918)	
Principal paid			97,663	
Capital outlay			<u>207,615</u>	
<u>Change in net assets - GAAP basis</u>			<u>8,300</u>	
<u>Net assets at beginning of year</u>			<u>14,516,386</u>	
<u>Net assets at end of year</u>			<u>\$ 14,524,686</u>	

See accompanying Independent Auditors' Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual (Non-GAAP Basis)
Sewer Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 621,000	\$ 621,000	\$ 595,026	\$ (25,974)
<u>Total operating revenues</u>	621,000	621,000	595,026	(25,974)
<u>Operating expenses</u>				
Administrative	134,268	134,268	114,115	20,153
Operating	374,828	374,828	298,257	76,571
Small equipment	8,600	8,600	9,136	(536)
<u>Total operating expenses</u>	517,696	517,696	421,508	96,188
<u>Operating income</u>	103,304	103,304	173,518	70,214
<u>Non-operating revenues (expenses)</u>				
Capital contributions	1,574,841	1,574,841	129,198	(1,445,643)
Earnings on investments	1,800	1,800	1,225	(575)
Other nonoperating revenue	2,500	2,500	13	(2,487)
Transfers in	2,500	2,500	-	(2,500)
Interest expense	(141,880)	(141,880)	(119,770)	22,110
Principal paid	(216,668)	(216,668)	(227,502)	(10,834)
Capital outlay	(1,636,891)	(1,636,891)	(4,053)	1,632,838
Loan reserve	(122,725)	(122,725)	-	122,725
<u>Total non-operating revenues (expenses)</u>	(536,523)	(536,523)	(220,889)	315,634
<u>Change in net assets - budgetary basis</u>	\$ (433,219)	\$ (433,219)	(47,371)	\$ 385,848
<u>Reconciliation to GAAP basis</u>				
Depreciation			(281,625)	
Principal paid			227,502	
Capital outlay			4,053	
<u>Change in net assets - GAAP basis</u>			(97,441)	
<u>Net assets at beginning of year</u>			8,511,871	
<u>Net assets at end of year</u>			\$ 8,414,430	

See accompanying Independent Auditors' Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual (Non-GAAP Basis)
Storm Drainage Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Licenses and permits	\$ 333	\$ 333	\$ -	\$ (333)
Charges for services	314,000	314,000	324,390	10,390
<u>Total operating revenues</u>	314,333	314,333	324,390	10,057
<u>Operating expenses</u>				
Administrative	234,721	234,721	249,278	(14,557)
Operational	61,566	61,566	52,931	8,635
Non-depreciable expenditures	13,367	13,367	9,128	4,239
Reserves	2,000	2,000	-	2,000
<u>Total operating expenses</u>	311,654	311,654	311,337	317
<u>Operating income</u>	2,679	2,679	13,053	10,374
<u>Non-operating revenues (expenses)</u>				
Taxes	33,316	33,316	44,671	11,355
Capital contributions	1,164,092	1,164,092	-	(1,164,092)
Impact fees	6,000	6,000	27,365	21,365
Earnings on investments	250	250	-	(250)
Miscellaneous	200	200	-	(200)
Transfer in	1,000	1,000	-	(1,000)
Capital outlay	(1,164,092)	(1,164,092)	-	1,164,092
<u>Total non-operating revenues (expenses)</u>	40,766	40,766	72,036	31,270
<u>Change in net assets - budgetary basis</u>	\$ 43,445	\$ 43,445	85,089	\$ 41,644
<u>Reconciliation to GAAP basis</u>				
Depreciation			(3,538)	
<u>Change in net assets - GAAP basis</u>			81,551	
<u>Net assets at beginning of year</u>			292,232	
<u>Net assets at end of year</u>			\$ 373,783	

See accompanying Independent Auditors' Report.

Town of Wellington
Schedule of Changes in Fiduciary Net Assets - Budget and Actual
Library Trust Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Additions</u>				
Library impact fees	\$ 2,500	\$ 2,500	\$ 4,250	\$ 1,750
Larimer county grant	500	500	-	(500)
<u>Total additions</u>	3,000	3,000	4,250	1,250
<u>Deductions</u>				
Transfer out	850	850	1,445	(595)
<u>Total deductions</u>	850	850	1,445	(595)
<u>Change in net assets</u>	\$ 2,150	\$ 2,150	2,805	\$ 655
<u>Net assets at beginning of year</u>			158,068	
<u>Net assets at end of year</u>			\$ 160,873	

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Wellington
		YEAR ENDING : December 2011
This Information From The Records Of (example - City of _ or County of Town of Wellington)	Prepared By: Mike Cummins	Phone: 970-568-3381

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)	80,186
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	359,457
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)	391,080	c. Other	
4. Miscellaneous local receipts (from page 2)	1,978	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	47,339
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	486,982
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)	393,058	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	212,362	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	605,420	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)	486,982

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
	1,767,017	605,420	486,982	1,885,455	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	693
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	323,581	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	8,648	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	58,851	g. Other Misc. Receipts	
6. Total (1. through 5.)	391,080	h. Other	1,285
c. Total (a. + b.)	391,080	i. Total (a. through h.)	1,978
	(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	192,764	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	19,598	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	19,598	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	212,362	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		22,055	22,055
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		58,131	58,131
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	58,131	58,131
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	80,186	80,186
			(Carry forward to page 1)

Notes and Comments:

County Road & Bridge Tax:	15,700	Street Cut Permits:	1,275
Specific Ownership Tax:	43,151	Misc. Revenue:	10
Total Line A.3.b.5:	<u>58,851</u>	Total Line A.3.b.5:	<u>1,285</u>