

CITY OF LOUISVILLE, COLORADO



COMPREHESIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



City *of*
Louisville

COLORADO • SINCE 1878

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

PREPARED BY:
Department of Finance
Kevin C. Watson, Director of Finance
Barbara J. Kelley, Accounting Manager

**City of Louisville, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Introductory Section:		
Letter of Transmittal		1
Certificate of Achievement for Excellence in Financial Reporting		6
Organization Chart		7
Directory of City Officials		8
Financial Section:		
Independent Auditors' Report		9
Management's Discussion & Analysis		11
Basic Financial Statements		
Statement of Net Assets..... 1		23
Statement of Activities	2	24
Balance Sheet – Governmental Funds	3	26
Reconciliation of the Balance Sheet to the Statement of Net Assets..... 3		27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	4	29
Statement of Net Assets – Proprietary Funds	5	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	6	32
Statement of Cash Flows – Proprietary Funds..... 7		33

**City of Louisville, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Table of Contents (Continued)

	<u>Page</u>
Financial Section: (Continued)	
Table of Contents for Notes	36
Notes to the Financial Statements	38
Required Supplementary Information	
Budgetary Comparison Schedule General Fund	64
Conservation Trust – Land Acquisition Fund.....	65
Notes to the Required Supplemental Information.....	66
Other Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds..	74
Budgetary Comparison Schedule – PEG Fees	76
Budgetary Comparison Schedule – Parking Improvement Fund	77
Budgetary Comparison Schedule – McCaslin Interchange Fund	78
Budgetary Comparison Schedule – Conservation Trust – Lottery Fund.....	79
Budgetary Comparison Schedule – Impact Fee Fund	80
Budgetary Comparison Schedule – Northwest Parkway Fund	81

**City of Louisville, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Table of Contents (Continued)

	<u>Page</u>
Financial Section: (Continued)	
Budgetary Comparison Schedule – Cemetery Fund.....	82
Budgetary Comparison Schedule – Urban Revitalization District Fund	83
Budgetary Comparison Schedule – Historic Preservation Fund	84
Budgetary Comparison Schedule – Library Construction Project Fund.....	85
Budgetary Comparison Schedule – Library Debt Service Fund.....	86
Budgetary Comparison Schedule – Cemetery Perpetual Care Fund	87
Budgetary Comparison Schedule – Capital Projects Fund	88
Budgetary Comparison Schedule – Water & Wastewater Fund	90
Budgetary Comparison Schedule – Golf Course Fund	91
Budgetary Comparison Schedule – Solid Waste & Recycling Fund	92
Combining Statement of Net Assets – Internal Service Funds	94
Combining Statement of Revenues, Expenses, And Changes in Net Assets – Internal Service Funds....	95
Combining Statement of Cash Flows – Internal Service Funds	96

**City of Louisville, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Table of Contents (Continued)

Financial Section: (Continued)	<u>Page</u>
Budgetary Comparison Schedule – Building Maintenance Fund.....	97
Budgetary Comparison Schedule – Technology Management Fund.....	98
Budgetary Comparison Schedule – Fleet Management Fund	99

Statistical Section:	<u>Schedule</u>	<u>Page</u>
Financial Trends.....	1-4.....	103
Revenue Capacity	5-12.....	108
Debt Capacity.....	13-16.....	116
Demographics	17-19.....	120
Operating Information	20-21.....	123

Compliance Section:

Single Audit Reports:

Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	125
Report on Compliance with Requirement That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	127
Schedule of Expenditures of Federal Awards	129
Notes to the Schedule of Expenditures of Federal Awards.....	130
Schedule of Findings and Questioned Costs	131

**City of Louisville, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

Table of Contents (Continued)

	<u>Page</u>
Compliance Section: (Continued)	
Summary Schedule of Prior Year Findings	135
Local Highway Finance Report	136



COLORADO • SINCE 1882

June 9, 2011

Citizens, Honorable Mayor, Members of the City Council:

We submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Louisville for the fiscal year ended December 31, 2010. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data reflects accurately in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. We have also included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

This report includes all funds of the City. The Louisville Housing Authority, the Louisville Cultural Council, the Louisville Historical Commission, the Louisville Fire Protection District, and the Urban Drainage and Flood Control District do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The Urban Revitalization District does meet the established criteria for inclusion and, therefore, is included within this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Louisville has often been recognized for its livability. Most recently, Money magazine named Louisville number one in its 2009 "Best Place to Live" issue, citing the historic downtown, robust local industries, and the great outdoors. Quoting the Money article: "Add in dry, clear weather, little crime, good health care, low taxes, and Louisville is pretty tough to beat."

The City of Louisville is located in the Denver metropolitan region, approximately 6 miles east of the City of Boulder and 25 miles northwest of Denver. Louisville has an incorporated area of approximately 7.9 square miles and a population of approximately 18,500. The City's residential growth peaked in 1992 and has since slowed significantly as the City nears the target population of about 23,000 that is contained in the Community Vision section of the City's Comprehensive Plan. The City is strongly influenced by the U.S. Highway 36 corridor from Denver to Boulder, and development in adjacent municipalities.

In 2008 ConocoPhillips purchased the 420 acre Storage Tek/Sun Microsystems campus in Louisville. ConocoPhillips has deconstructed the 1.6 million square feet of existing buildings on the site and in 2013 intends to start constructing a corporate learning and global technology center on the site. In 2009 ConocoPhillips hired HOK as the architecture and design team to help lead the redevelopment effort. Company news releases indicate the learning center will be a, "best-in-class training facility...for all [ConocoPhillips] employees worldwide." The technology center is expected to support many new and alternative energy research and development opportunities; work closely with nearby universities, including Colorado University, Colorado State University, the Colorado School of Mines, and Denver University; and take advantage of ongoing collaboration with the National Renewable Energy Laboratory (NREL). The ConocoPhillips development will have a significant positive impact to building revenues, property taxes, and sales/use taxes.

In 2010, Vestas, the world's largest wind turbine manufacturer, established a research-and-development facility in Louisville employing 75 to 125 engineers, scientists and support staff at an estimated payroll of \$8 million the first year. Vestas expects to employ about 240 highly paid workers at the Louisville site within three years.

Downtown Louisville is also designated as the site for a Regional Transportation District (RTD) FasTracks commuter rail station on the Northwest Rail line. The NW Rail will eventually extend from downtown Denver through Louisville to Boulder and Longmont.

MAJOR INITIATIVES IN 2010

The City of Louisville Home Rule Charter suggests that the City's mission is to provide basic municipal services in an efficient and cost-effective manner and maintain the qualities that make Louisville unique by protecting and enhancing the City's natural, cultural, and recreational resources, and preserving the City's scenic, historic, and aesthetic features through open and ethical government in which every member of the community has an opportunity to participate. Consistent with this mission, City leaders and staff accomplished the following during 2010:

- Continued to monitor the recession's affects on the City's revenues and adjusted expenditures to ensure service levels reflect revenue constraints. Prepared Consumer Use Tax option for November ballot.
- Continued implementation of Historic Preservation Sales Tax by establishing financial incentives to help encourage historic land marking, monitoring development proposals to identify those that might affect historic buildings, working with proponents to make sure they understand guidelines and available incentives.
- Promoted energy conservation measures and efficiencies at all City

- facilities. Entered into a lease agreement for design, construction, and installation of photovoltaic power systems on City water and wastewater facilities.
- Replaced all water meters within the City with new, radio-read meters.
 - Implemented new banking services agreement with compensating balance method for funding banking fees.
 - Appointed a Performance Evaluation Team, which completed a review of the City's current performance evaluation tool. A new performance evaluation tool was created and implemented based on the findings and recommendations of the Performance Evaluation Team.
 - Completed final implementation of new Financial Management System.
 - Continued business retention and recruitment activities.
 - Began development of a Downtown Parking and Pedestrian Action Plan.
 - Implemented investment services agreement with an independent investment advisor.
 - Formed the Golf Course Advisory Board and adopted a more cost effective golf course management agreement with Western Golf Properties.
 - Implemented performance measures as adopted by the Colorado Performance Measurement Consortium
 - Continue implementation of a Geographical Information System.
 - Conducted a communication audit to determine effectiveness of efforts to inform employees.
 - Completed approval of preliminary plan for ConocoPhillips development.
 - Completed multi-million dollar reconstruction of Highway 42 and South Boulder Road intersection.
 - Completed over \$1 million in general street improvement projects.
 - Completed over \$750,000 in Parks and Recreation projects.
 - Completed nearly \$2 million in Water and Wastewater Utility projects.
 - Purchased over \$1 million in additional water rights.

PROJECTS PLANNED IN 2011

The City reviews and publishes its Five-Year Capital Improvements Plan on an annual basis. Planned City projects for 2011 include:

- Begin design and work on the McCaslin and Dillon Intersection Project.
- Complete over \$1 million in general street improvements.
- Complete nearly \$1,500,000 in Recreation Center and parks improvements.
- Complete nearly \$2 million in Water, Wastewater, and Storm Water Utility projects.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the City are protected from loss, theft or misuse. Also, management ensures that financial statements are prepared in conformity with generally accepted accounting principles through the compilation of adequate accounting data. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end and are generally re-appropriated the following year.

As demonstrated by the statements and schedules included in the financial section of the report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Eide Bailly LLP was retained by City Council for this purpose. The auditors' report on the Basic Financial Statements is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Louisville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. This was the twentieth consecutive year that the City of Louisville has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Louisville also received the GFOA's Award for Distinguished Budget Presentation for the 2010 fiscal year. This was the twenty-first consecutive year the City of Louisville has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient as a policy document, financial plan, operations guide, and communications device.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated efforts of the entire City staff. We especially thank all members of the City's Finance Department for their exceptional efforts and the staff of Eide Bailly LLP for the professional manner in which they have accomplished our audit and their assistance in the publication of the City's Comprehensive Annual Financial Report. We thank the Mayor and City Council for their effective fiscal and policy direction and their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Malcolm Fleming
City Manager

Kevin C. Watson
Director of Finance

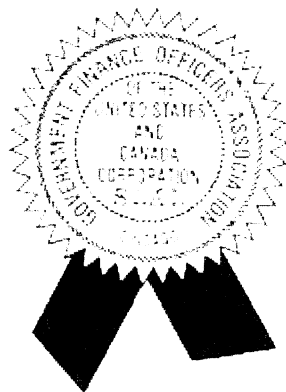
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Louisville
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

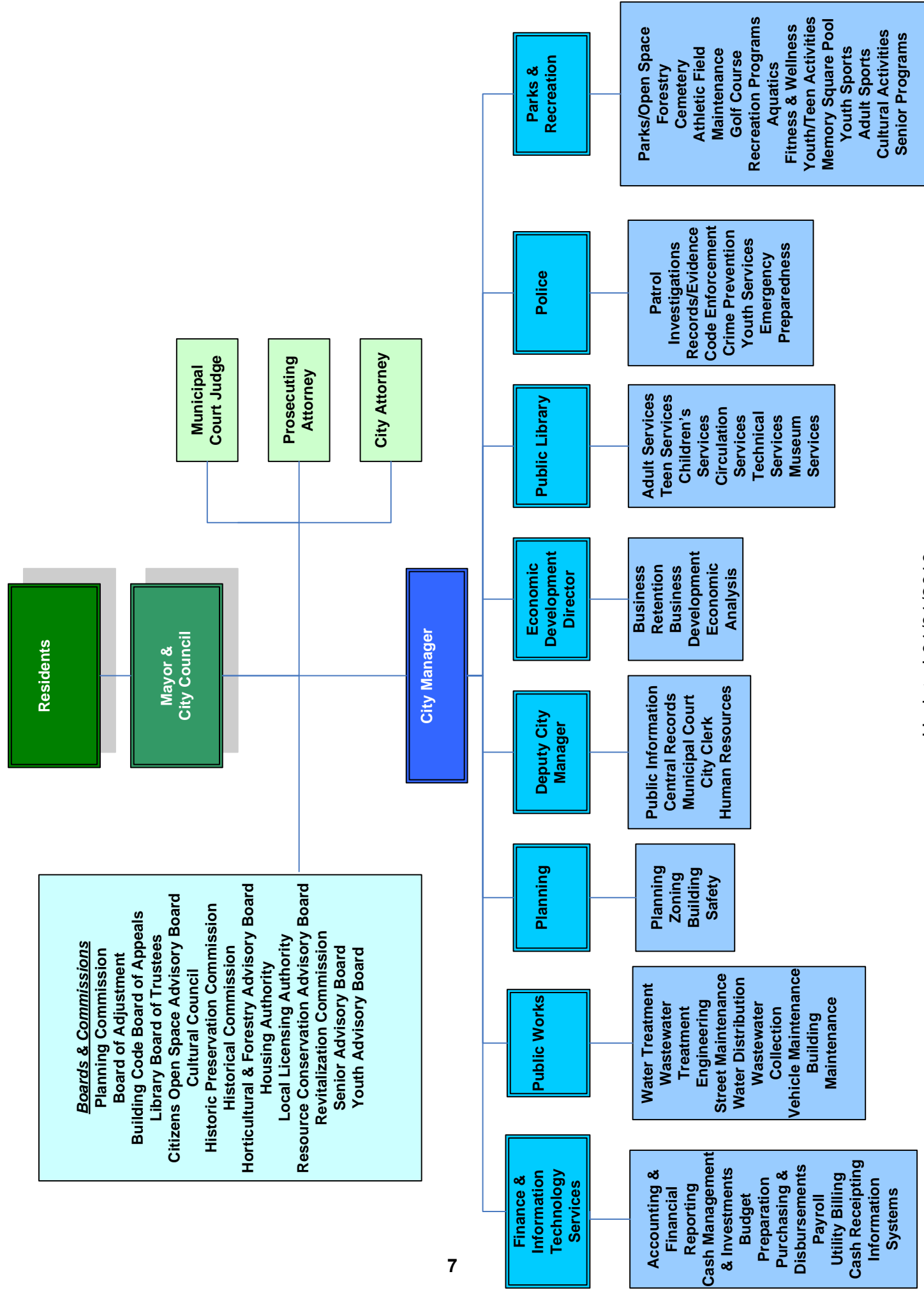
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

City of Louisville Organizational Chart



**City of Louisville, Colorado
Directory of City Officials
December 31, 2010**

OFFICIALS

Mayor

Charles L. Sisk

City Council

Ward I..... Robert Muckle, Dave Clabots
Ward II..... Frost Yarnell, Sheri Marsella
Ward III..... Hank Dalton, Ronald Sackett

Appointed Officials

City Manager..... Malcolm Fleming
Deputy City Manager..... Heather Balsler
City Attorney..... Samuel Light
City Clerk..... Nancy Varra
Municipal Judge Bruce Joss
Prosecuting Attorney K. Colette Cribari

Department Directors

Director of Finance..... Kevin Watson
Director of Library Services Beth Barrett
Director of Parks and Recreation Joe Stevens
Director of Planning..... Troy Russ
Director of Public Works..... Thomas Phare
Chief of Police..... Bruce Goodman



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, Members of the City
Council and City Administrator
City of Louisville, Colorado

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Louisville, Colorado, (the City) as of and for the year ended December 31, 2010 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Louisville, Colorado, as of December 31, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 11 through 20 and budgetary comparison information on pages 64 through 66 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Louisville, Colorado's basic financial statements. The introductory section, the combining statements and individual fund budgetary comparison schedules, the statistical section, the schedule of expenditures of federal awards and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund budgetary comparison schedules, the schedule of expenditures of federal awards and the local highway finance report have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Eide Sallee LLP

Golden, Colorado
June 8, 2011

Management's Discussion and Analysis

This section of City of Louisville, Colorado's annual financial report presents the discussion and analysis of the City's financial performance during the fiscal year that ended on December 31, 2010. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the financial statements, which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$178.2 million (net assets). Of this amount, \$21.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1.5 million, or 0.8%.
- During the year, the City's revenue from taxes and other revenues for governmental programs exceeded the expenses by \$2.4 million. This is an increase of \$1.8 million from the prior year.
- In the City's business-type activities, net assets declined by \$0.9 million.
- The City's total long-term debt, including compensated absences payable, has decreased by \$2.3 million. Part of this decline was due to the legal defeasance of the Golf Course 2002 General Obligation Refunding Bonds.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19.4 million, an increase of \$0.6 million from the previous year. Of this amount, \$9.4 million, or 49%, is available for spending at the government's discretion (unreserved, undesignated fund balance).

Overview of the Financial Statements

This annual report consists of four parts – *management's discussion and analysis* (this section), *basic financial statements*, *required supplementary information*, and a section that presents *combining statements* for non-major governmental funds and internal service funds. Budgetary comparison statements are also presented.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
 - The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.

- Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as utilities.

The basic financial statements also include *Notes to the Financial Statements* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure 1 shows how the individual sections of this annual report are arranged and related to one another.

Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 1

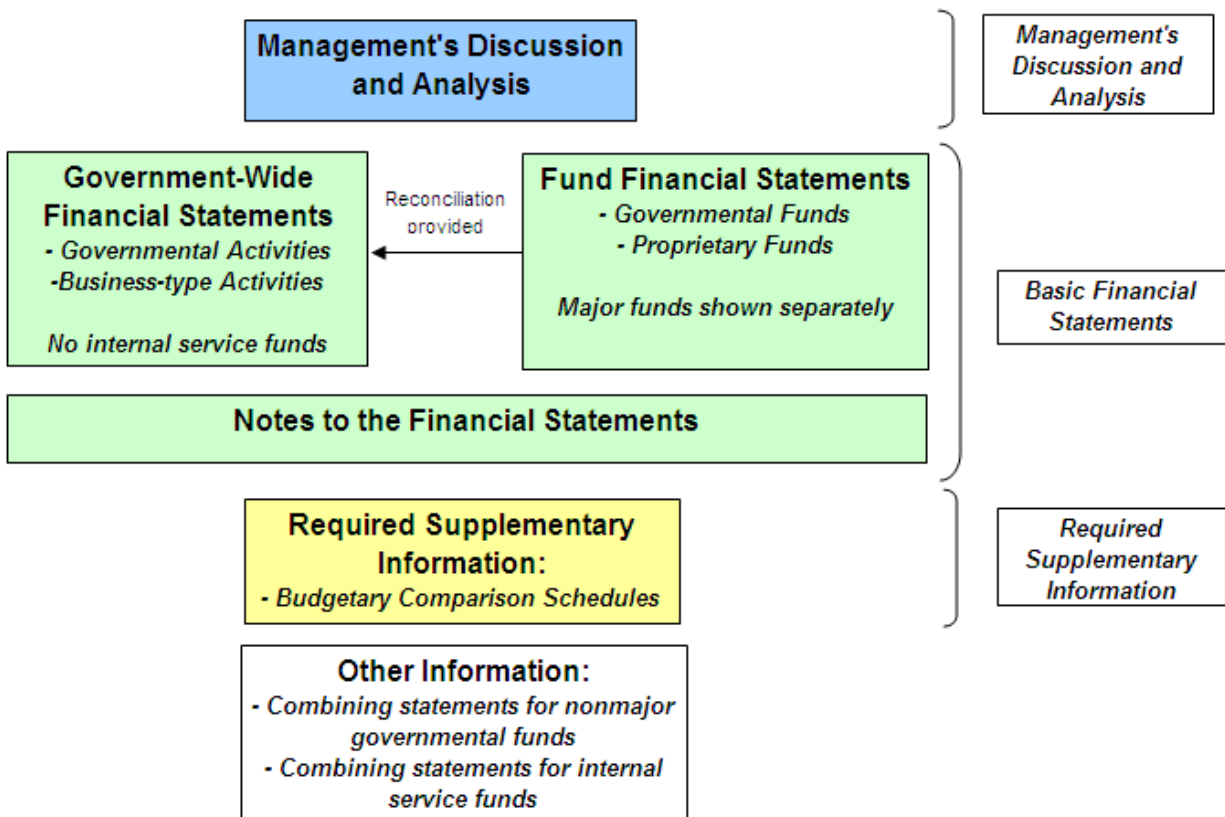


Figure 2

	-----Fund Statements-----		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government	The activities of the City that are not proprietary, such as police, public works, and parks and recreation	Activities the City operates similar to private businesses: The utilities and the golf course
Required financial statements	<ul style="list-style-type: none"> ▪ Statement of net assets ▪ Statement of activities 	<ul style="list-style-type: none"> ▪ Balance sheet ▪ Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> ▪ Statement of net assets ▪ Statement of revenues, expenses, and changes in net assets ▪ Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the City’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in the City’s net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, additional nonfinancial factors need to be considered, such as changes in the City’s tax base and the condition of the City’s infrastructure.

The government-wide financial statements of the City are divided into two categories:

Governmental activities – Most of the City’s basic services are included here, such as the public safety, public works, parks and recreation, library services, and general administrative services. Sales and use taxes, property taxes, other taxes, charges for services, and intergovernmental revenue finance most of these activities.

Business-type activities – The City charges user fees to customers to recover most of the costs of providing certain services. The City’s water, wastewater, storm water, and solid waste utilities, as well as golf facilities, are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant *funds* – not the City as a whole. 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 City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by State law and by bond covenants. Other funds are established by the City Council to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the funds currently used by the City can be divided into two categories: governmental funds and proprietary funds:

- *Governmental funds* – Most of the City’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
 - The City’s *enterprise funds* (one type of proprietary fund) are used to report its business-type activities and provide more detailed and additional information, such as cash flows.
 - *Internal service funds* (the other type of proprietary fund) are used to report activities that provide services and asset replacement for the City’s other programs and activities – such as the City’s Fleet Management Fund. These funds are reported with governmental activities in the government-wide financial statements.

Government-Wide Financial Analysis

Net Assets

As of December 31, 2010, the City's assets exceeded its liabilities by \$178.2 million (Figure 3). This amounts to an increase in combined net assets of \$1.5 million, or 0.8%, from 2009 to 2010. The largest portion of the City's net assets (81%) 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 City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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.

Figure 3
Schedule of Net Assets
(millions)

	Governmental Activities		Business-type Activities		Total		Total % Of Change
	2010	2009	2010	2009	2010	2009	
Current & Other Assets	\$ 28.0	\$ 26.9	\$ 12.9	\$ 14.7	\$ 40.9	\$ 41.6	-1.7%
Capital Assets - Net	89.7	88.7	73.4	74.4	163.1	163.1	0.0%
Total Assets	117.7	115.6	86.3	89.1	204.0	204.7	0.3%
Long-Term Debt Outstanding	6.6	7.3	10.5	12.1	17.1	19.4	-11.9%
Other Liabilities	6.8	6.4	1.9	2.2	8.7	8.6	1.2%
Total Liabilities	13.4	13.7	12.4	14.3	25.8	28.0	-7.9%
Net Assets:							
Invested in Capital Assets, Net of Related Debt	82.3	81.4	61.9	61.0	144.2	142.4	1.3%
Restricted	9.8	10.0	3.0	1.0	12.8	11.0	16.4%
Unrestricted	12.2	10.5	9.0	12.8	21.2	23.3	-9.0%
Total Net Assets	\$ 104.3	\$ 101.9	\$ 73.9	\$ 74.8	\$ 178.2	\$ 176.7	0.8%

Charges for services are the City's largest revenue source and account for 35% of all revenues (Figure 4). Charges for services are the main funding source for the City's business-type activities. Sales and use tax, the main funding source for the City's governmental activities, account for 34% of all revenues. The City's largest expenses come from business activities (Figure 5).

Figure 4

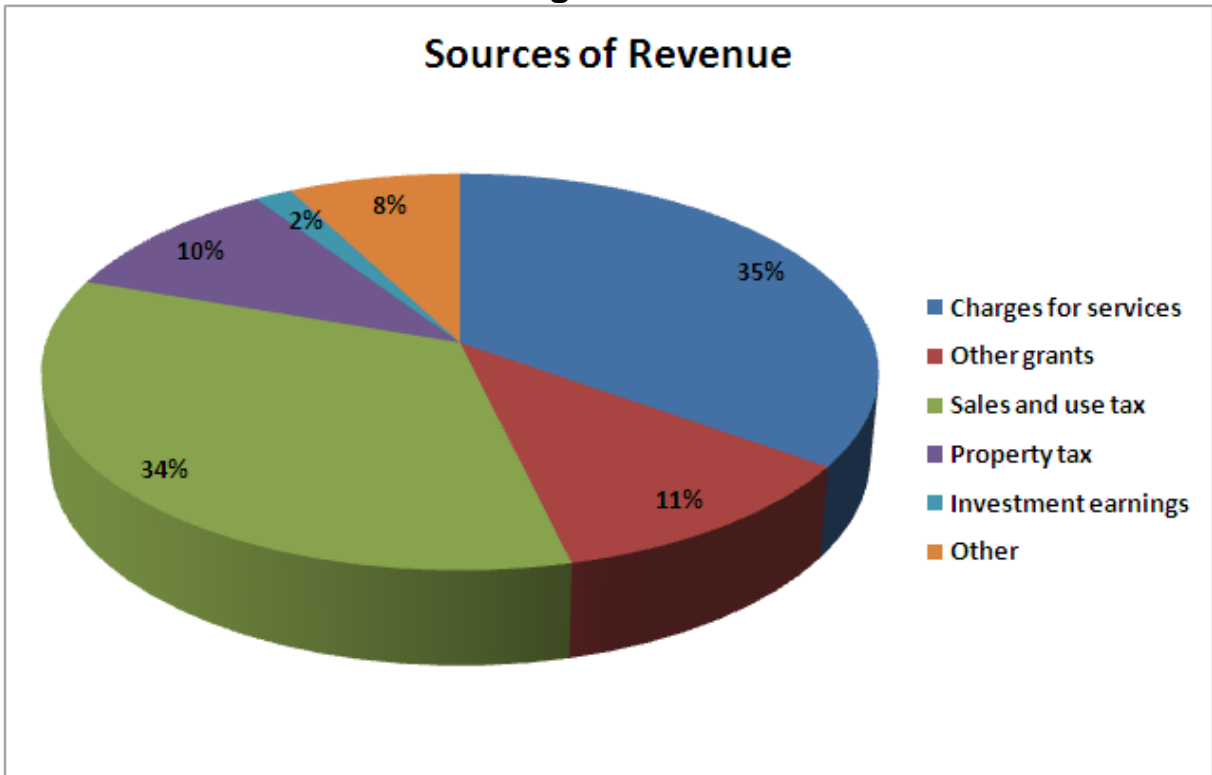
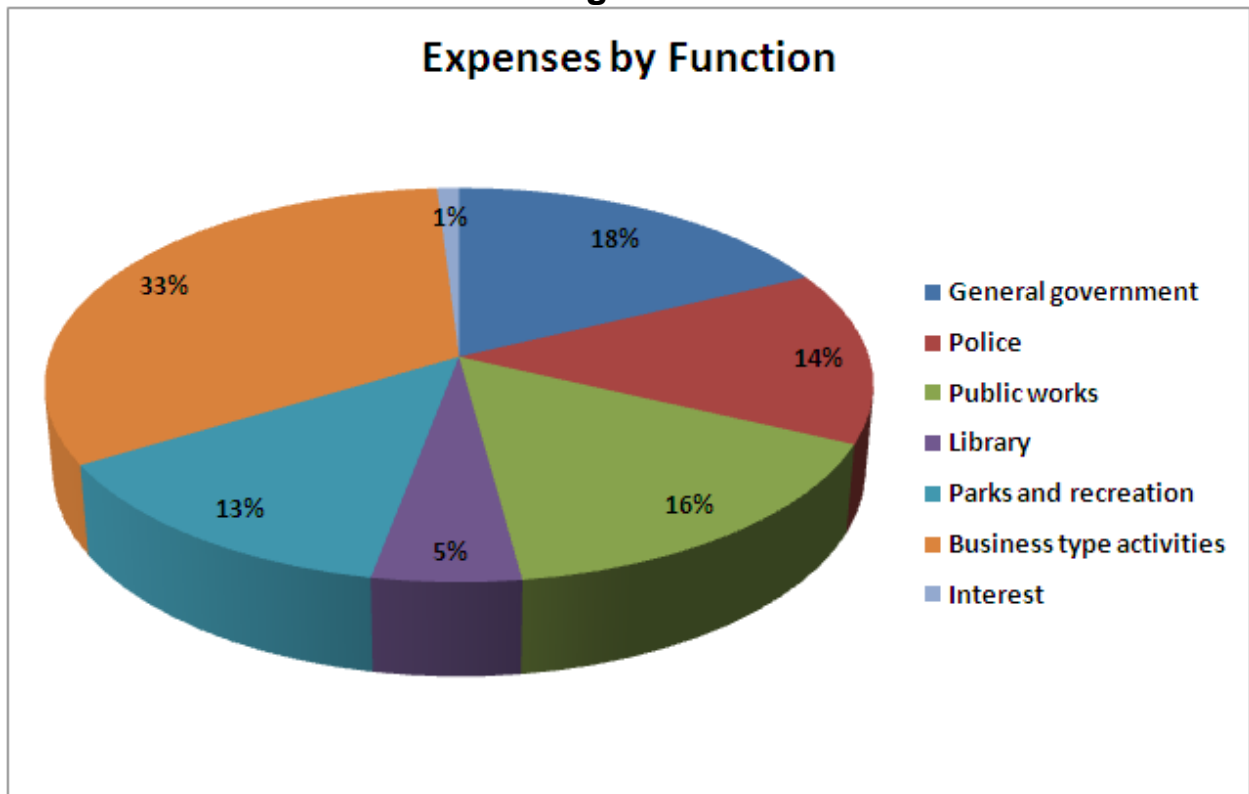


Figure 5



Changes in Net Assets

Governmental activities increased the City's net assets by \$2.4 million, thereby accounting for the total growth in net assets. Business-type activities decreased the City's net assets by \$0.9 million.

Figure 6
Schedule of Changes in Net Assets
(millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 2.8	\$ 2.5	\$ 7.3	\$ 8.2	\$ 10.1	\$ 10.7
Operating Grants & Contributions	0.8	0.7	-	-	0.8	0.7
Capital Grants & Contributions	2.0	1.9	0.5	0.5	2.5	2.4
General Revenues:						
Sales & Use Taxes	9.8	10.1	-	-	9.8	10.1
Property Taxes	3.0	2.9	-	-	3.0	2.9
Investment Earnings	0.3	0.5	0.2	0.2	0.5	0.7
Other	2.2	1.8	0.1	-	2.3	1.8
Total Revenues	20.9	20.4	8.1	8.9	29.0	29.3
Expenses:						
General Government	3.6	4.7	-	-	3.6	4.7
Finance	0.6	0.4	-	-	0.6	0.4
Police	3.9	4.1	-	-	3.9	4.1
Public Works	4.4	5.0	-	-	4.4	5.0
Planning	0.7	0.8	-	-	0.7	0.8
Library	1.4	1.2	-	-	1.4	1.2
Parks & Recreations	3.6	3.3	-	-	3.6	3.3
Interest on Long-Term Debt	0.3	0.3	-	-	0.3	0.3
Water, Wastewater, & Stormwater	-	-	7.5	6.3	7.5	6.3
Golf	-	-	0.5	1.8	0.5	1.8
Solid Waste & Recycling	-	-	1.0	0.6	1.0	0.6
Total Expenses	18.5	19.8	9.0	8.7	27.5	28.5
Increase (decrease) in net assets before transfers	2.4	0.6	(0.9)	0.2	1.5	0.8
Transfers	0.0	0.1	(0.0)	(0.1)	-	-
Increase (decrease) in net assets	2.4	0.7	(0.9)	0.1	1.5	0.8

Financial Analysis of Funds

As the City completed the year, its governmental funds reported a *combined* fund balance of \$19.4 million, an increase of \$1.6 million (3.0%) from last year. Some items to be noted, within various funds are:

- The General Fund fund balance increased by \$697,060, or 15.8%. This was due to the revenue enhancements and expenditure reductions in response to the economic downturn, which led to significant declines in sales and use taxes, lodging taxes, and construction-related permits beginning in 2009. For 2010, General Fund revenue was over-budget by \$887,335 (7.0%) and General Fund expenditures were under-budget by \$412,045 (3.1%).
- The Conservation Trust-Land Acquisition Fund balance declined by \$31,678. Fund revenue was over-budget by \$23,224 (2.0%) and fund expenditures were under-budget by \$195,028 (13.7%).
- The Capital Projects Fund balance declined by \$130,601. Fund revenue, excluding interfund transfers, was over-budget by \$531,018 (12.9%). Total expenditures, excluding interfund transfers, were under-budget by \$1.6 million (25.7%) due to unfinished projects. Capital projects totaled \$3.9 million for the property acquisition, general capital, street improvements, and parks and recreation improvements.

General Fund Budgetary Highlights

Total General Fund revenue was over-budget by \$887,335, or 7.0%. Because of the continuing recession, the City adopted cautious revenue projections for 2010. Then in early 2010, the City lost its largest retailer, Sam's Club. In spite of this significant loss, sales tax collections for the year were over-budget by \$314,208 (6.7%) and use tax collections were over-budget by \$121,983 (18.3%). All other revenue categories exceed their budgets in 2010. As a result of cost-cutting measures and efficiencies, total General Fund expenditures, excluding inter-fund transfers, were under-budget by \$412,045 (3.1%).

Capital Asset and Debt Administration

Capital Assets

At the end of 2010 the City had invested \$236.8 million (Figure 7) in a broad range of capital assets, including land, streets, and utility infrastructure. Net of accumulated depreciation, the City's capital assets total \$163.0 million.

Figure 7
Net Change in Capital Assets
(millions)

	Governmental Activities		Business-type Activities		Total		Total % Of Change
	2010	2009	2010	2009	2010	2009	
Land, Easements, & CIP	\$ 30.1	\$ 30.1	\$ 4.3	\$ 4.3	\$ 34.4	\$ 34.4	0.0%
Water Rights	-	-	30.3	30.3	30.3	30.3	0.0%
Buildings	22.4	22.1	1.0	1.0	23.4	23.1	1.3%
Infrastructure	77.9	74.1	62.3	63.0	140.2	137.1	2.3%
Machinery & Equipment	5.5	5.3	3.0	2.7	8.5	8.0	6.3%
Total	\$ 135.9	\$ 131.6	\$ 100.9	\$ 101.3	\$ 236.8	\$ 232.9	1.7%

Long-term Debt

No new debt was issued in 2010. The remaining Golf Course 2002 General Obligation Refunding Bonds (\$740,000) were defeased during the year. Additional principle payments of \$1.3 million were made during the year on the City's general obligation and special revenue debt (Figure 8).

Figure 8
Net Change in Long-Term Debt
(millions)

	Governmental Activities		Business-type Activities		Total		Total % Of Change
	2010	2009	2010	2009	2010	2009	
General Obligation Bonds	\$ 5.3	\$ 5.7	\$ -	\$ 0.7	\$ 5.3	\$ 6.4	-17.2%
Revenue Bonds & Notes	1.3	1.6	10.4	11.2	11.7	12.8	-8.6%
Total	\$ 6.6	\$ 7.3	\$ 10.4	\$ 11.9	\$ 17.0	\$ 19.2	-11.5%

Additional information on the City's long-term debt is provided in Note 8 to the financial statements.

Bond Ratings

The 2004 Library Limited Tax General Obligation Library Bonds were issued with an insured rating (MBIA) from Standard & Poor's of AAA and an underlying rating of AA-. In 2007, Standard & Poor's affirmed the underlying rating of AA-. In early 2011, Standard & Poor's increased the underlying rating to AA. Standard & Poor's unenhanced rating on the 2003 Sales Tax Revenue Refunding Bonds is A+, which was affirmed in early 2010.

Limitations on Debt

The state limits the amount of general obligation debt the City can issue to 3 percent of the actual value of all taxable property within the City's corporate limits. The current debt limit is \$94.9 million.

Economic Factors and Next Year's Budgets and Rates

- After a significant decline of 12% in 2006, sales tax revenue increased by 3.3% in 2007 and remained relatively steady in 2008. Due to the national and regional recessions, sales tax revenue for 2009, excluding the new Historical Preservation Sales Tax of 0.125%, declined by 7.0%. Due to the continued recession and the closing of Sam's Club and Safeway, sales tax revenue declined an additional 2.8% in 2010. Sales tax revenue is projected to remain relatively flat through 2013 and then increase at an average annual rate of 1%-2% for 2014 through 2016.
- Assessed valuation for 2009, which determined the property tax revenue for 2010, increased by nearly 5% over the previous year. The assessed valuation for 2010 was flat. The assessed valuation for years 2011 through 2016 is expected to increase at an average of 1.8% per year. However, not included in these projections are the significant increases in assessed valuation and property tax revenue expected with the ConocoPhillips development.

- The City increased Water, Sewer, and Storm Water utility rates by 3%, 0%, and 9%, respectively, effective January 1, 2010. Effective January 1, 2011, the City increased Water, Sewer, and Storm Water utility rates by 5%, 5%, and 8%, respectively. Further moderate rate increases are expected during the next five years.
- Total employee wages increased by only 0.2% in 2010 over 2009 due to reductions in overall full-time equivalents and reductions in merit increases. Total employee wages are projected to increase only modestly from 2011 through 2016.
- Because the City reduced health care benefits, and made changes so employees pay for a larger share of those benefits, total health care benefits declined by 6.7% in 2010. However, total employee benefit costs, lead by health insurance, are projected to increase by approximately 6% per year from 2011 through 2016.

The above indicators were taken into account when developing the budget for 2011. Total appropriations for 2011, excluding interfund transfers, are currently \$35.6 million, an increase of \$3.5 million (11%) over 2010 actual expenditures on a budget basis.

Subsequent Event

In November 2010, the District Court, County of Boulder, State of Colorado entered a verdict against the City of Louisville as defendant and for Hamon Contractors, Inc as plaintiff in the amount of \$768,723 for amounts held by the City, change order requests denied by the City, damages for delays, and \$150,000 for consequential damages related to the \$7.2 million 2005 96th Street Project. This amount was paid in early 2011 and, as of December 31, 2010, has been included as a liability of the Northwest Parkway Fund.

Subsequent to the verdict, in April 2011, the District Court also ordered the City to pay \$895,697 for attorney's fees, costs, and accrued interest on the various amounts owed. On May 17, 2011, the City Council approved a settlement agreement and mutual release in the amount of \$864,567.

Contact Information

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of the City of Louisville a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Louisville, Finance Department, 749 Main Street, Louisville, Colorado 80027, (303) 335-4500.



COLORADO • SINCE 1878

Basic Financial Statements



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City of Louisville, Colorado
Statement of Net Assets
December 31, 2010

	Primary Government			Prior Year Total
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 21,731,303	\$ 11,027,736	\$ 32,759,039	\$ 35,003,991
Restricted Cash	-	1,250,000	1,250,000	1,030,617
Receivables (net)				
Property Taxes	2,993,949	-	2,993,949	2,994,900
Sales and Use Taxes	1,044,613	-	1,044,613	1,082,845
Interest	107,691	59,039	166,730	201,085
Intergovernmental	1,595,112	-	1,595,112	109,553
Due from Other Funds	44,515	-	44,515	-
Other	202,048	504,241	706,289	755,503
Inventories	10,337	-	10,337	76,345
Prepaid expenses	146,093	1,686	147,779	159,707
Deferred charges	91,997	-	91,997	118,569
Capital assets:				
Land, improvements, and water rights	30,120,933	34,644,681	64,765,614	64,750,614
Other capital assets, net of depreciation	59,573,166	38,709,803	98,282,969	98,393,794
Total assets	<u>117,661,757</u>	<u>86,197,186</u>	<u>203,858,943</u>	<u>204,677,523</u>
Liabilities				
Accounts payable and accrued expenses	2,893,645	588,157	3,481,802	3,306,373
Due to Other Funds	-	44,515	44,515	-
Unearned revenue	3,046,735	-	3,046,735	3,056,718
Noncurrent liabilities:				
Due within one year	822,550	1,244,703	2,067,253	2,214,638
Due in more than one year	6,614,844	10,443,499	17,058,343	19,410,661
Total liabilities	<u>13,377,774</u>	<u>12,320,874</u>	<u>25,698,647</u>	<u>27,988,390</u>
Net assets				
Invested in capital assets, net of related debt	82,256,705	61,853,539	144,110,244	142,456,736
Restricted for:				
Emergency reserves	572,844	-	572,844	638,408
Debt service and operating reserves	-	1,250,000	1,250,000	1,030,617
Library debt service	784,009	-	784,009	623,422
Library construction	103,871	-	103,871	107,736
Northwest Parkway improvements	246,538	-	246,538	447,806
Land acquisition	7,747,289	-	7,747,289	7,778,967
Long-Term Advances	-	1,763,817	1,763,817	1,070,000
Permanently Restricted for:				
Permanent fund - perpetual care	349,196	-	349,196	332,564
Unrestricted	12,223,531	9,008,956	21,232,487	22,202,877
Total net assets	<u>\$ 104,283,983</u>	<u>\$ 73,876,312</u>	<u>\$ 178,160,295</u>	<u>\$ 176,689,133</u>

The notes to the financial statements are an integral part of this statement.

City of Louisville, Colorado
Statement of Activities
For the Year Ended December 31, 2010

Functions / Programs	<u>Expenses</u>	<u>Charges for Services</u>
Primary government		
Governmental activities		
General government	\$ 3,550,174	\$ 136,345
Finance	585,012	-
Police	3,910,810	212,851
Public works	4,360,451	23,720
Planning	748,699	515,136
Library	1,394,965	63,972
Parks and recreation	3,662,949	1,816,161
Interest on long-term debt	268,997	-
Total governmental activities	<u>18,482,057</u>	<u>2,768,185</u>
Business-type activities		
Water & Wastewater	7,490,716	6,070,081
Golf	414,501	217,551
Solid Waste & Recycling	<u>1,021,794</u>	<u>1,060,460</u>
Total business-type activities	<u>8,927,011</u>	<u>7,348,092</u>
Total primary government	<u>\$ 27,409,068</u>	<u>\$ 10,116,277</u>

The notes to the financial statements are an integral part of this statement.

**Exhibit 2
(continued)**

Program Revenue		Net (Expense) Revenue and Changes in Net Assets			
Operating	Capital	Primary Government			Prior Year Total
Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
\$ -	\$ -	\$ (3,413,829)	\$ -	\$ (3,413,829)	\$ (4,655,794)
-	-	(585,012)	-	(585,012)	(416,179)
2,441	-	(3,695,518)	-	(3,695,518)	(3,848,497)
631,040	1,783,197	(1,922,494)	-	(1,922,494)	(2,690,359)
125,000	-	(108,563)	-	(108,563)	(239,145)
-	-	(1,330,993)	-	(1,330,993)	(1,147,990)
40,095	237,987	(1,568,706)	-	(1,568,706)	(1,314,194)
-	-	(268,997)	-	(268,997)	(288,172)
<u>798,576</u>	<u>2,021,184</u>	<u>(12,894,112)</u>	<u>-</u>	<u>(12,894,112)</u>	<u>(14,600,330)</u>
-	461,473	-	(959,162)	(959,162)	4,008
-	-	-	(196,950)	(196,950)	(82,979)
-	-	-	38,666	38,666	14,102
-	461,473	-	(1,117,446)	(1,117,446)	(64,869)
<u>\$ 798,576</u>	<u>\$ 2,482,657</u>	<u>\$ (12,894,112)</u>	<u>\$ (1,117,446)</u>	<u>\$ (14,011,558)</u>	<u>\$ (14,665,199)</u>
General revenues:					
Taxes:					
Property taxes		2,994,253	-	2,994,253	2,851,029
Sales tax		8,800,525	-	8,800,525	9,087,268
Use tax		1,049,104	-	1,049,104	964,036
Franchise tax		998,022	-	998,022	953,819
Other tax		482,861	-	482,861	483,320
Intergovernmental revenue		165,274	-	165,274	154,825
Investment earnings		297,238	186,587	483,825	742,938
Miscellaneous		448,132	60,724	508,856	253,519
Transfers		64,000	(64,000)	-	-
Total general revenues and transfers		<u>15,299,409</u>	<u>183,311</u>	<u>15,482,720</u>	<u>15,490,754</u>
Change in net assets		2,405,297	(934,135)	1,471,162	825,565
Net assets - beginning		<u>101,878,686</u>	<u>74,810,447</u>	<u>176,689,133</u>	<u>175,863,568</u>
Net assets - ending		<u>\$ 104,283,983</u>	<u>\$ 73,876,312</u>	<u>\$ 178,160,295</u>	<u>\$ 176,689,133</u>

**City of Louisville
Balance Sheet
Governmental Funds
December 31, 2010**

	<u>Major Special Revenue Funds</u>	<u>Major Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
	<u>Conservation Trust - Land Acquisition</u>	<u>Capital Projects</u>			
<u>General</u>					
ASSETS					
Cash and cash equivalents	\$ 4,947,811	\$ 7,641,320	\$ 2,199,262	\$ 4,427,743	\$ 19,216,136
Receivables					
Property taxes	2,278,735	-	-	715,214	2,993,949
Sales and use taxes	620,985	111,868	277,131	34,629	1,044,613
Interest	24,202	38,131	10,059	22,915	95,307
Intergovernmental	74,260	27,655	1,493,197	-	1,595,112
Due from Other Funds	44,515	-	-	-	44,515
Other	195,519	-	-	6,529	202,048
Inventories	10,337	-	-	-	10,337
Prepaid items	146,093	-	-	-	146,093
Total assets	\$ 8,342,457	\$ 7,818,974	\$ 3,979,649	\$ 5,207,030	\$ 25,348,110
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 610,347	\$ 48,392	\$ 1,008,241	\$ 886,254	\$ 2,553,234
Accrued liabilities	305,991	23,293	10,896	-	340,180
Deferred property taxes	2,281,816	-	-	715,214	2,997,030
Deferred revenue	42,915	-	6,790	-	49,705
Total liabilities	3,241,069	71,685	1,025,927	1,601,468	5,940,149
Fund Balances:					
Reserved for:					
Inventories	10,337	-	-	-	10,337
Prepaid items	146,093	-	-	-	146,093
Cemetery perpetual care	-	-	-	349,196	349,196
Open Space Acquisition & Maint	-	7,747,289	-	-	7,747,289
Northwest Parkway improvements	-	-	-	246,538	246,538
Library construction	-	-	-	103,871	103,871
Library debt service	-	-	-	784,009	784,009
Emergency reserves	572,844	-	-	-	572,844
Unreserved, undesignated in:					
General fund	4,372,114	-	-	-	4,372,114
Special revenue funds	-	-	-	2,121,948	2,121,948
Capital projects fund	-	-	2,953,722	-	2,953,722
Total fund balances	5,101,388	7,747,289	2,953,722	3,605,562	19,407,961
Total liabilities and fund balances	\$ 8,342,457	\$ 7,818,974	\$ 3,979,649	\$ 5,207,030	\$ 25,348,110

The notes to the financial statements are an integral part of this statement.

**Exhibit 3
(continued)**

**City of Louisville
Reconciliation of the Balance Sheet
to the Statement of Net Assets
December 31, 2010**

Balance sheet - total fund balances 19,407,961

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds. The amount is \$89,694,099 less the internal service funds of \$485,117 89,208,982

Compensated absences are not recorded in government funds because they are not due and payable at year end. (836,812)

Internal service funds are used by management to charge the costs of certain activities, such as fleet, computer replacement, and building maintenance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets. 3,012,437

Some liabilities, including bonds payable (\$6,605,000), premium on bonds payable (\$34,379), cost of refunding debt (\$38,798), and bond issuance costs of (\$91,997) are not included in governmental funds. Both the premium and the cost of refunding will be amortized over the life of the bonds. (6,508,584)

Net assets of governmental activities \$ 104,283,983

The notes to the financial statements are an integral part of this statement.

City of Louisville, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ending December 31, 2010

	<u>Major Special Revenue Funds</u>	<u>Major Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
	<u>Conservation Trust - Land Acquisition</u>	<u>Capital Projects</u>			
	<u>General</u>				
REVENUES					
Taxes:					
Property taxes	\$ 2,275,222	\$ -	\$ -	\$ 719,031	\$ 2,994,253
Sales tax	5,024,677	948,069	2,512,339	315,440	8,800,525
Use tax	787,353	119,504	142,247	-	1,049,104
Lodging tax	304,674	-	-	-	304,674
Franchise tax	998,022	-	-	-	998,022
Other taxes	178,187	-	-	-	178,187
Licenses and Permits	620,812	-	-	121,104	741,916
Intergovernmental	933,521	27,655	1,825,697	201,391	2,988,264
Charges for services	1,731,231	-	-	-	1,731,231
Fines and forfeits	264,006	-	-	-	264,006
Miscellaneous					
Investment income	61,676	97,011	52,315	57,433	268,435
Other	340,407	6,864	103,690	396	451,357
Total revenues	<u>13,519,788</u>	<u>1,199,103</u>	<u>4,636,288</u>	<u>1,414,795</u>	<u>20,769,974</u>
EXPENDITURES					
Current:					
General government	1,721,913	954,634	383,105	279,215	3,338,867
Finance	588,651	-	-	-	588,651
Police	3,940,528	-	-	-	3,940,528
Public works	1,874,229	-	-	-	1,874,229
Planning	757,086	-	-	-	757,086
Library services	1,343,929	-	-	-	1,343,929
Parks and Recreation	2,586,552	-	-	-	2,586,552
Capital outlay	-	276,147	3,890,147	494,408	4,660,702
Debt service:					
Principal	-	-	395,000	315,000	710,000
Interest	-	-	54,938	207,353	262,291
Total expenditures	<u>12,812,888</u>	<u>1,230,781</u>	<u>4,723,190</u>	<u>1,295,976</u>	<u>20,062,835</u>
Excess (deficiency) of revenues over expenditures	<u>706,900</u>	<u>(31,678)</u>	<u>(86,902)</u>	<u>118,819</u>	<u>707,139</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	64,000	-	156,300	77,987	298,287
Transfers (out)	<u>(73,840)</u>	<u>-</u>	<u>(200,000)</u>	<u>(160,447)</u>	<u>(434,287)</u>
Total other financing sources (uses)	<u>(9,840)</u>	<u>-</u>	<u>(43,700)</u>	<u>(82,460)</u>	<u>(136,000)</u>
Net change in fund balances	697,060	(31,678)	(130,602)	36,359	571,139
Fund balances, January 1	<u>4,404,328</u>	<u>7,778,967</u>	<u>3,084,324</u>	<u>3,569,203</u>	<u>18,836,822</u>
Fund balances, December 31	<u>\$ 5,101,388</u>	<u>\$ 7,747,289</u>	<u>\$ 2,953,722</u>	<u>\$ 3,605,562</u>	<u>\$ 19,407,961</u>

The notes to the financial statements are an integral part of this statement.

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

Net change in fund balances - total governmental funds 571,139

Amounts reported for governmental activities in the statement of net activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays (\$4,290,081) exceeded depreciation (\$3,338,525) in the current period. 951,556

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (105,768)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt repayments. 710,000

Internal service funds are used by management to charge the costs of certain activities, such as fleet, computer replacement, and building maintenance to individual funds. The aggregate net revenue of certain internal service funds is reported with governmental activities. 278,370

Change in net assets of governmental activities \$ 2,405,297

The notes to the financial statements are an integral part of this statement.

City of Louisville, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2010

	<u>Enterprise Funds</u>				<u>Internal Service Funds</u>
	<u>Water & Wastewater</u>	<u>Golf Course</u>	<u>Solid Waste & Recycling</u>	<u>Total</u>	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 11,025,943	\$ 1,793	\$ -	\$ 11,027,736	\$ 2,515,167
Receivables					
Interest	59,049	389	(399)	59,039	12,384
Accounts (net of allowance for doubtful accounts)	309,986	15,716	178,539	504,241	-
Prepaid expenses	1,686	-	-	1,686	-
Total current assets	<u>11,396,664</u>	<u>17,898</u>	<u>178,140</u>	<u>11,592,702</u>	<u>2,527,551</u>
Noncurrent assets:					
Cash restricted for debt service	1,250,000	-	-	1,250,000	-
Advances To Other Funds	1,763,817	-	-	1,763,817	-
Deferred charges	-	-	-	-	-
Capital assets:					
Property, plant and equipment:					
Land / land improvements	412,457	3,870,117	-	4,282,574	-
Buildings	170,295	813,007	-	983,302	-
Improvements other than buildings	264,074	1,721,778	-	1,985,852	-
Treatment / pumping plants	21,215,103	-	-	21,215,103	-
Reservoirs / storage facilities	6,072,151	-	-	6,072,151	-
Collection system	32,987,756	-	-	32,987,756	-
Machinery and equipment	2,579,724	329,461	-	2,909,185	2,171,480
Office furniture and fixtures	103,676	-	-	103,676	73,888
Water rights	30,362,107	-	-	30,362,107	-
Less: Accumulated depreciation	<u>(25,755,238)</u>	<u>(1,791,984)</u>	<u>-</u>	<u>(27,547,222)</u>	<u>(1,760,251)</u>
Total capital assets (net of accumulated depreciation)	<u>68,412,105</u>	<u>4,942,379</u>	<u>-</u>	<u>73,354,484</u>	<u>485,117</u>
Total noncurrent assets	<u>71,425,922</u>	<u>4,942,379</u>	<u>-</u>	<u>76,368,301</u>	<u>485,117</u>
Total assets	<u>\$ 82,822,586</u>	<u>\$ 4,960,277</u>	<u>\$ 178,140</u>	<u>\$ 87,961,003</u>	<u>\$ 3,012,668</u>

The notes to the financial statements are an integral part of this statement.

	Enterprise Funds				Internal Service Funds
	Water & Wastewater	Golf Course	Solid Waste & Recycling	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 312,183	\$ 1,828	\$ 86,334	\$ 400,345	\$ 231
Due to Other Funds	-	-	44,515	44,515	-
Accrued liabilities	187,572	-	240	187,812	-
Compensated absences payable - current	20,598	-	-	20,598	-
General obligation bonds payable - current	-	-	-	-	-
Notes payable - current	1,181,667	-	-	1,181,667	-
Capital lease payable - current	42,438	-	-	42,438	-
Total current liabilities	<u>1,744,458</u>	<u>1,828</u>	<u>131,089</u>	<u>1,877,375</u>	<u>231</u>
Long-term liabilities:					
Advances from other funds	-	1,763,817	-	1,763,817	-
Compensated absences payable	166,659	-	-	166,659	-
Notes payable	9,961,059	-	-	9,961,059	-
Capital lease payable	315,781	-	-	315,781	-
Total long-term liabilities	<u>10,443,499</u>	<u>1,763,817</u>	<u>-</u>	<u>12,207,316</u>	<u>-</u>
Total liabilities	<u>12,187,957</u>	<u>1,765,645</u>	<u>131,089</u>	<u>14,084,691</u>	<u>231</u>
Net Assets					
Invested in capital assets, net of related debt	56,911,160	4,942,379	-	61,853,539	485,117
Restricted for debt service and future operations	1,250,000	-	-	1,250,000	-
Unrestricted	12,473,469	(1,747,747)	47,051	10,772,773	2,527,320
Total net assets	<u>\$ 70,634,629</u>	<u>\$ 3,194,632</u>	<u>\$ 47,051</u>	<u>\$ 73,876,312</u>	<u>\$ 3,012,437</u>

City of Louisville, Colorado
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Enterprise Funds				Internal Service Funds
	Water & Wastewater	Golf Course	Solid Waste & Recycling	Total	
Operating revenues					
Charges for services					
Water and wastewater sales	\$ 6,070,081	\$ -	\$ -	\$ 6,070,081	\$ -
Golf course sales	-	61,179	-	61,179	-
Solid waster and recycling sales	-	-	1,040,014	1,040,014	-
Other sales for services	-	156,372	20,446	176,818	204,517
Total operating revenues	6,070,081	217,551	1,060,460	7,348,092	204,517
Operating expenses					
Cost of sales and services	4,765,790	271,845	1,021,474	6,059,109	38,725
Administration	752,291	376	320	752,987	-
Depreciation and amortization	1,320,234	90,625	-	1,410,859	116,225
Total operating expenses	6,838,315	362,846	1,021,794	8,222,955	154,950
Operating income (loss)	(768,234)	(145,295)	38,666	(874,863)	49,567
Nonoperating revenues (expenses)					
Investment income	186,266	233	88	186,587	28,803
Interest expense	(470,095)	(51,655)	-	(521,750)	-
Gain on Disposition of Assets	-	60,724	-	60,724	-
Loss on asset write-off	(182,306)	-	-	(182,306)	-
Total nonoperating revenues (expenses)	(466,135)	9,302	88	(456,745)	28,803
Income before transfers, capital contributions	(1,234,369)	(135,993)	38,754	(1,331,608)	78,370
Capital contributions - tap fees and other	461,473	-	-	461,473	-
Transfers in (out)	(64,000)	-	-	(64,000)	200,000
Change in net assets	(836,896)	(135,993)	38,754	(934,135)	278,370
Net assets, January 1	71,471,525	3,330,625	8,297	74,810,447	2,734,067
Net assets, December 31	\$ 70,634,629	\$ 3,194,632	\$ 47,051	\$ 73,876,312	\$ 3,012,437

The notes to the financial statements are an integral part of this statement.

City of Louisville, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	<u>Enterprise Funds</u>				<u>Internal Service Funds</u>
	<u>Water & Wastewater</u>	<u>Golf Course</u>	<u>Solid Waste & Recycling</u>	<u>Total</u>	
Cash flows from operating activities					
Receipts from customers	\$ 6,097,721	\$ 260,815	\$ 1,061,967	\$ 7,420,504	205,765
Payments to suppliers	(3,219,556)	(316,520)	(1,018,019)	(4,554,096)	(133,285)
Payments to employees	(2,296,693)	-	-	(2,296,693)	-
Net cash provided (used) by operating activities	<u>581,472</u>	<u>(55,705)</u>	<u>43,948</u>	<u>569,715</u>	<u>72,480</u>
Cash flows from noncapital financing activities					
Internal activity - payments to other funds	(719,000)	-	-	(719,000)	-
Internal activity - payments from other funds	-	655,000	44,515	699,515	200,000
Net cash provided (used) by noncapital financing activities	<u>(719,000)</u>	<u>655,000</u>	<u>44,515</u>	<u>(19,485)</u>	<u>200,000</u>
Cash flows from capital and related financing activities					
Capital contributions	461,473	-	-	461,473	-
Proceeds from gain on disposition of assets	-	212,271	-	212,271	-
Purchases of capital assets	(631,950)	-	-	(631,950)	(113,830)
Principal paid on capital debt	(1,166,542)	(740,000)	-	(1,906,542)	-
Interest paid on capital debt	(470,095)	(76,684)	-	(546,779)	-
Net cash used by capital and related financing activities	<u>(1,807,114)</u>	<u>(604,413)</u>	<u>-</u>	<u>(2,411,526)</u>	<u>(113,830)</u>
Cash flows from investing activities					
Interest received	168,280	(1,419)	(943)	165,919	28,803
Net increase (decrease) in cash and cash equivalents	<u>(1,776,361)</u>	<u>(6,537)</u>	<u>87,521</u>	<u>(1,695,377)</u>	<u>187,453</u>
Cash and cash equivalents, January 1	14,052,304	8,329	(87,521)	13,973,112	2,327,714
Cash and cash equivalents, December 31	<u>\$ 12,275,943</u>	<u>\$ 1,793</u>	<u>\$ -</u>	<u>\$ 12,277,735</u>	<u>\$ 2,515,167</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (768,234)	\$ (145,295)	\$ 38,666	\$ (874,863)	\$ 49,567
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expense	1,320,234	90,625	-	1,410,859	116,225
Change in assets and liabilities:					
Receivables	27,640	(8,960)	1,507	20,187	1,248
Inventories	-	65,842	-	65,842	-
Prepaid expenses	(1,683)	14,852	-	13,169	-
Deferred charges	-	27,755	-	27,755	-
Compensated absences	5,950	-	-	5,950	-
Accounts payable	1,326	(27,014)	3,535	(22,153)	(94,560)
Accrued liabilities	(3,761)	(59,893)	240	(63,413)	-
Deferred revenue	-	(13,618)	-	(13,618)	-
Net cash provided by operating activities	<u>\$ 581,472</u>	<u>(55,705)</u>	<u>\$ 43,948</u>	<u>569,715</u>	<u>\$ 72,480</u>

The notes to the financial statements are an integral part of this statement.



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Notes to the Financial Statements

Table of Contents for Notes

	Page Number
NOTE 1:	
Summary of significant accounting policies	38
A. Reporting entity	38
B. Government-wide and fund financial statements	38
C. Measurement focus, basis of accounting, and financial statement presentation.....	39
D. Assets, liabilities, and net assets or equity	41
1. Cash, cash equivalents and investments	41
2. Inter-fund receivables/payables and advances	41
3. Inventories	41
4. Prepaid items.....	42
5. Restricted assets	42
6. Capital assets	42
7. Compensated absences	43
8. Long-term obligations	43
9. Deferred Revenues	43
10. Net Assets/Fund Balance	44
11. Contraband forfeitures.....	44
12. Estimates.....	44
13. Comparative Data.....	44
 NOTE 2:	
Stewardship, compliance, and accountability	44
A. Budgetary information	44
B. Excess of expenditures over appropriations.....	45
C. Deficit fund equity	45
 NOTE 3:	
Deposits and investments.....	45
A. Cash and deposits.....	45
B. Investments	46
 NOTE 4:	
Receivables	47
A. Property taxes	47
B. Allowance for doubtful accounts.....	48
 NOTE 5:	
Interfund receivables/payables, advances, and transfers.....	48
 NOTE 6:	
Restricted assets	49
 NOTE 7:	
Capital assets	50
A. Governmental activities	50
B. Business-type activities	51

Table of Contents for Notes (Continued)

NOTE 8:	
Long-term debt.....	52
A. Changes in long-term liabilities.....	52
B. Bonds payable – government activities	53
C. Bonds payable – business-type activities.....	53
D. Notes payable – enterprise funds.....	53
E. Capital lease payable – enterprise funds	54
F. Debt requirements to maturity	55
NOTE 9:	
Retirement commitments – employee pension plan	56
NOTE 10:	
Risk management	56
NOTE 11	
Commitments	57
A. Windy Gap.....	57
B. Northwest Parkway	58
C. Redevelopment Agreement.....	58
D. Construction Commitments	58
NOTE 12	
Contingent liabilities	59
NOTE 13	
Tax, spending, and debt limitations	59
NOTE 14	
Subsequent Event.....	61

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies

The City of Louisville (City) was incorporated in 1882. The registered electors voted to become a home rule city on November 6, 2001 under the provisions of Article XX of the Constitution of the State of Colorado. The City is a municipal corporation governed by an elected mayor and six-member council. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting entity

The City applies the criteria set forth in *GASB Statement No.14, The Financial Reporting Entity*, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will, and the primary recipient-of services.

The City presently has one blended component unit included within the reporting entity; the Urban Revitalization District, which is presented as a special revenue fund. The City Council is essentially the governing body of the District, but appoints the Louisville Revitalization Commission (LRC) to oversee the general operations of the District. The City provides all administrative, financial, and legal support services to the District. By Cooperation Agreement between the City and the LRC, the City Council must approve the District's budget, any expenditure made by the District, the issuance of any debt, and the execution of any contractual obligations.

B. 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 activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements (continued)

directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It is used to account for most of the day-to-day operations of the City, which are financed from sales taxes, property taxes, and other general revenues. Activities financed by the General Fund include those of line and staff departments within the City, except for activities of the enterprise funds.

The *Conservation Trust – Land Acquisition Fund* is a special revenue fund and accounts for a temporary sales and use tax of three-eighths percent (3/8%) to be in effect for ten years, beginning January 1, 1994. The voters extended this tax in

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

2002 for another ten years beginning January 1, 2004 and ending on December 31, 2013. Revenues from the three-eighths percent are used exclusively for the acquisition and maintenance of land in and around Louisville for open space buffer zones, trails, wildlife habitats, wetlands preservation and future parks.

The *Capital Projects Fund* was created in 1985 to account for the service expansion fee and the major thoroughfare fee. These fees were collected through the building permit process and were restricted for construction or renovation of park and building facilities; improvements to streets, alleys, sidewalks, and trails; acquisitions of City trees, improvements to drainage system; and for capital equipment. This fund now accounts for the monies received from a one-percent (1%) sales tax, which began July 1, 1989. This one-percent sales tax funds various capital improvements and the debt service on sales tax revenue bonds issued in 2003.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater utilities, the golf course, the solid waste enterprise funds, and the City's internal service funds are charges to customers for sales and services. The utilities recognize the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

The *Water & Wastewater Fund* accounts for the operations and capital needs to provide water, wastewater, and storm water services within the boundaries of the City.

The *Golf Course Fund* accounts for the operations and capital needs of Coal Creek Golf Course, which is owned by the City but has been licensed for operation by Western Golf Properties.

The *Solid Waste & Recycling Fund* accounts for the operations of providing solid waste pickup and single-stream recycling.

Additionally, the City reports the following fund types:

Internal Service Funds account for fleet and technology replacements provided to all departments of the City. The Building Maintenance Fund accounts for repairs and maintenance to City facilities. The activity of the Internal Service Funds has been eliminated from the government-wide financial statements.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. The City has elected not to follow subsequent private-sector guidance.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, liabilities, and net assets or equity

1. Cash, cash equivalents and investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, amounts in local government investment pools, and short-term investments with maturity dates within three years of the date acquired by the City. Investments are stated at fair value.

2. Interfund receivables/payables and advances

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances from other funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

3. Inventories

Inventories are valued at cost, using the first-in/first-out method. The costs of inventories are recorded as an expense or expenditure when consumed rather than when purchased. The inventory balance, as reported in the fund financial statements, is offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

3. Inventories (continued)

are not expendable available financial resources.

4. Prepaid items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items. The prepaid balances, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

5. Restricted assets

Restricted assets in the enterprise funds are cash set aside for the repayment of debt in compliance with bond covenants and cash restricted for future operations in compliance with escrow reserve agreements.

6. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic signals, trails, and similar items) purchased or constructed since 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund types in the fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In 2010, no interest was capitalized.

**City of Louisville
Notes to the Financial Statements
December 31, 2010**

Note 1: Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

6. Capital assets (continued)

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building Improvements	30
Streets & Sidewalks	35
Water, Wastewater, & Storm Water Systems	50
Vehicles	3 – 7
Machinery & Equipment	5 – 10
Computer Equipment	3 – 10

7. Compensated absences

Upon termination, employees are paid for all unused time in their paid leave bank and compensatory time bank. Accumulated paid leave and compensatory time for employees paid out of governmental funds are recorded as a fund liability when due. All unused time is recorded as a liability in the Governmental Activities column in the Statement of Net Assets. As the paid leave and compensatory time benefits accrue to employees of proprietary funds, an expense and liability is recorded in those funds.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types recognize bond discounts and issuance costs in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized on a straight-line basis over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

9. Deferred Revenues

Deferred revenues include grant funds that have been collected, but the corresponding expenditures have not been incurred. Property taxes levied for subsequent periods are also recorded as deferred revenue.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 1: Summary of significant accounting policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

10. Net Assets/Fund balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources. In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed.

11. Contraband forfeitures

In accordance with the Colorado Contraband Forfeiture Act (CRS-16-13-501 to 511) forfeitures from the seizure of contraband are used for the specific purpose of law enforcement activities. These funds have been audited and are included in the City's General Fund.

12. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

13. Comparative Data

Certain comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Note 2: Stewardship, compliance, and accountability

A. Budgetary information

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the proprietary funds are adopted on a basis consistent with GAAP, except that the budgeted expenditures also include capital outlay and bond principal payments and exclude depreciation. Council legally adopts all governmental and proprietary fund budgets. The level on which expenditures may not exceed appropriations is the legally adopted annual operating budget for each fund. All annual appropriations

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 2: Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

lapse at year end. The City Council may amend the budget by resolution. The City requires all governmental and all proprietary funds adopt an annual budget.

On or before the first day of September, each department director submits to the City Manager the department's proposed budget for the next fiscal year. On or before the third Tuesday in October, the City Manager submits to the Council the proposed budget for the next fiscal year. Within fourteen days after receiving the proposed budget from the City Manager, City Council sets the date and time for at least one public hearing on the proposed budget. On or before December 15, the City Council adopts the budget by resolution.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in all funds. Encumbrances outstanding at year-end are continued into the subsequent year. Encumbrances at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended December 31, 2010 expenditures exceeded appropriations in the Golf Course Fund by \$76,762 and the Library Debt Service Fund by \$346. This may be a violation of Colorado State Statutes.

C. Deficit fund equity

The Parking Improvement Fund, a special revenue fund, has a deficit fund balance of \$50. This has been funded through inter-fund loans. It is anticipated that the Parking Improvement Fund will be receiving fees to offset this deficit in future years.

Note 3: Deposits and investments

A. Cash and deposits

As of December 31, 2010 the summary of the carrying values of deposits and investments is as follows:

Petty Cash	\$	2,845
Deposits		2,583,848
Investments		31,422,346
		<u>\$ 34,009,039</u>

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 3: Deposits and investments (continued)

A. Cash and deposits (continued)

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The City has \$395,210 of FDIC-insured deposits and \$2,433,560 of collateralized deposits under PDPA as of December 31, 2010.

B. Investments

The types of investments which are authorized to be made with City funds are controlled by state statues and the investment policies of the City. Colorado statues and the City’s investment policies specify investments instruments meeting defined rating risk criteria in which the City may invest:

- a. Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment.
- b. Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.
- c. Any security that is a general obligation of any state of the United States.
- d. Any interest in a local government investment pool.
- e. Any corporate bank security issued by a corporation or bank that is organized and operated within the United States.
- f. Any money market fund that is registered as an investment company under the federal “Investment Company Act of 1940”.
- g. The purchase of any repurchase agreement of marketable securities.

At December 31, 2010, the City’s investments (at cost) are categorized as follows:

Account Description	Ratings	Maturity			Total
		< 1 Year	1-5 Years	5-10 Years	
LGIP - CSAFE	AAA _m S&P	1,953,741	-	-	1,953,741
LGIP - COLOTRUST	AAA _m S&P	1,862,031	-	-	1,862,031
U.S. Gov’t Agency Securities	AAA/stable S&P	16,203,794	9,077,455	-	25,281,249
Commercial Paper	A1+ S&P	997,000	-	-	997,000
Great Western Bank - CD	Federally Insured & Collateralized	1,030,000	-	-	1,030,000
Total Investments		22,046,567	9,077,455	-	31,124,022

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 3: Deposits and investments (continued)

B. Investments (continued)

Local Government Investment Pools – At December 31, 2010, the City had \$1,953,741 and \$1,862,031 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (COLOTRUST), local government investment pools, respectively. The pools operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. The pools invest in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper rated A1 or better and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pools are rated AAAM by the Standards & Poor's Corporation. A custodial bank provides banking services and trust custody for securities held on behalf of the participating governments in the pools. The custodian's internal records identify the investments owned by the participating governments.

Interest Rate Risk – In accordance with the City's Investment Policy and State statutes, the City manages its exposure to declines in fair value losses arising from increased interest rates by limiting the maturity date of investment securities to five years from the date of purchase.

Credit Risk – The City's Investment Policy and Colorado statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO. State statutes limit investments in U.S. Agency securities to the highest rating issued by at least two NRSROs.

Concentration of Credit Risk – The City's Investment Policy and State statutes do not limit the amount the City may invest in one issuer. At December 31, 2010, the City's investments in Federal Home Loan Bank securities represented 33% of the City's total investments. The City's investments in Fannie Mae notes represented 27% of total investments.

Note 4: Receivables

A. Property taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by December 31, levied on January 1 and paid in either one installment on April 30, or two installments on February 28 and June 15. Boulder

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 4: Receivables (continued)

A. Property taxes (continued)

County bills and collects the City's property taxes. Property taxes are recognized as receivables and deferred revenues when a lien is placed on the property, and as revenue when due for collection in the following year.

B. Allowance for doubtful accounts

The allowance for doubtful accounts in the Water and Wastewater Fund are based on what City management believes may not be collectible. The allowance for doubtful accounts at December 31, 2010, was \$1,343.

Note 5: Inter-fund receivables/payables, advances, and transfers

The advances to/from other funds represent interfund loans. As of December 31, 2010, there was an outstanding interfund loan from the Water & Wastewater Utility Fund to the Golf Course Fund in the amount of \$1,763,817, of which \$700,000 was advanced in 2008, \$370,000 was advanced in 2009, \$655,000 was advanced in 2010, and accrued interest has been applied in the amount of \$38,817. Section 13-3(b) of the City of Louisville Charter states that any loan of money derived from a City-owned utility to any other City-owned utility, or to any other City fund, shall be approved by ordinance, the motion approving the loan shall specify the term of the loan and the interest rate, and the interest rate shall be adjusted annually to a rate equal to the average return of City investments for the preceding twelve (12) months. The Golf Course Fund is expected to repay the loan, with interest, with proceeds from the Operating Management Services Agreement. Complete repayment is not expected until 2021.

Inter-fund transfers occurring in 2010 are as follows:

<u>Transfers Out</u>	<u>General Fund</u>	<u>Cemetery Fund</u>	<u>Capital Projects Fund</u>	<u>Building Maint Fund</u>	<u>Total</u>
General Fund		73,840			73,840
Cemetery Perpetual Care Fund		4,147			4,147
Capital Projects Fund				200,000	200,000
Impact Fee Fund			156,300		156,300
Water & Wastewater Utility Fund	64,000				64,000
Total	64,000	77,987	156,300	200,000	498,287

The General Fund and the Cemetery Perpetual Care Fund make annual transfers to the Cemetery Fund to help cover the cost of Cemetery operations. The annual transfer from the Cemetery Perpetual Care Fund is equal to the interest earned in the Cemetery Perpetual Care Fund.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 5: Inter-fund receivables/payables, advances, and transfers (continued)

The Capital Project Fund makes an annual transfer to the Building Maintenance Fund to cover costs for upgrades and replacements related to City facilities.

The Impact Fee Fund made a transfer to the Capital Project Fund to expend impact fee revenue for transportation and recreation projects.

The Water & Wastewater Fund makes an annual transfer to the General Fund to pay for administrative support costs.

Note 6: Restricted assets

Under the terms of the loan agreement with the Colorado Water Resources and Power Development Authority, the City is required to maintain an operations and maintenance reserve of an amount equal to three months of operation and maintenance expenses, excluding depreciation, as set forth in the annual budget for the then-current fiscal year, but in no event greater than \$1,250,000. At December 31, 2010, the balance in the reserve is \$1,250,000. In addition, the loan agreement requires the City's compliance with the rate covenant and the additional bonds test. At December 31, 2010, the City is in compliance with these covenants.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 7: Capital assets

A. Governmental Activities

A summary of changes in capital assets for the year ended December 31, 2010 is as follows:

Governmental Activities

	Balance at 1/1/2010	Reclass Adjustments	Additions	Deletions	Balance at 12/31/2010
Capital assets not being depreciated:					
Land and Easements	\$30,120,933	\$ -	\$ -	\$ -	\$30,120,933
Total capital assets, not being depreciated	<u>30,120,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,120,933</u>
Other capital assets:					
Buildings	22,123,520	17,999	294,161	-	22,435,680
Infrastructure improvements	74,114,334	-	3,728,506	-	77,842,840
Machinery and equipment	5,267,820	(17,999)	381,244	(135,478)	5,495,587
Total other capital assets at historical cost	<u>101,505,674</u>	<u>-</u>	<u>4,403,911</u>	<u>(135,478)</u>	<u>105,774,107</u>
Less accumulated depreciation for:					
Buildings	(4,967,458)	-	(729,763)	-	(5,697,221)
Infrastructure improvements	(34,223,767)	-	(2,406,579)	-	(36,630,346)
Machinery and equipment	(3,690,444)	-	(318,408)	135,478	(3,873,374)
Total accumulated depreciation	<u>(42,881,669)</u>	<u>-</u>	<u>(3,454,750)</u>	<u>135,478</u>	<u>(46,200,941)</u>
Other capital assets, net	<u>58,624,005</u>	<u>-</u>	<u>949,161</u>	<u>-</u>	<u>59,573,166</u>
Governmental activities capital assets, net	<u>\$88,744,938</u>	<u>\$ -</u>	<u>\$ 949,161</u>	<u>\$ -</u>	<u>\$89,694,099</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	119,173
Finance	469
Police	83,727
Public works	2,200,517
Library	67,558
Parks and recreation	867,083

In addition, depreciation on capital assets held by the City's internal service funds (see Exhibit 5) is charged to the various functions based on the percentage of contribution to the fund.

	<u>116,224</u>
Total governmental activities depreciation expense	<u>\$ 3,454,751</u>

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 7: Capital assets (continued)

B. Business-type activities

A summary of changes in capital assets for the year ended December 31, 2010 is as follows:

Business-type activities

	Balance at 1/1/2010	Golf Course Adjustments	Additions	Deletions	Balance at 12/31/2010
Capital assets not being depreciated:					
Land	\$ 4,282,574	\$ -	\$ -	\$ -	\$ 4,282,574
Water rights	<u>30,347,107</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>30,362,107</u>
Total capital assets not being depreciated	<u>34,629,681</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>34,644,681</u>
Other capital assets:					
Buildings	983,302	-	-	-	983,302
Infrastructure improvements	63,037,083	30,462	71,534	(878,217)	62,260,862
Machinery and equipment	<u>2,718,716</u>	<u>(237,618)</u>	<u>545,416</u>	<u>(13,653)</u>	<u>3,012,861</u>
Total other capital assets at historical cost	<u>66,739,101</u>	<u>(207,156)</u>	<u>616,950</u>	<u>(891,870)</u>	<u>66,257,025</u>
Less accumulated depreciation for:					
Buildings	(529,713)	-	(34,926)	-	(564,639)
Infrastructure improvements	(24,551,734)	(14,334)	(1,246,948)	695,911	(25,117,105)
Machinery and equipment	<u>(1,887,867)</u>	<u>131,188</u>	<u>(122,452)</u>	<u>13,653</u>	<u>(1,865,478)</u>
Total accumulated depreciation	<u>(26,969,314)</u>	<u>116,854</u>	<u>(1,404,326)</u>	<u>709,564</u>	<u>(27,547,222)</u>
Other capital assets, net	<u>39,769,787</u>	<u>(90,302)</u>	<u>(787,376)</u>	<u>(182,306)</u>	<u>38,709,803</u>
Business-type activities capital assets, net	<u>\$74,399,468</u>	<u>\$ (90,302)</u>	<u>\$ (772,376)</u>	<u>\$ (182,306)</u>	<u>\$73,354,484</u>
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Water & Wastewater			1,313,700		
Golf			<u>90,626</u>		
Total Business-type activities depreciation expense			<u>\$ 1,404,326</u>		

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 8: Long-term debt

A. Changes in long-term liabilities

A summary of changes in long-term liabilities for the year ended December 31, 2010 is as follows:

	Balance at 1/1/2010	Additions	Reductions	Balance at 12/31/2010	Due within One Year
Governmental activities					
Bonds payable:					
<i>Sales tax refunding revenue bonds</i>					
2003 Sales Tax Bonds	\$ 1,655,000	\$ -	\$ (395,000)	\$ 1,260,000	\$ 405,000
Bond Premium	18,625	-	(4,656)	13,969	-
Loss on Refunding	(51,730)	-	12,933	(38,797)	-
	<u>1,621,895</u>	<u>-</u>	<u>(386,723)</u>	<u>1,235,172</u>	<u>405,000</u>
<i>Library Long Term Debt GO Bonds</i>					
2004 Library Bonds	5,660,000	-	(315,000)	5,345,000	325,000
Bond Premium	21,980	-	(1,570)	20,410	-
	<u>5,681,980</u>	<u>-</u>	<u>(316,570)</u>	<u>5,365,410</u>	<u>325,000</u>
Total bonds payable	<u>7,303,875</u>	<u>-</u>	<u>(703,293)</u>	<u>6,600,582</u>	<u>730,000</u>
Other liabilities:					
<i>Compensated absences</i>	756,320	921,858	(841,366)	836,812	92,550
Governmental activities long-term liabilities	<u>\$ 8,060,195</u>	<u>\$ 921,858</u>	<u>\$ (1,544,659)</u>	<u>\$ 7,437,394</u>	<u>\$ 822,550</u>
Business-type activities					
Bonds, loans, and leases payable:					
<i>Golf Course General obligation Bonds:</i>					
2002 G.O. Bonds	\$ 740,000	\$ -	\$ (740,000)	\$ -	\$ -
Deferred loss on refunding	(19,763)	-	19,763	-	-
Premium on note	2,603	-	(2,603)	-	-
	<u>722,840</u>	<u>-</u>	<u>(722,840)</u>	<u>-</u>	<u>-</u>
<i>Water Loans Payable:</i>					
2003 Water CWRPDA Loan	10,645,000	-	(565,000)	10,080,000	580,000
Deferred loss on refunding	(52,201)	-	3,729	(48,472)	-
1992 Water CWRPDA Loan	1,692,500	-	(561,667)	1,130,833	601,667
	<u>12,285,299</u>	<u>-</u>	<u>(1,122,938)</u>	<u>11,162,361</u>	<u>1,181,667</u>
Windy Gap Lease Payments	398,094	-	(39,875)	358,219	42,438
Deferred loss on refunding	(22,440)	-	2,805	(19,635)	-
	<u>375,654</u>	<u>-</u>	<u>(37,070)</u>	<u>338,584</u>	<u>42,438</u>
Total bonds, loans, and leases payable	<u>13,383,793</u>	<u>-</u>	<u>(1,882,848)</u>	<u>11,500,945</u>	<u>1,224,105</u>
Other liabilities:					
<i>Compensated absences</i>	181,307	196,620	(190,669)	187,258	20,598
Business-type activities long-term liabilities	<u>\$ 13,565,100</u>	<u>\$ 196,620</u>	<u>\$ (2,073,517)</u>	<u>\$ 11,688,203</u>	<u>\$ 1,244,703</u>

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 8: Long-term debt (continued)

A. Changes in long-term liabilities (continued)

Compensated absences in both governmental and business-type activities are classified as long-term liabilities. The City estimates that the current portion of compensated absences is \$92,550 in the governmental funds and \$20,598 in the business type activity funds for a total of \$113,148. Compensated absences of the governmental activities are expected to be paid from the General Fund, Conservation Trust Land Acquisition Fund, Cemetery Fund, Historic Preservation Fund, and the Capital Projects Fund.

B. Bonds payable – government activities

Bonds payable at December 31, 2010 are comprised of the following issues:

The 2.0% - 3.5%, Series 2003 Sales Tax Refunding Revenue Bonds mature annually beginning on December 1, 2004 through December of 2013. During the year ended December 31, 2010, pledged revenues derived from one-third (1/3) of the sales tax revenues in the Capital Projects Fund totaling \$837,446 were available to pay annual debt service of \$449,938. Remaining debt service at December 31, 2010, was \$1,348,238.

The 2.0% - 4.25% Series 2004 Limited Tax General Obligation Library Bonds mature annually beginning on December 1, 2004 through December 2023. Remaining debt service at December 31, 2010 was \$6,925,205.

C. Bonds payable – business-type activities

On May 10, 2010, the City completed a defeasance of the remaining outstanding balance of its Golf Course General Obligation Bonds, Series 2002. The City deposited available funds of approximately \$772,000 into an irrevocable trust with an escrow agent that, along with earnings on the escrowed funds, will be utilized to pay off the outstanding principal and interest of the bonds as they become due at various dates through 2012. The balance of the escrow at December 31, 2010 is \$520,759. The debt has been removed from the City's government-wide financial statements for 2010.

D. Notes payable - enterprise funds

The 2.0% - 4.125% 2003 Series Colorado Water Resources and Power Development Authority Water Resources Revenue loan matures annually on December 1 with semi-annual interest payments through December 1, 2024. The remaining debt service at December 31, 2010 was \$13,155,525.

A note payable dated April 1, 1992 with the Colorado Water Resources and Power Development Authority was issued with interest tied to two bond issues of 3.8% to 6.7%. This note is payable in monthly installments to an escrow account, with semi-annual distributions to the Authority beginning on May 1, 1992 through October 1, 2012. The remaining debt service at December 31, 2010 was

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 8: Long-term debt (continued)

D. Notes payable - enterprise funds (continued)

\$1,194,021.

During the year ended December 31, 2010, net revenues of \$3,875,918 were available to pay annual debt service for these loans of \$1,586,118. Total remaining debt service at December 31, 2010, was \$14,349,546.

E. Capital lease payable - enterprise funds

On November 3, 1994, the City entered into a water rights lease with option to purchase with the City of Greeley, Colorado for \$708,457. The interest rate is 4.0% - 5.1%. Payments of both principal and interest are due on April 1st of each year, through 2017. Payments are calculated based on the debt service paid by the Northern Colorado Water Conservancy District. At the end of the lease, title to the three units of Windy Gap Water will transfer to the City. The lease is serviced by the Water Fund. Remaining debt service at December 31, 2010, was \$437,504.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 8: Long-term debt (continued)

F. Debt requirements to maturity

The annual debt service requirements for all bonds and notes outstanding as of December 31, 2010, are as follows:

Governmental Activities						
Year	Sales Tax Bonds			General Obligation Bonds		
	Principle	Interest	Total	Principle	Interest	Total
2011	405,000	43,088	448,088	325,000	198,533	523,533
2012	420,000	29,925	449,925	335,000	188,783	523,783
2013	435,000	15,225	450,225	350,000	178,733	528,733
2014	-	-	-	360,000	167,533	527,533
2015	-	-	-	375,000	155,653	530,653
2016-2020	-	-	-	2,105,000	563,195	2,668,195
2021-2024	-	-	-	1,495,000	127,775	1,622,775
Balance	\$ 1,260,000	\$ 88,238	\$ 1,348,238	\$ 5,345,000	\$ 1,580,205	\$ 6,925,205

Business - Type Activities			
Year	Bonds & Notes		
	Principle	Interest	Total
2011	1,181,667	407,874	1,589,541
2012	1,124,166	359,499	1,483,665
2013	615,000	327,013	942,013
2014	630,000	308,563	938,563
2015	650,000	288,875	938,875
2016-2020	3,605,000	1,095,189	4,700,189
2021-2024	3,405,000	351,700	3,756,700
Balance	\$ 11,210,833	\$ 3,138,713	\$ 14,349,546

Business-Type Activities
Windy Gap Capital Leases

City of Greeley	
Year	Payment
2011	61,970
2012	62,022
2013	62,024
2014	61,997
2015	62,063
2016-2017	127,428
Total	437,504
Interest	(79,285)
Balance	\$ 358,219

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 9: Retirement commitments – employee pension plan

The City provides a qualified defined contribution pension plan, administered by the ICMA Retirement Trust, for all regular full-time and regular part-time employees. At December 31, 2010, there were 159 plan members. This plan is provided through the ICMA Retirement Corporation Prototype 401(a) Money Purchase Plan and Trust. This plan does not meet the standards of generally accepted accounting principles for inclusion as part of the reporting entity.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from date of employment. The City requires the employee to contribute 4.5% of earnings with the City matching 5.0% for the plan year. Plan provisions and contribution requirements have been adopted by the City Council. Changes to the plan can be made by the City Manager.

Earnings include base pay, overtime, and any applicable bonuses. The City's matching contributions and earnings are vested as follows:

<u>Years of Service Completed</u>	<u>Specified Percent Vested</u>
Less than One	0%
One	50%
Two	100%

All administrative costs of the plan are borne by the participants of the plan. City contributions for, and interest forfeited by, employees who leave employment before partially or fully vested may be used to reduce future City contributions. The 2010 contributions were \$401,506 from employees and \$446,119 from the City for a total of \$847,625. Wages paid by the City in 2010 totaled \$9,760,223, with regular full-time and regular part-time benefited employees receiving \$8,918,433.

In addition, employees may participate in an Internal Revenue Code 457 Plan on a voluntary basis. The City only makes contributions to the City Manager's 457 Plan, an amount equal to 10% of base salary.

Note 10: Risk Management

The City 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 City carries commercial insurance for the risks of loss, including worker's compensation and property/casualty loss insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 11: Commitments

A. Windy Gap

The Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict) was established July 6, 1970, pursuant to the Water Conservancy District Act. The Subdistrict is a political subdivision of the State of Colorado. In 1994, the City of Louisville entered into a lease purchase arrangement for three units of Windy Gap Water from the City of Greeley, Colorado. The Subdistrict currently provides a portion of the water supply for the cities of Boulder, Broomfield, Greeley, Longmont, Loveland, the Town of Estes Park, the Platte River Power Authority, and various other domestic water suppliers.

In 2002, the City entered into an agreement with the Superior Metropolitan District No. 1 for the purchase of six units of Windy Gap Water. The Subdistrict was formed by six municipalities to develop supplemental water supplies. In 1981, the Subdistrict issued bonds to finance the cost of the Windy Gap Project. Under this agreement, the City is responsible for all the Northern Colorado Water Conservancy District's continuing obligations for the payment of those assessments due and owing on the six units of Windy Gap Water beginning in 2003. The City's future payments under the contract are as follows:

<u>Year</u>	<u>Payment</u>
2011	123,940
2012	124,043
2013	124,038
2014	123,994
2015	124,125
2016 – 2017	254,856
Total	<u>\$874,996</u>

The governing board of the Subdistrict is a Board of twelve (12) directors appointed for four-year terms by the presiding State District Court Judges of each of the four judicial districts located wholly or partly within the boundaries of the Northern Colorado Water Conservancy District. Officers are elected by the Board of Directors at its annual meeting. The City and other participating entities have no direct control over the Subdistrict's budgeting or financing.

In 1997, the City of Louisville received final acceptance and entered into the Subdistrict. On August 23, 1995 the City entered into an allotment contract for capacity in the connecting pipeline from the main pipeline referenced above to the Superior/Louisville pump station. From this point, Louisville has implemented, on their own, connections to their water treatment facilities.

The City repaid \$344,400 for preliminary and final design, project administration, environmental evaluations and other necessary work. The City provided \$948,600 for construction of the pipeline itself.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 11: Commitments (continued)

B. Windy Gap (continued)

On January 14, 1994, the City entered into an allotment contract with the Northern Colorado Water Conservancy District (District), acting by and through the Southern Water Supply Project Water Activity Enterprise, for flow capacity in the Southern Water Supply Project Pipeline. The Southern Water Supply Project Pipeline begins below the Carter Lake Outlet Works and ends approximately 4 miles north of Louisville. Under this contract, the City, along with other Colorado governmental entities, has the perpetual exclusive right to use 2.58 million gallons per day of capacity in the Pipeline. The other entities and their flow capacity in the pipeline are the Cities of Broomfield (8.00), Fort Lupton (5.16), Fort Morgan (6.13), Longmont (8.71), the Towns of Berthoud (2.58), Erie (1.03), Hudson (1.03), and the Little Thompson/Central Weld County Water Districts (16.13). During 2001, the City purchased additional capacity in the Pipeline for \$374,315. This increased the City's capacity by an additional 80%.

C. Northwest Parkway

On February 18, 1999, the City entered into an Intergovernmental Agreement with the City of Broomfield, the City of Lafayette, and the County of Boulder to create a comprehensive development plan for southeast Boulder County, South 96th Street, Dillon Road and US 287. This agreement planned for the Northwest Parkway and the surrounding area. The agreement provides that bonds will be sold by the Northwest Parkway Authority. Out of the proceeds, Louisville received \$5,000,000 towards the purchase of open space. This was paid directly from the Northwest Parkway Authority to Boulder County on Louisville's behalf in 2001 for the purchase of open space. An amendment to the agreement, dated January 16, 2001, identifies road priorities to be paid from the bond proceeds. This specifies that \$12,000,000 be allocated to the South 96th Street improvements.

In 2002, the Northwest Parkway Authority paid to the City \$12,190,151 for the 96th Street improvements and accrued interest. The design phase of the South 96th Street improvements was completed in 2003. The contract for the construction was awarded in November of 2003 and the construction was completed in 2005. Final payout of the project was resolved as of December 2010.

D. Redevelopment Agreement

In December 2006, the City established the Louisville Revitalization Commission and approved an urban renewal plan for certain blighted areas within the City. In 2008, the Urban Revitalization District began collecting tax increment revenues to finance improvements in the blighted areas. The agreement expires in December 2032.

E. Construction Commitments

At December 31, 2010, the City had an unexpended design, procurement, and installation of solar power equipment contract with Bella Energy, Inc with commitments of approximately \$1,330,000.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 12: Contingent liabilities

Litigation

Various suits and claims are pending against the City as of December 31, 2010. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that, with the exception of the matter discussed in Note 14, the final outcome of these matters will not materially affect the financial statements of the City and that adequate insurance coverage exists in most cases to cover any potential settlement.

Conduit Debt

In 2005, the City exercised its right to issue Revenue Bonds as authorized by the provisions of the County and Municipality Revenue Bond Act, article 3, title 29, C.R.S., to finance land, buildings or other improvements and properties suitable or used for or in connection with health-care purposes, all to the end that the City may be able to promote economic activity by inducing nonprofit corporation to locate, expand or remain in the State for the benefit of the inhabitants of the State for the promotion of their health, safety, welfare, convenience and prosperity.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the State, or any other political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2010, no Tax Exempt Revenue Bonds were outstanding.

Note 13: Tax, spending, and debt limitations

At the November 3, 1992 general election, Colorado voters approved an amendment to the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR became effective December 31, 1992, and its provisions limit government taxes, spending revenues, and debt without electoral approval. Since this time several ballot issues have been presented to the Louisville citizens that impact the limitation.

1993 – Open space tax approved.

1994 – Open space bond issue and the use tax on residential building materials were approved.

1996 – Authorization was given for the City to receive and expend all sales and use tax revenues, exempting these revenues from the TABOR limitation.

1997 – A revenue-sharing intergovernmental agreement was approved, exempting these revenues from the TABOR limitations.

1998 – The City Council, by ordinance, declared the Golf Course Fund an enterprise under the TABOR definition.

1999 – Authorization to keep and spend the revenues collected and received during 1998 and each subsequent year from fees, state and local grants, developer contributions, intergovernmental revenues and payments in lieu of land dedications.

2001 – Approval allowing the City to keep the excess property taxes collected in 2000 and exempts all future property taxes from the TABOR limitations.

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 13: Tax, spending, and debt limitations (continued)

2002 – Approval of a new Lodging Excise Tax in the amount of 3% and exempting these revenues from the TABOR limitations.

2002 – Extension of the open space tax for another ten years beginning on January 1, 1994 and ending on December 31, 2013 and exempting these revenues from the TABOR limitations.

2003 – Library bond issue and the additional mill levy not to exceed 1.581 were approved.

2005 – A use tax on personal tangible property was placed on the ballot in 2005 and failed.

2006 – A use tax on personal tangible property was placed on the ballot in 2006 and failed.

2006 – The City Council, by ordinance, declared the Storm Water Utility Fund an enterprise under the TABOR definition.

2008 – Approval of a 1/8% sales tax for historic preservation purposes for a period of ten years beginning January 1, 2009.

2009 – The City Council, by ordinance, declared the Solid Waste & Recycling Utility Fund an enterprise under the TABOR definition.

2010 – Approval of a 3½% consumer use tax, of which 2% is unrestricted, 1% restricted for capital projects, 3/8% restricted for open space acquisition and maintenance, and 1/8% restricted for historic preservation purposes.

Under the TABOR Amendment, all taxes (except as previously noted), licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenue (except developer contributions and payments in lieu of land dedications) are part of the limitation calculation. Transfers into the fund and debt service (except the open space bond) are deducted. The remainder may increase by the combination of the local growth rate and the rate of inflation in the Denver/Boulder Area.

TABOR Amendment provisions require that annual property tax revenue changes be restricted to the same growth rate applicable to the City's general spending. In 2001 the voters approved exemption from this provision.

The TABOR Amendment also requires the local government to reserve three percent of total expenditures for emergencies in 1995 and years thereafter. (The definition of an "emergency," under TABOR is restricted to natural events, but excludes "economic conditions, revenue shortfalls, or district salary or fringe benefit increase.") Accordingly, the City has reviewed the existing reserves and determined that a minimum of 3%, or \$572,844 existed at December 31, 2010, to comply with the provisions of the TABOR Amendment.

The TABOR Amendment excludes activities or funds considered to be "enterprises." The classification of an "enterprise" under the TABOR Amendment is based on three criteria: (1) the entity be considered a government-owned business; (2) the entity be authorized to issue its own revenue bonds; (3) the entity receive under 10% of its annual revenue in grants from all Colorado and local governments combined. The Water Utility Fund and Wastewater Utility Fund, as approved by Ordinance No. 1167 and 1168, Series 1994, were declared enterprises under the TABOR Amendment definition. These two funds were

City of Louisville
Notes to the Financial Statements
December 31, 2010

Note 13: Tax, spending, and debt limitations (continued)

combined as one enterprise fund by Ordinance No. 1412, Series 2003. Storm water activities were added to the Water and Wastewater Utility Fund by Ordinance No. 1502, Series 2006. The Golf Course Fund, as approved by Ordinance No. 1280, Series 1998, was given enterprise status in 1998. The Solid Waste & Recycling Fund, as approved by Ordinance No. 1554, Series 2009, was given enterprise status in 2009.

Note 14: Subsequent Event

In November 2010, the District Court, County of Boulder, State of Colorado entered a verdict against the City of Louisville as defendant and for Hamon Contractors, Inc as plaintiff in the amount of \$768,723 for amounts held by the City, change order requests denied by the City, damages for delays, and \$150,000 for consequential damages related to the \$7.2 million 2005 96th Street Project. This amount was paid in early 2011 and, as of December 31, 2010, has been included as a liability of the Northwest Parkway Fund.

Subsequent to the verdict, in April 2011, the District Court also ordered the City to pay \$895,697 for attorney's fees, costs, and accrued interest on the various amounts owed. On May 17, 2011, the City Council approved a settlement agreement and mutual release in the amount of \$864,567.



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Required Supplementary Information

City of Louisville, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> Amounts	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property tax	\$ 2,275,300	\$ 2,275,300	\$ 2,275,222	\$ (78)
Sales tax	5,210,470	4,710,470	5,024,677	314,207
Use tax	665,370	665,370	787,353	121,983
Lodging tax	287,830	287,830	304,674	16,844
Franchise tax	1,019,690	1,019,690	998,022	(21,668)
Other taxes	151,740	151,740	178,187	26,447
Licenses and permits	558,680	558,680	620,812	62,132
Intergovernmental	878,360	889,150	933,521	44,371
Charges for services	1,518,360	1,610,630	1,731,231	120,601
Fines and forfeits	208,640	214,640	264,006	49,366
Miscellaneous	223,200	248,950	402,083	153,133
Total revenues	<u>12,997,640</u>	<u>12,632,450</u>	<u>13,519,788</u>	<u>887,338</u>
Expenditures				
Current:				
General government	1,838,190	1,751,540	1,721,913	29,627
Finance	635,290	634,360	588,651	45,709
Police	4,181,150	4,113,190	3,940,528	172,662
Public works	1,931,540	1,931,540	1,874,229	57,311
Planning	734,010	734,010	757,086	(23,076)
Library services	1,375,720	1,379,990	1,343,929	36,061
Parks and Recreation	2,673,360	2,680,300	2,586,552	93,748
Total expenditures	<u>13,369,260</u>	<u>13,224,930</u>	<u>12,812,888</u>	<u>412,042</u>
Excess (deficiency) of revenues over expenditures	<u>(371,620)</u>	<u>(592,480)</u>	<u>706,900</u>	<u>1,299,380</u>
Other financing sources (uses)				
Transfers In	64,000	64,000	64,000	-
Transfers Out	<u>(73,840)</u>	<u>(73,840)</u>	<u>(73,840)</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,840)</u>	<u>(9,840)</u>	<u>(9,840)</u>	<u>-</u>
Net change in fund balance	<u>\$ (381,460)</u>	<u>\$ (602,320)</u>	<u>697,060</u>	<u>\$ 1,299,380</u>
Fund balances, January 1			<u>4,404,328</u>	
Fund balances, December 31			<u>\$ 5,101,388</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Conservation Trust - Land Acquisition Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales tax	\$ 958,290	\$ 865,290	\$ 948,069	\$ 82,779
Use tax	98,210	98,210	119,504	21,294
Intergovernmental	12,380	12,380	27,655	15,275
Miscellaneous	<u>200,000</u>	<u>200,000</u>	<u>103,875</u>	<u>(96,125)</u>
Total revenues	<u>1,268,880</u>	<u>1,175,880</u>	<u>1,199,103</u>	<u>23,223</u>
Expenditures				
General government	1,032,560	1,037,660	954,634	83,026
Capital outlay	<u>312,700</u>	<u>388,150</u>	<u>276,147</u>	<u>112,003</u>
Total expenditures	<u>1,345,260</u>	<u>1,425,810</u>	<u>1,230,781</u>	<u>195,029</u>
 Net change in fund balance	 <u>\$ (76,380)</u>	 <u>\$ (249,930)</u>	 <u>\$ (31,678)</u>	 <u>\$ 218,252</u>
 Fund balances, January 1			 <u>7,778,967</u>	
Fund balances, December 31			<u>\$ 7,747,289</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Notes to Required Supplementary Information
December 31, 2010

Note 1: Budgets and budgetary accounting

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits a proposed operating budget to the Mayor and the City Council for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures of all funds and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to the end of the fiscal year, the budget is legally adopted through passage of a resolution. An appropriation resolution, based on the adopted budget, is enacted on or before the last day of December.
4. Any revisions that alter the total appropriations of any fund must be approved by the City Council. The City's department heads may approve transfers within their department and the City Manager may approve transfers between departments.
5. The level on which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for each fund in total. All appropriations lapse at year-end.
6. Budgets for the general, special revenue, debt service, capital projects, and permanent funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).
7. Budgets for proprietary funds are adopted on a basis consistent with generally accepted accounting principles, except that the City excludes depreciation and amortization and includes debt service principal payments and capital outlay.
8. The City Council may legally amend the budget by resolution once it has been approved. Budgeted amounts, including all amendments, are shown as adopted by the City Council.



COLORADO ▪ SINCE 1878

Other Statements and Schedules



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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes

PEG Fees Fund – This fund is was created in 2006 in response to Resolution No. 22, Series 2006, that approved an agreement between the City of Louisville and Citizens Community Access Cable Television Management.

Parking Improvement Fund – This fund is was created in 2000 to account for the downtown parking fee of \$10,500 per parking space established through Ordinance #1341. The fee was amended to \$3,600 per parking space in 2002 by Ordinance 1376.

McCaslin Interchange Improvement Fund – The McCaslin Interchange Improvement Fund was created in 1998 as the result of an intergovernmental agreement with the Town of Superior to improve the McCaslin and Highway 36 interchange.

Conservation Trust – Lottery Fund – The City of Louisville, through Resolution #14, dated July 16, 1974, established a Conservation Trust Fund. The City receives an annual distribution from the State of Colorado from the proceeds of the Colorado State Lottery. State law mandates that a Conservation Trust Fund be established to record revenues and expenditures and that these funds be restricted for the use in the acquisition, development, and maintenance of “new conservation sites” or for capital improvements or maintenance for recreational purposes on any public site.

Impact Fee Fund – The Impact Fee Fund was created in 2004 as a result of Ordinance No. 1436 Series 2003. This ordinance was to establish development impact fees for libraries, parks, trails, recreation, municipal facilities and transportation. As a result of the 2006 Impact Fee Study, the fee structures have been modified and Impact Fees are categorized as Municipal Facilities, Transportation, Library, Recreation, and Parks & Trails.

Northwest Parkway Fund – The Northwest Parkway Fund was created in 2002 to account for \$12 million in revenue received from the Northwest Parkway Authority as part of the Intergovernmental Agreement with the City of Broomfield, the City of Lafayette, and the County of Boulder to create a comprehensive development plan for southeast Boulder County, South 96th Street, Dillon Road, and US 287. Revenues from the Northwest Parkway Authority are used exclusively for the improvements to South 96th Street and the purchase of open space as identified in this agreement.

Cemetery Fund – The Cemetery Fund was created on November 3, 2008 by Ordinance 1542. Unlike the Cemetery Perpetual Care Fund, all the revenue in the Cemetery Fund is unrestricted and can be used for both cemetery maintenance and capital improvements. Beginning in 2009, all the interest revenue earned in the Cemetery Perpetual Care Fund is transferred to the Cemetery Fund for maintenance of the lots. In addition, the General Fund subsidizes the Cemetery Fund via annual interfund transfers..

Urban Revitalization District Fund – The Urban Revitalization District (URD) Fund was approved and established by City Council in 2006. Although the URD is a distinct and separate entity from the City, the City manages the URD's receipts and disbursements through the Urban Revitalization District Fund. The district itself is managed by the Louisville Revitalization Commission (LRC), which is appointed by City Council.

Historical Preservation Fund – On November 4, 2008, Louisville voters approved a temporary sales tax increase of 1/8% for ten years, beginning January 1, 2009. Revenue from this increase is restricted for historic preservation purposes within Old Town Louisville. The Historic Preservation Fund was created by Ordinance 1544, Series 2008. Resolution 20, Series 2009, enacted additional provisions regarding the administration, structure, and uses of the Historic Preservation Fund.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Library Construction Fund – This fund was established in 2004 to account for the construction of the new library. As this construction of the library is nearing completion, the remaining money if any, will transfer to the debt service fund for prepayment of debt.

Debt Service Fund

Library Debt Service Fund – The Debt Service Fund was established in 2004 to account for the debt service payments on bonds that were issued in 2004 for the construction of a new library. As approved by the voters at the general elections in 2003, the City imposed a mill levy, not to exceed 1.581 mills to offset the debt service payments for the bonded debt.

Permanent Fund

Cemetery Perpetual Care Fund – This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust is used to maintain the community cemetery.



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**City of Louisville, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Special Revenue Funds					
	PEG Fees	Parking Improvement	McCaslin Interchange	Conservation Trust - Lottery	Impact Fee	Northwest Parkway
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 20,988	\$ (50)	\$ 717,460	\$ 517,043	\$ 325,667	\$ 1,027,153
Receivables:						
Property tax receivable	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-
Other revenue receivable	6,529	-	-	-	-	-
Interest receivable	103	-	3,533	2,544	2,373	5,058
Total assets	<u>\$ 27,620</u>	<u>\$ (50)</u>	<u>\$ 720,993</u>	<u>\$ 519,587</u>	<u>\$ 328,040</u>	<u>\$ 1,032,211</u>
LIABILITIES						
Accounts payable	3,266	-	66	82,946	45	785,673
Deferred property taxes	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	<u>3,266</u>	<u>-</u>	<u>66</u>	<u>82,946</u>	<u>45</u>	<u>785,673</u>
FUND BALANCE						
Reserved for cemetery perpetual care	-	-	-	-	-	-
Reserved for library construction	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-
Reserved for NW Parkway improvmts	-	-	-	-	-	246,538
Unreserved, undesignated	24,354	(50)	720,927	436,641	327,995	-
Total fund balances	<u>24,354</u>	<u>(50)</u>	<u>720,927</u>	<u>436,641</u>	<u>327,995</u>	<u>246,538</u>
Total liabilities and fund balance	<u>\$ 27,620</u>	<u>\$ (50)</u>	<u>\$ 720,993</u>	<u>\$ 519,587</u>	<u>\$ 328,040</u>	<u>\$ 1,032,211</u>

See accompanying independent auditors' report

Special Revenue Funds (cont'd)				Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Cemetery	Urban Revitalization	Historic Preservation	Special Revenue Total	Library Construction	Library Debt Service	Cemetery Perpetual Care	
\$ 27,830	\$ 3,543	\$ 556,030	\$ 3,195,664	\$ 103,372	\$ 781,161	\$ 347,546	\$ 4,427,743
-	43,522	-	43,522	-	671,692	-	715,214
-	-	34,629	34,629	-	-	-	34,629
-	-	-	6,529	-	-	-	6,529
168	361	2,738	16,878	509	3,846	1,682	22,915
<u>\$ 27,998</u>	<u>\$ 47,426</u>	<u>\$ 593,397</u>	<u>\$ 3,297,222</u>	<u>\$ 103,881</u>	<u>\$ 1,456,699</u>	<u>\$ 349,228</u>	<u>\$ 5,207,030</u>
4,133	7	9,078	885,214	10	998	32	886,254
-	43,522	-	43,522	-	671,692	-	715,214
-	-	-	-	-	-	-	-
<u>4,133</u>	<u>43,529</u>	<u>9,078</u>	<u>928,736</u>	<u>10</u>	<u>672,690</u>	<u>32</u>	<u>1,601,468</u>
-	-	-	-	-	-	349,196	349,196
-	-	-	-	103,871	-	-	103,871
-	-	-	-	-	784,009	-	784,009
-	-	-	246,538	-	-	-	246,538
23,865	3,897	584,319	2,121,948	-	-	-	2,121,948
<u>23,865</u>	<u>3,897</u>	<u>584,319</u>	<u>2,368,486</u>	<u>103,871</u>	<u>784,009</u>	<u>349,196</u>	<u>3,605,562</u>
<u>\$ 27,998</u>	<u>\$ 47,426</u>	<u>\$ 593,397</u>	<u>\$ 3,297,222</u>	<u>\$ 103,881</u>	<u>\$ 1,456,699</u>	<u>\$ 349,228</u>	<u>\$ 5,207,030</u>

City of Louisville, Colorado
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

Special Revenue Funds

	PEG Fees	Parking Improvement	McCaslin Interchange	Conservation Trust-Lottery	Impact Fee	Northwest Parkway
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	87,480	-
Intergovernmental	33,559	-	-	167,832	-	-
Miscellaneous	-	-	-	180	-	-
Interest income	321	(5)	8,819	5,452	3,540	12,896
Total revenues	<u>33,880</u>	<u>(5)</u>	<u>8,819</u>	<u>173,464</u>	<u>91,020</u>	<u>12,896</u>
EXPENDITURES						
General government	10,012	-	380	270	243	45,441
Capital outlay	21,553	-	-	247,100	-	168,723
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>31,565</u>	<u>-</u>	<u>380</u>	<u>247,370</u>	<u>243</u>	<u>214,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,315</u>	<u>(5)</u>	<u>8,439</u>	<u>(73,906)</u>	<u>90,777</u>	<u>(201,268)</u>
OTHER FINANCING SOURCES(USES)						
Transfer In	-	-	-	-	-	-
Transfer Out	-	-	-	-	(156,300)	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(156,300)</u>	<u>-</u>
Net change in fund balance	2,315	(5)	8,439	(73,906)	(65,523)	(201,268)
Fund balances (deficit), January 1	<u>22,039</u>	<u>(45)</u>	<u>712,488</u>	<u>510,547</u>	<u>393,518</u>	<u>447,806</u>
Fund balances (deficit), December 31	<u>\$ 24,354</u>	<u>\$ (50)</u>	<u>\$ 720,927</u>	<u>\$ 436,641</u>	<u>\$ 327,995</u>	<u>\$ 246,538</u>

See the accompanying independent auditors' report

Special Revenue Funds (cont'd)				Capital Projects Fund	Debt Service Fund	Permanent Fund	Total
Cemetery	Urban Revitalization	Historic Preservation	Special Revenue Total	Library Construction	Library Debt Service	Cemetery Perpetual Care	Nonmajor Governmental Funds
\$ -	\$ 49,106	\$ -	\$ 49,106	\$ -	\$ 669,925	\$ -	\$ 719,031
-	-	315,440	315,440	-	-	-	315,440
16,812	-	-	104,292	-	-	16,812	121,104
-	-	-	201,391	-	-	-	201,391
156	-	60	396	-	-	-	396
545	768	5,846	38,182	1,277	13,827	4,147	57,433
<u>17,513</u>	<u>49,874</u>	<u>321,346</u>	<u>708,807</u>	<u>1,277</u>	<u>683,752</u>	<u>20,959</u>	<u>1,414,795</u>
91,439	69,760	60,623	278,168	55	812	180	279,215
51,945	-	-	489,321	5,087	-	-	494,408
-	-	-	-	-	315,000	-	315,000
-	-	-	-	-	207,353	-	207,353
<u>143,384</u>	<u>69,760</u>	<u>60,623</u>	<u>767,489</u>	<u>5,142</u>	<u>523,165</u>	<u>180</u>	<u>1,295,976</u>
<u>(125,871)</u>	<u>(19,886)</u>	<u>260,723</u>	<u>(58,682)</u>	<u>(3,865)</u>	<u>160,587</u>	<u>20,779</u>	<u>118,819</u>
77,987	-	-	77,987	-	-	-	77,987
-	-	-	(156,300)	-	-	(4,147)	(160,447)
<u>77,987</u>	<u>-</u>	<u>-</u>	<u>(78,313)</u>	<u>-</u>	<u>-</u>	<u>(4,147)</u>	<u>(82,460)</u>
(47,884)	(19,886)	260,723	(136,995)	(3,865)	160,587	16,632	36,359
71,749	23,783	323,596	2,505,481	107,736	623,422	332,564	3,569,203
<u>\$ 23,865</u>	<u>\$ 3,897</u>	<u>\$ 584,319</u>	<u>\$ 2,368,486</u>	<u>\$ 103,871</u>	<u>\$ 784,009</u>	<u>\$ 349,196</u>	<u>\$ 3,605,562</u>

City of Louisville, Colorado
Budgetary Comparison Schedule
PEG Fees Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 33,559	\$ 3,559
Interest income	<u>500</u>	<u>500</u>	<u>321</u>	<u>(179)</u>
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>33,880</u>	<u>3,380</u>
Expenditures				
General government	-	10,000	10,012	(12)
Capital outlay	<u>15,000</u>	<u>23,700</u>	<u>21,553</u>	<u>2,147</u>
Total expenditures	<u>15,000</u>	<u>33,700</u>	<u>31,565</u>	<u>2,135</u>
Net change in fund balance	<u>\$ 15,500</u>	<u>\$ (3,200)</u>	2,315	<u>\$ 5,515</u>
Fund balance, January 1			<u>22,039</u>	
Fund balance, December 31			<u>\$ 24,354</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Parking Improvement Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	-	-	-	-
Interest income	-	-	(5)	(5)
Total revenues	-	-	(5)	(5)
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	(5)	(5)
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(5)	<u>\$ (5)</u>
Fund balance, January 1			(45)	
Fund balance, December 31			<u>\$ (50)</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
McCaslin Interchange Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 20,000	\$ 20,000	\$ 8,819	\$ (11,181)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>8,819</u>	<u>(11,181)</u>
Expenditures				
General government	-	500	380	120
Total expenditures	<u>-</u>	<u>500</u>	<u>380</u>	<u>120</u>
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ 19,500</u>	8,439	<u>\$ (11,061)</u>
Fund balance, January 1			<u>712,488</u>	
Fund balance, December 31			<u>\$ 720,927</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Conservation Trust - Lottery Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 177,400	\$ 177,400	\$ 167,832	\$ (9,568)
Miscellaneous	-	-	180	180
Interest income	<u>7,500</u>	<u>7,500</u>	<u>5,452</u>	<u>(2,048)</u>
Total revenues	<u>184,900</u>	<u>184,900</u>	<u>173,464</u>	<u>(11,436)</u>
Expenditures				
General government	-	300	270	30
Capital outlay	<u>230,100</u>	<u>381,800</u>	<u>247,100</u>	<u>134,700</u>
Total expenditures	<u>230,100</u>	<u>382,100</u>	<u>247,370</u>	<u>134,730</u>
Net change in fund balance	<u>\$ (45,200)</u>	<u>\$ (197,200)</u>	(73,906)	<u>\$ 123,294</u>
Fund balance, January 1			<u>510,547</u>	
Fund balance, December 31			<u>\$ 436,641</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Impact Fee Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 159,700	\$ 159,700	\$ 87,480	\$ (72,220)
Interest income	<u>15,000</u>	<u>15,000</u>	<u>3,540</u>	<u>(11,460)</u>
Total revenues	<u>174,700</u>	<u>174,700</u>	<u>91,020</u>	<u>(83,680)</u>
Expenditures				
General government	<u>-</u>	<u>150</u>	<u>243</u>	<u>(93)</u>
Total expenditures	<u>-</u>	<u>150</u>	<u>243</u>	<u>(93)</u>
Excess (deficiency) of revenues over expenditures	<u>174,700</u>	<u>174,550</u>	<u>90,777</u>	<u>(83,587)</u>
Other financing sources (uses)				
Transfers out	<u>(520,000)</u>	<u>(520,000)</u>	<u>(156,300)</u>	<u>363,700</u>
Net change in fund balance	<u>\$ (345,300)</u>	<u>\$ (345,450)</u>	<u>(65,523)</u>	<u>\$ 280,113</u>
Fund balance, January 1			<u>393,518</u>	
Fund balance, December 31			<u>\$ 327,995</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Northwest Parkway Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 20,000	\$ 20,000	\$ 12,896	\$ (7,104)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>12,896</u>	<u>(7,104)</u>
Expenditures				
General government	-	50,300	45,441	4,859
Capital outlay	-	200,000	168,723	31,277
Total expenditures	<u>-</u>	<u>250,300</u>	<u>214,164</u>	<u>36,136</u>
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ (230,300)</u>	(201,268)	<u>\$ 29,032</u>
Fund balance, January 1			<u>447,806</u>	
Fund balance, December 31			<u>\$ 246,538</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Cemetery Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 16,812	\$ (8,188)
Miscellaneous	-	-	156	156
Interest income	500	500	545	45
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>17,513</u>	<u>(7,987)</u>
Expenditures				
General government	92,340	92,390	91,439	951
Capital Outlay	17,000	55,800	51,945	3,855
Total expenditures	<u>109,340</u>	<u>148,190</u>	<u>143,384</u>	<u>4,806</u>
Excess (deficiency) of revenues over expenditures	<u>(83,840)</u>	<u>(122,690)</u>	<u>(125,871)</u>	<u>(12,793)</u>
Other financing sources (uses)				
Transfers in	<u>83,840</u>	<u>83,840</u>	<u>77,987</u>	<u>(5,853)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (38,850)</u>	<u>(47,884)</u>	<u>\$ (9,034)</u>
Fund balance, January 1			<u>71,749</u>	
Fund balance, December 31			<u>\$ 23,865</u>	

See the accompanying independent auditors' report

**City of Louisville, Colorado
 Budgetary Comparison Schedule
 Urban Revitalization District Fund
 For the Year Ending December 31, 2010**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 48,500	\$ 48,500	\$ 49,106	\$ 606
Interest income	<u>500</u>	<u>500</u>	<u>768</u>	<u>268</u>
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>49,874</u>	<u>874</u>
Expenditures				
General government	<u>69,760</u>	<u>69,760</u>	<u>69,760</u>	<u>-</u>
Total expenditures	<u>69,760</u>	<u>69,760</u>	<u>69,760</u>	<u>-</u>
Net change in fund balance	<u>\$ (20,760)</u>	<u>\$ (20,760)</u>	(19,886)	<u>\$ 874</u>
Fund balance, January 1			<u>23,783</u>	
Fund balance, December 31			<u>\$ 3,897</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Historic Preservation Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> Amounts	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales tax	\$ 314,160	\$ 284,160	\$ 315,440	\$ 31,280
Miscellaneous	-	-	60	60
Interest income	2,000	2,000	5,846	3,846
Total revenues	<u>316,160</u>	<u>286,160</u>	<u>321,346</u>	<u>35,186</u>
Expenditures				
General government	255,880	256,080	60,623	195,457
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total expenditures	<u>315,880</u>	<u>316,080</u>	<u>60,623</u>	<u>255,457</u>
Net change in fund balance	<u>\$ 280</u>	<u>\$ (29,920)</u>	260,723	<u>\$ 290,643</u>
Fund balance, January 1			<u>323,596</u>	
Fund balance, December 31			<u>\$ 584,319</u>	

See the accompanying independent auditors' report

**City of Louisville, Colorado
 Budgetary Comparison Schedule
 Library Construction Project Fund
 For the Year Ending December 31, 2010**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 3,000	\$ 3,000	\$ 1,277	\$ (1,723)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>1,277</u>	<u>(1,723)</u>
Expenditures				
General Operations	-	-	55	(55)
Capital outlay	-	120,000	5,087	114,913
Total expenditures	<u>-</u>	<u>120,000</u>	<u>5,142</u>	<u>114,858</u>
Net change in fund balance	<u>\$ 3,000</u>	<u>\$ (117,000)</u>	(3,865)	<u>\$ 113,135</u>
Fund balance, January 1			<u>107,736</u>	
Fund balance, December 31			<u>\$ 103,871</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Library Debt Service Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 669,780	\$ 669,780	\$ 669,925	\$ 145
Interest income	<u>22,000</u>	<u>22,000</u>	<u>13,827</u>	<u>(8,173)</u>
Total revenues	<u>691,780</u>	<u>691,780</u>	<u>683,752</u>	<u>(8,028)</u>
Expenditures				
General Operations	-	470	812	(342)
Debt service:				
Principal	315,000	315,000	315,000	-
Interest	<u>207,350</u>	<u>207,350</u>	<u>207,353</u>	<u>(4)</u>
Total expenditures	<u>522,350</u>	<u>522,820</u>	<u>523,165</u>	<u>(346)</u>
Net change in fund balance	<u>\$ 169,430</u>	<u>\$ 168,960</u>	160,587	<u>\$ (8,373)</u>
Fund balance, January 1			<u>623,422</u>	
Fund balance, December 31			<u>\$ 784,009</u>	

See the accompanying independent auditors' report

**City of Louisville, Colorado
 Budgetary Comparison Schedule
 Cemetery Perpetual Care Fund
 For the Year Ending December 31, 2010**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 16,812	\$ (8,188)
Interest income	<u>10,000</u>	<u>10,000</u>	<u>4,147</u>	<u>(5,853)</u>
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>20,959</u>	<u>(14,041)</u>
Expenditures				
General operations	<u>-</u>	<u>240</u>	<u>180</u>	<u>60</u>
Total expenditures	<u>-</u>	<u>240</u>	<u>180</u>	<u>60</u>
Excess (deficiency) of revenues over expenditures	<u>35,000</u>	<u>34,760</u>	<u>20,779</u>	<u>(14,101)</u>
Other financing sources (uses)				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(4,147)</u>	<u>-</u>
Net change in fund balance	<u>\$ 25,000</u>	<u>\$ 24,760</u>	16,632	<u>\$ (8,128)</u>
Fund balance, January 1			<u>332,564</u>	
Fund balance, December 31			<u>\$ 349,196</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Sales tax	\$ 2,519,280	\$ 2,269,280	\$ 2,512,339	\$ 243,059
Use tax	120,340	120,340	142,247	21,907
Intergovernmental	-	1,577,500	1,825,697	248,197
Miscellaneous	15,750	88,150	103,690	15,540
Interest income	50,000	50,000	52,315	2,315
Total revenues	<u>2,705,370</u>	<u>4,105,270</u>	<u>4,636,288</u>	<u>531,018</u>
Expenditures				
General government	351,310	353,010	383,105	(30,095)
Capital outlay	1,909,000	5,554,300	3,890,147	1,664,153
Debt service:				
Principal	395,000	395,000	395,000	-
Interest	54,940	54,940	54,938	1
Total expenditures	<u>2,710,250</u>	<u>6,357,250</u>	<u>4,723,190</u>	<u>1,634,060</u>
Excess (deficiency) of revenues over expenditures	<u>(4,880)</u>	<u>(2,251,980)</u>	<u>(86,902)</u>	<u>2,165,078</u>
Other financing sources (uses)				
Transfers In	520,000	520,000	156,300	(363,700)
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>320,000</u>	<u>320,000</u>	<u>(43,700)</u>	<u>(363,700)</u>
Net change in fund balance	<u>\$ 315,120</u>	<u>\$ (1,931,980)</u>	<u>(130,602)</u>	<u>\$ 1,801,378</u>
Fund balance, January 1			<u>3,084,324</u>	
Fund balance, December 31			<u>\$ 2,953,722</u>	

See the accompanying independent auditors' report

ENTERPRISE FUNDS

Individual Fund Budget Schedules

Water and Wastewater Fund – This fund accounts for the provision of water, sewer and storm water services to residents and some outside users. All activities that are necessary to providing such services are accounted for in these funds, including, but not limited to: administration, billing operations, environmental monitoring, capital outlay, and maintenance, financing and related debt.

Golf Course Fund – This fund accounts for the revenue and expenditure activities of the Coal Creek Golf Course, which is owned by the City of Louisville. Western Golf Properties, a golf course management company, operates the facility; collects and disburses monies; employs all personnel; purchases and sells food, beverages, merchandise, supplies and services; and performs other day-to-day activities relative to the facility.

Solid Waste & Recycling Fund – This fund was created by Ordinance 1554, Series 2009, to account for the resources generated and the costs incurred to provide solid waste pickup and recycling services. The City contracts with Western Disposal to perform the pickup and recycling services.

City of Louisville, Colorado
Budgetary Comparison Schedule
Water & Wastewater Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> Amounts	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 6,408,590	\$ 6,411,590	\$ 5,999,652	\$ (411,938)
Tap fees	580,000	580,000	461,473	(118,527)
Miscellaneous	25,000	25,000	70,429	45,429
Interest income	345,000	345,000	186,266	(158,734)
Total revenues	<u>7,358,590</u>	<u>7,361,590</u>	<u>6,717,820</u>	<u>(643,770)</u>
Expenditures				
General operations	4,444,260	4,428,600	4,181,847	246,753
Capital outlay	2,545,000	3,858,750	1,968,184	1,890,566
Debt service	1,772,040	1,772,040	1,636,637	135,403
Transfer out	239,810	1,039,810	719,000	320,810
Total expenditures	<u>9,001,110</u>	<u>11,099,200</u>	<u>8,505,668</u>	<u>2,593,532</u>
Net Income (Loss), Budget Basis	<u>\$ (1,642,520)</u>	<u>\$ (3,737,610)</u>	(1,787,848)	<u>\$ 1,949,762</u>
Reconciliation from Budget Basis Expenditures (non-GAAP) to GAAP:				
Add:				
Capitalized assets			631,950	
Advances to Other Funds			655,000	
Principal retired			1,166,542	
Subtract:				
Depreciation and amortization			(1,320,234)	
Loss on asset write-off			<u>(182,306)</u>	
Change in Net Assets, December 31 GAAP Basis			<u>\$ (836,896)</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Golf Course Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 2,018,470	\$ 35,000	\$ 61,179	\$ 26,179
Miscellaneous income	-	135,000	280,942	145,942
Interest income	-	-	233	233
Transfers In	<u>175,810</u>	<u>975,810</u>	<u>655,000</u>	<u>(320,810)</u>
Total revenues	<u>2,194,280</u>	<u>1,145,810</u>	<u>997,354</u>	<u>(148,456)</u>
Expenditures				
General operations	1,745,600	225,280	272,221	(46,941)
Capital outlay	183,000	-	-	-
Debt service	<u>265,680</u>	<u>825,680</u>	<u>855,501</u>	<u>(29,821)</u>
Total expenditures	<u>2,194,280</u>	<u>1,050,960</u>	<u>1,127,722</u>	<u>(76,762)</u>
Net Income (Loss), Budget Basis	<u>\$ -</u>	<u>\$ 94,850</u>	(130,368)	<u>\$ (225,218)</u>
Reconciliation from Budget Basis Expenditures (non-GAAP) to GAAP:				
Add:				
Principal retired			740,000	
Subtract:				
Depreciation and amortization			(90,625)	
Advances from Other Funds			<u>(655,000)</u>	
Change in Net Assets, December 31 GAAP Basis			<u>\$ (135,993)</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Solid Waste & Recycling Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 1,053,420	\$ 1,053,420	\$ 1,036,129	\$ (17,291)
Miscellaneous income	1,500	1,500	24,331	22,831
Interest income	<u>1,000</u>	<u>1,000</u>	<u>88</u>	<u>(912)</u>
Total revenues	<u>1,055,920</u>	<u>1,055,920</u>	<u>1,060,548</u>	<u>4,628</u>
Expenditures				
General operations	<u>1,042,510</u>	<u>1,042,510</u>	<u>1,021,794</u>	<u>20,716</u>
Total expenditures	<u>1,042,510</u>	<u>1,042,510</u>	<u>1,021,794</u>	<u>20,716</u>
Net Income, Budget Basis	<u>\$ 13,410</u>	<u>\$ 13,410</u>	<u>\$ 38,754</u>	<u>\$ 25,344</u>

See the accompanying independent auditors' report

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Building Maintenance Fund – In 2003, the City of Louisville established the Building Maintenance Fund for the purpose of accumulating funds for capital improvements to various City buildings.

Technology Management Fund – In 1999, the City of Louisville established the Technology Management Fund for the purpose of accumulating funds for the replacement of computer hardware and peripherals.

Fleet Management Fund – In 1991, the City of Louisville established the Fleet Management Fund for the purpose of accumulating funds for the replacement of capital assets such as machinery, equipment, and vehicles.

City of Louisville, Colorado
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Building Maintenance	Technology Management	Fleet Management	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 758,889	\$ 405,049	\$ 1,351,229	\$ 2,515,167
Interest receivable	3,737	1,994	6,653	12,384
Total current assets	<u>762,626</u>	<u>407,043</u>	<u>1,357,882</u>	<u>2,527,551</u>
Noncurrent assets:				
Capital assets:				
Machinery and equipment	-	-	2,171,480	2,171,480
Office furniture and fixtures	-	73,888	-	73,888
Accumulated depreciation	-	(60,323)	(1,699,928)	(1,760,251)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>13,565</u>	<u>471,552</u>	<u>485,117</u>
Total noncurrent assets	<u>-</u>	<u>13,565</u>	<u>471,552</u>	<u>485,117</u>
Total assets	<u>762,626</u>	<u>420,608</u>	<u>1,829,434</u>	<u>3,012,668</u>
LIABILITIES				
Current liabilities:				
Accounts payable	69	37	125	231
Total liabilities	<u>69</u>	<u>37</u>	<u>125</u>	<u>231</u>
NET ASSETS				
Invested in capital assets	-	13,565	471,552	485,117
Unrestricted	762,557	407,006	1,357,757	2,527,320
Total net assets	<u>\$ 762,557</u>	<u>\$ 420,571</u>	<u>\$ 1,829,309</u>	<u>\$ 3,012,437</u>

See the accompanying independent auditors' report

City of Louisville, Colorado
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	<u>Building Maintenance</u>	<u>Technology Management</u>	<u>Fleet Management</u>	<u>Total Internal Service Funds</u>
Operating revenues:				
Charges for services	\$ -	\$ 79,940	\$ 100,000	\$ 179,940
Miscellaneous	17,585	-	6,992	24,577
Total operating revenues	<u>17,585</u>	<u>79,940</u>	<u>106,992</u>	<u>204,517</u>
Operating expenses:				
Costs of sales and services	24,218	13,457	1,050	38,725
Depreciation	-	8,584	107,641	116,225
Total operating expenses	<u>24,218</u>	<u>22,041</u>	<u>108,691</u>	<u>154,950</u>
Operating income (loss)	<u>(6,633)</u>	<u>57,899</u>	<u>(1,699)</u>	<u>49,567</u>
Nonoperating revenues (expenses):				
Interest income	7,811	4,113	16,879	28,803
Total nonoperating revenues (expenses)	<u>7,811</u>	<u>4,113</u>	<u>16,879</u>	<u>28,803</u>
Income before transfers, capital contributions	1,178	62,012	15,180	78,370
Transfers in (out)	200,000	-	-	200,000
Change in net assets	201,178	62,012	15,180	278,370
Net assets, January 1	561,379	358,559	1,814,129	2,734,067
Net assets, December 31	<u>\$ 762,557</u>	<u>\$ 420,571</u>	<u>\$ 1,829,309</u>	<u>\$ 3,012,437</u>

See the accompanying independent auditors' report

City of Louisville, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2010

	<u>Building Maintenance</u>	<u>Technology Management</u>	<u>Fleet Management</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities				
Receipts from customers and users	17,542	\$ 80,354	\$ 107,869	\$ 205,765
Payments to suppliers	<u>(24,149)</u>	<u>(108,211)</u>	<u>(925)</u>	<u>(133,285)</u>
Net cash provided by operating activities	<u>(6,607)</u>	<u>(27,857)</u>	<u>106,944</u>	<u>72,480</u>
Cash flows from noncapital financing activities				
Internal activity - payments to other funds	-	-	-	-
Internal activity - payments from other funds	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net cash used by capital and related financing activities	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Cash flows from capital and related financing activities				
Purchases of capital assets	<u>-</u>	<u>-</u>	<u>(113,830)</u>	<u>(113,830)</u>
Cash flows from investing activities				
Interest	<u>7,811</u>	<u>4,113</u>	<u>16,879</u>	<u>28,803</u>
Net increase (decrease) in cash and cash equivalents	201,204	(23,744)	9,993	187,453
Cash and cash equivalents, January 1	<u>557,685</u>	<u>428,793</u>	<u>1,341,236</u>	<u>2,327,714</u>
Cash and cash equivalents, December 31	<u><u>758,889</u></u>	<u><u>\$ 405,049</u></u>	<u><u>\$ 1,351,229</u></u>	<u><u>\$ 2,515,167</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(6,633)	\$ 57,899	\$ (1,699)	\$ 49,567
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	8,584	107,641	116,225
Change in assets and liabilities:				
Receivables	(43)	414.23	877	1,248
Accounts payable	69	(94,754)	125	(94,560)
Net cash provided by operating activities	<u><u>(6,607)</u></u>	<u><u>\$ (27,857)</u></u>	<u><u>\$ 106,944</u></u>	<u><u>\$ 72,480</u></u>

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Building Maintenance Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous Income	\$ 15,000	\$ 15,000	\$ 17,585	\$ 2,585
Interest Income	15,000	15,000	7,811	(7,189)
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>225,396</u>	<u>(4,604)</u>
Expenditures				
General operations	-	390	370	20
Building Maintenance	200,000	200,000	23,848	176,152
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>200,000</u>	<u>200,390</u>	<u>24,218</u>	<u>176,172</u>
Net Income, Budget Basis	<u>\$ 30,000</u>	<u>\$ 29,610</u>	<u>\$ 201,178</u>	<u>\$ 171,568</u>

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Technology Management Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 79,940	\$ 79,940	\$ 79,940	\$ -
Interest income	<u>7,500</u>	<u>7,500</u>	<u>4,113</u>	<u>(3,387)</u>
Total revenues	<u>87,440</u>	<u>87,440</u>	<u>84,053</u>	<u>(3,387)</u>
Expenditures				
General operations	-	170	879	(709)
Capital outlay	<u>20,000</u>	<u>30,000</u>	<u>12,578</u>	<u>17,422</u>
Total expenditures	<u>20,000</u>	<u>30,170</u>	<u>13,457</u>	<u>16,713</u>
Net Income, Budget Basis	<u>\$ 67,440</u>	<u>\$ 57,270</u>	70,596	<u>\$ 13,326</u>
Reconciliation from Budget Basis Expenditures (non-GAAP) to GAAP:				
Add:				
Capitalized assets			-	
Subtract:				
Depreciation			<u>(8,584)</u>	
Change in Net Assets, December 31 GAAP Basis			<u>\$ 62,012</u>	

See the accompanying independent auditors' report

City of Louisville, Colorado
Budgetary Comparison Schedule
Fleet Management Fund
For the Year Ending December 31, 2010

	<u>Budget</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Miscellaneous income	-	-	6,992	6,992
Interest income	<u>35,000</u>	<u>35,000</u>	<u>16,879</u>	<u>(18,121)</u>
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>123,871</u>	<u>(11,129)</u>
Expenditures				
General operations	-	800	722	78
Capital outlay	<u>321,590</u>	<u>321,590</u>	<u>114,158</u>	<u>207,432</u>
Total expenditures	<u>321,590</u>	<u>322,390</u>	<u>114,880</u>	<u>207,510</u>
Net Income (Loss), Budget Basis	<u>\$ (186,590)</u>	<u>\$ (187,390)</u>	8,991	<u>\$ 196,381</u>
Reconciliation from Budget Basis Expenditures (non-GAAP) to GAAP:				
Add:				
Capitalized assets			113,830	
Subtract:				
Depreciation			<u>(107,641)</u>	
Change in Net Assets, December 31 GAAP Basis			<u>\$ 15,180</u>	

See the accompanying independent auditors' report



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Statistical Section

STATISTICAL SECTION

This part of the City of Louisville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<i>Financial Trends</i> – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	<i>Schedule 1 thru Schedule 4</i>
<i>Revenue Capacity</i> – These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	<i>Schedule 5 thru Schedule 12</i>
<i>Debt Capacity</i> – These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	<i>Schedule 13 thru Schedule 16</i>
<i>Demographics</i> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	<i>Schedule 17 thru Schedule 19</i>
<i>Operating Information</i> – These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	<i>Schedule 20 thru Schedule 21</i>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

City of Louisville, Colorado
Net Assets by Component,
Last Nine Years
(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 37,377,105	\$ 43,103,895	\$ 48,712,726	\$ 60,231,165	\$ 67,285,245	\$ 77,471,252	\$ 79,066,972	\$ 81,441,060	\$ 82,256,705
Restricted	16,184,895	14,187,124	13,143,559	8,504,909	7,439,484	10,119,161	9,689,202	9,928,902	9,803,747
Unrestricted	10,900,863	12,053,757	11,510,685	9,805,201	8,373,151	11,449,467	12,428,646	10,508,717	12,223,531
Total governmental activities net assets	\$ 64,462,863	\$ 69,344,776	\$ 73,366,970	\$ 78,541,275	\$ 83,097,880	\$ 99,039,880	\$ 101,184,820	\$ 101,878,679	\$ 104,283,983
Business-type activities									
Invested in capital assets, net of related debt	\$ 58,396,167	\$ 59,890,140	\$ 58,590,616	\$ 59,371,078	\$ 59,309,326	\$ 59,598,864	\$ 60,205,842	\$ 61,015,676	\$ 61,853,539
Restricted	697,593	659,890	659,890	849,457	904,328	916,878	1,030,617	2,100,617	3,013,817
Unrestricted	7,231,298	6,714,438	7,586,872	7,634,139	9,195,984	11,499,311	13,442,285	11,694,151	9,008,956
Total business-type activities net assets	\$ 66,325,058	\$ 67,264,468	\$ 66,837,378	\$ 67,854,674	\$ 69,409,638	\$ 72,015,053	\$ 74,678,744	\$ 74,810,444	\$ 73,876,312
Primary government									
Invested in capital assets, net of related debt	\$ 95,773,272	\$ 102,994,035	\$ 107,303,342	\$ 119,602,243	\$ 126,594,571	\$ 137,070,116	\$ 139,272,814	\$ 142,456,736	\$ 144,110,244
Restricted	16,882,488	14,847,014	13,803,449	9,354,366	8,343,812	11,036,039	10,719,819	12,029,519	12,817,564
Unrestricted	18,132,161	18,768,195	19,097,557	17,439,340	17,569,135	22,948,778	25,870,931	22,202,868	21,232,487
Total primary government net assets	\$ 130,787,921	\$ 136,609,244	\$ 140,204,348	\$ 146,395,949	\$ 152,507,518	\$ 171,054,933	\$ 175,863,564	\$ 176,689,123	\$ 178,160,295

City of Louisville, Colorado
Change in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government	\$ 1,956,577	\$ 2,335,443	\$ 3,077,874	\$ 2,378,313	\$ 2,835,926	\$ 3,591,749	\$ 2,401,899	\$ 4,743,094	\$ 3,550,174
Finance	336,240	290,840	275,049	284,270	285,780	284,449	350,868	416,179	585,012
Police	3,225,412	3,312,506	3,486,421	3,555,925	3,661,022	3,820,474	4,055,906	4,059,025	3,910,810
Public Works	2,388,343	2,485,303	2,643,078	2,877,708	3,110,188	4,655,225	4,704,093	5,015,984	4,360,451
Planning	791,574	728,377	\$ 845,449	806,051	777,272	712,238	774,730	756,297	748,699
Library	892,843	920,086	922,011	931,615	1,047,748	1,064,353	1,269,493	1,207,838	1,394,965
Parks and recreation	3,525,909	3,823,153	3,991,436	4,049,684	3,985,487	3,632,168	4,707,323	3,279,120	3,662,949
Interest on long-term debt	253,189	119,923	352,833	388,999	366,358	298,680	304,554	288,172	268,997
Total governmental activities expenses	13,370,087	14,015,631	15,594,151	15,272,565	16,069,782	18,059,336	18,568,866	19,765,709	18,482,057
Business-type activities:									
Water & wastewater	\$ 4,973,637	\$ 5,293,963	5,458,361	\$ 5,490,281	\$ 5,656,769	\$ 5,489,166	\$ 6,072,983	\$ 6,318,340	\$ 7,490,716
Golf	1,934,022	1,779,663	1,759,640	1,721,051	1,839,518	2,002,573	1,947,782	1,832,132	478,347
Solid Waste & Recycling	-	-	-	-	-	-	-	591,374	1,021,794
Total business-type activities	6,907,659	7,073,626	7,218,001	7,211,332	7,496,287	7,491,739	8,020,765	8,741,846	8,990,857
Total primary government expenses	\$ 20,277,746	\$ 21,089,257	\$ 22,812,152	\$ 22,483,897	\$ 23,566,069	\$ 25,551,075	\$ 26,589,631	\$ 28,507,555	\$ 27,472,914
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 57,240	\$ 63,024	\$ 64,307	\$ 42,359	\$ 67,016	\$ 206,239	\$ 126,540	\$ 87,300	\$ 136,345
Police	152,500	143,710	147,579	167,320	187,057	130,692	137,265	194,730	212,851
Public works	-	-	106,566	131,764	195,694	878,496	387,877	60,049	23,720
Planning	484,927	638,450	723,038	684,857	496,868	701,694	600,428	413,494	515,136
Library	29,539	29,840	34,311	34,563	34,708	82,688	72,264	59,848	63,972
Parks and recreation	1,661,360	1,659,610	1,624,792	1,671,585	1,700,446	1,793,316	1,728,499	1,728,663	1,816,161
Operating grants and contributions	781,975	792,478	758,154	783,739	1,077,782	689,551	720,388	695,752	798,576
Capital grants and contributions	12,434,501	179,478	213,235	202,624	320,168	3,273,201	346,603	1,925,542	2,021,184
Total governmental activities program revenues	15,602,042	3,506,590	3,671,982	3,718,811	4,079,739	7,755,877	4,119,864	5,165,378	5,587,945
Business-type activities:									
Charges for services:									
Water & wastewater	\$ 3,887,667	\$ 4,997,833	\$ 4,486,572	\$ 5,257,815	\$ 6,118,479	\$ 6,179,278	\$ 6,836,012	\$ 5,829,653	\$ 6,070,081
Golf	2,031,467	1,899,107	1,851,256	1,842,664	1,904,731	1,889,647	1,921,332	1,749,153	217,551
Solid Waste & Recycling	-	-	-	-	-	-	-	605,476	1,060,460
Capital grants and contributions	1,682,738	981,971	244,272	1,005,669	582,828	1,409,453	1,221,728	492,695	461,473
Total business-type activities program revenues	7,601,872	7,878,911	6,582,100	8,106,148	8,606,038	9,478,378	9,979,072	8,676,977	7,809,565
Total primary government program revenues	\$ 23,203,914	\$ 11,385,501	\$ 10,254,082	\$ 11,824,959	\$ 12,685,777	\$ 17,234,255	\$ 14,098,936	\$ 13,842,355	\$ 13,397,510

Schedule 2
(Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Net(Expense)/Revenue										
Governmental activities	\$ 2,231,955	\$ (10,509,041)	\$ (11,922,169)	\$ (11,553,754)	\$ (11,990,043)	\$ (10,303,459)	\$ (14,449,002)	\$ (14,600,330)	\$ (12,894,112)	
Business-type activities	694,213	805,285	(635,901)	894,816	1,109,751	1,986,639	1,958,307	(64,869)	(1,181,292)	
Total primary government expenses	\$ 2,926,168	\$ (9,703,756)	\$ (12,558,070)	\$ (10,658,938)	\$ (10,880,292)	\$ (8,316,820)	\$ (12,490,695)	\$ (14,665,199)	\$ (14,075,404)	
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,931,501	\$ 1,892,995	\$ 2,532,390	\$ 2,546,533	\$ 2,605,176	\$ 2,612,945	\$ 2,845,816	\$ 2,851,029	\$ 2,994,253	
Sales tax	9,377,591	9,562,154	9,922,070	10,432,646	9,189,242	9,487,467	9,417,834	9,087,268	8,800,525	
Use tax	1,735,532	1,540,387	1,195,430	1,109,727	1,033,177	1,392,689	1,159,510	964,036	1,049,104	
Franchise tax	703,642	812,225	858,503	940,659	988,912	997,982	1,142,519	953,819	998,022	
Other tax	183,337	425,707	493,305	503,675	528,472	550,097	541,135	483,320	482,861	
General intergovernmental revenue	138,946	137,659	144,364	131,344	138,710	131,461	123,434	154,825	165,274	
Investment earnings	814,273	331,527	628,297	523,386	822,472	912,032	1,203,708	482,370	297,238	
Miscellaneous	383,197	624,300	110,909	476,089	254,583	97,422	95,982	253,519	448,132	
Gain on sales of asset	-	-	-	-	921,904	-	-	-	-	
Transfers	64,000	64,000	59,095	64,000	64,000	64,000	64,000	64,000	64,000	
Total Governmental activities	15,332,019	15,390,954	15,944,363	16,728,059	16,546,648	16,246,095	16,593,938	15,294,186	15,299,409	
Business-type activities :										
Investment earnings	\$ 453,061	\$ 198,125	\$ 267,906	\$ 186,480	\$ 509,213	\$ 682,776	\$ 769,384	\$ 260,568	\$ 186,587	
Miscellaneous	-	-	-	-	-	-	-	-	124,570	
Transfers	(64,000)	(64,000)	(59,095)	(64,000)	(64,000)	(64,000)	(64,000)	(64,000)	(64,000)	
Total business-type activities	389,061	134,125	208,811	122,480	445,213	618,776	705,384	196,568	247,157	
Total primary government	\$ 15,721,080	\$ 15,525,079	\$ 16,153,174	\$ 16,850,539	\$ 16,991,861	\$ 16,864,871	\$ 17,299,322	\$ 15,490,754	\$ 15,546,566	
Change in Net Assets										
Governmental activities	\$ 17,563,974	\$ 4,881,913	\$ 4,022,194	\$ 5,174,305	\$ 4,556,605	\$ 5,942,636	\$ 2,144,936	\$ 693,857	\$ 2,405,297	
Business-type activities	1,083,274	939,410	(427,090)	1,017,296	1,554,964	2,605,415	2,663,691	131,699	(934,135)	
Total primary government	\$ 18,647,248	\$ 5,821,323	\$ 3,595,104	\$ 6,191,601	\$ 6,111,569	\$ 8,548,051	\$ 4,808,627	\$ 825,555	\$ 1,471,162	

City of Louisville, Colorado
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 48,110	\$ 56,074	\$ 55,426	\$ 59,908	\$ 64,324	\$ 630,573	\$ 745,360	\$ 770,140	\$ 793,766	\$ 729,274
Unreserved	2,586,845	2,481,211	3,033,684	2,820,289	3,374,861	3,050,120	4,613,436	3,893,555	3,610,562	4,372,114
Total general fund	<u>\$ 2,634,955</u>	<u>\$ 2,537,285</u>	<u>\$ 3,089,110</u>	<u>\$ 2,880,197</u>	<u>\$ 3,439,185</u>	<u>\$ 3,680,693</u>	<u>\$ 5,358,796</u>	<u>\$ 4,663,695</u>	<u>\$ 4,404,328</u>	<u>\$ 5,101,388</u>
All Other Governmental Funds										
Reserved	\$ 2,000,970	\$ 16,357,387	\$ 14,306,376	\$ 13,633,687	\$ 8,654,909	\$ 6,983,206	\$ 9,554,650	\$ 9,236,301	\$ 9,290,495	\$ 9,230,903
Unreserved, reported in:										
Special revenue funds	556,918	836,586	937,345	668,203	1,001,822	1,471,179	2,148,344	2,219,022	2,057,673	2,121,948
Capital projects funds	5,162,509	5,857,015	6,274,569	6,495,912	4,244,142	2,573,119	3,042,767	4,136,295	3,084,324	2,953,722
Total all other governmental funds	<u>\$ 7,720,397</u>	<u>\$ 23,050,988</u>	<u>\$ 21,518,290</u>	<u>\$ 20,797,802</u>	<u>\$ 13,900,873</u>	<u>\$ 11,027,504</u>	<u>\$ 14,745,761</u>	<u>\$ 15,591,618</u>	<u>\$ 14,432,492</u>	<u>\$ 14,306,573</u>

City of Louisville, Colorado
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes (see Schedule 5)	\$ 13,941,993	\$ 13,931,604	\$ 14,233,468	\$ 15,001,698	\$ 15,533,240	\$ 14,344,979	\$ 15,041,180	\$ 15,106,814	\$ 14,339,473	\$ 14,324,765
Licenses, fees, and permits	835,749	589,227	682,674	796,104	870,857	764,715	1,488,464	1,068,193	648,054	741,916
Intergovernmental	6,472,584	13,007,359	1,061,034	1,045,239	961,157	1,097,175	4,014,245	1,169,212	2,776,119	2,988,264
Charges for services	2,047,466	1,846,146	2,106,082	1,519,939	1,884,514	1,641,451	1,537,770	1,512,980	1,570,638	1,731,231
Fines and forfeits	175,144	182,024	173,545	181,876	201,908	221,818	170,643	186,993	239,895	264,006
Miscellaneous	1,141,163	1,313,702	554,487	921,200	895,517	3,034,285	1,545,173	1,266,937	748,691	719,792
Total Revenues	24,614,099	30,870,062	18,811,290	19,466,056	20,347,193	21,104,423	23,797,475	20,311,129	20,322,870	20,769,974
Expenditures										
General government	2,521,409	1,827,231	2,127,458	3,044,543	2,246,009	2,646,874	2,967,282	3,567,685	3,489,698	3,338,867
Finance	242,388	303,393	284,574	271,900	280,176	281,500	284,252	348,696	400,688	588,651
Police	3,038,826	3,196,238	3,276,385	3,379,625	3,460,502	3,579,830	3,765,004	3,867,488	3,945,723	3,940,528
Public works	2,059,552	2,139,339	2,182,744	2,262,036	2,273,114	2,311,702	2,376,136	2,602,796	2,774,586	1,874,229
Planning	652,239	766,553	725,021	845,199	805,010	776,036	714,330	777,449	755,699	757,086
Library services	749,734	802,195	814,557	830,345	839,301	936,909	1,062,772	1,103,086	1,052,295	1,343,929
Parks and recreation	2,880,458	3,060,645	3,033,578	3,156,211	3,010,774	3,029,910	2,843,613	2,499,768	2,398,776	2,586,552
Non-capitalized budget basis capital	(136,686)	(55,522)	108,441	83,909	359,082	782,973	510,430	20,702	1,275,958	370,620
Net Capital outlay	11,475,125	2,875,134	6,999,448	12,899,952	12,604,128	8,496,361	2,994,324	4,468,855	5,030,412	4,290,082
Bond issuance costs	-	-	99,746	114,367	-	-	-	-	-	-
Debt service:										
Principal	505,000	535,000	285,000	650,000	620,000	635,000	655,000	670,000	690,000	710,000
Interest	276,845	250,935	119,923	352,833	342,893	323,189	291,973	297,847	281,465	262,291
Total Expenditures	24,264,890	15,701,141	20,056,875	27,890,920	26,840,989	23,800,284	18,465,116	20,224,372	22,095,300	20,062,835
Excess of revenues over/(under) expenditures	349,209	15,168,921	(1,245,585)	(8,424,864)	(6,493,796)	(2,695,861)	5,332,359	86,757	(1,772,430)	707,139
Other Financing Sources (Uses)										
Bonds issued	-	-	3,830,000	7,405,000	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	389,934	-
Refunding bonds issued	-	-	(4,165,223)	31,368	-	-	-	-	-	-
Payments to escrow agent	-	-	47,145	-	-	-	-	-	-	-
Bonds premium	-	-	-	-	-	-	-	-	-	-
Transfers in	784,632	433,811	315,051	309,600	590,873	89,369	96,561	1,983,933	1,480,140	298,287
Transfers out	(720,632)	(369,811)	(251,051)	(250,505)	(435,018)	(25,369)	(32,561)	(1,919,933)	(1,516,140)	(434,287)
Total other financing sources (uses)	64,000	64,000	(224,078)	7,495,463	155,855	64,000	64,000	64,000	353,934	(136,000)
Net change in fund balance	\$ 413,209	\$ 15,232,921	\$ (1,469,663)	\$ (929,401)	\$ (6,337,941)	\$ (2,631,861)	\$ 5,396,359	\$ 150,757	\$ (1,418,495)	\$ 571,139
Debt service as a percentage of noncapital expenditures	7%	7%	3%	7%	7%	7%	7%	7%	6%	7%

City of Louisville, Colorado
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Use Tax	Franchise Tax	Lodging Tax	Other Tax	Total
2001	1,458,094	9,674,604	1,890,482	777,529	-	141,284	13,941,993
2002	1,931,501	9,377,591	1,735,533	703,642	-	183,337	13,931,604
2003	1,892,995	9,562,154	1,540,387	812,225	254,905	170,802	14,233,468
2004	2,532,390	9,922,070	1,195,430	858,503	277,029	216,276	15,001,698
2005	2,546,533	10,432,646	1,109,727	940,659	297,122	206,553	15,533,240
2006	2,605,176	9,189,242	1,033,177	988,912	329,954	198,518	14,344,979
2007	2,612,945	9,487,467	1,392,689	997,982	356,701	193,396	15,041,180
2008	2,845,816	9,417,834	1,159,510	1,142,519	369,019	172,116	15,106,814
2009	2,851,029	9,087,268	964,036	953,819	297,912	185,409	14,339,473
2010	2,994,253	8,800,525	1,049,104	998,022	304,674	178,187	14,324,765
Change							
2001-2010	105.35%	-9.03%	-44.51%	28.36%		26.12%	2.75%

City of Louisville, Colorado
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Assesed Commercial Property	Assesed Residential Property	Assesed Industrial Property	Assesed Other Property	Less:	Total Taxable Assessed Value	Total Direct Tax Rate
					Assesed Tax-Exempt Property		
2001	137,895,140	155,521,170	69,477,800	7,240,970	4,617,020	370,135,080	4.767
2002	125,523,152	155,893,817	72,554,204	16,850,536	20,344,772	370,821,709	5.292
2003	127,259,399	162,513,590	75,061,730	17,719,485	21,372,560	382,554,204	5.184
2004	131,149,472	163,269,580	77,369,050	15,054,055	25,192,640	386,842,157	6.710
2005	137,015,460	167,946,830	72,939,990	14,813,515	40,465,620	392,715,795	6.710
2006	123,755,980	169,250,290	86,315,640	15,065,590	40,587,330	394,387,500	6.710
2007	137,832,080	182,113,910	87,164,810	16,396,625	42,906,540	423,507,425	6.710
2008	137,287,590	183,113,180	90,622,040	15,843,260	46,629,180	426,866,070	6.710
2009	147,081,680	191,231,710	90,613,200	18,403,610	51,468,920	447,330,200	6.710
2010	153,880,580	192,462,080	77,368,280	23,055,020	51,467,670	446,765,960	6.710

Fiscal Year	Actual Commercial Property	Actual Residential Property	Actual Industrial Property	Actual Other Property	Less:	Total Taxable Actual Value
					Actual Tax-Exempt Property	
2001	476,329,365	1,699,564,800	239,578,359	25,987,920	17,181,300	2,441,460,444
2002	432,838,223	1,703,546,469	250,186,726	58,104,231	70,153,582	2,444,675,649
2003	438,823,500	2,041,527,500	258,833,300	61,101,170	73,697,595	2,800,285,470
2004	452,237,900	2,051,023,900	266,789,700	51,909,910	86,869,295	2,821,961,410
2005	472,465,000	2,109,644,400	251,516,900	51,080,965	139,535,895	2,884,707,265
2006	426,742,300	2,126,160,300	297,639,700	51,950,600	139,959,695	2,902,492,900
2007	475,280,800	2,287,757,100	300,567,800	56,539,600	161,219,395	3,120,145,300
2008	473,403,050	2,300,345,600	312,489,200	54,629,800	175,040,095	3,140,867,650
2009	507,174,600	2,402,389,600	312,458,400	63,461,400	188,688,195	3,285,484,000
2010	530,619,400	2,417,846,000	266,786,300	79,500,300	188,611,395	3,294,752,000

Source: Boulder County Assessor's Office

**City of Louisville, Colorado
Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Last Ten Fiscal Years**

Mill Levies

Levy Year	Collection Year	City of Louisville			Boulder Valley Schools	Boulder County	Urban Drainage and Flood Control District	Louisville Fire District (1)	Northern Colorado Water	Total
		Operating	Debt Service (2)	Road & Bridge						
2000	2001	4.767			44.000	19.682	0.583	3.186	1.000	73.218
2001	2002	5.184		0.108	5.292	42.890	0.594	3.186	1.000	72.797
2002	2003	5.184			5.184	34.807	0.521	3.186	1.000	62.319
2003	2004	5.184	1.526		6.710	38.524	0.531	3.186	1.000	70.038
2004	2005	5.184	1.526		6.710	38.255	0.533	3.186	1.000	69.772
2005	2006	5.184	1.526		6.710	37.423	0.538	3.186	1.000	70.124
2006	2007	5.184	1.526		6.710	39.564	0.542	6.686	1.000	76.969
2007	2008	5.184	1.526		6.710	37.865	0.507	6.686	1.000	75.235
2008	2009	5.184	1.526		6.710	39.113	0.528	6.686	1.000	77.104
2009	2010	5.184	1.526		6.710	39.999	0.508	6.686	1.000	78.570

Tax Levies

Levy Year	Collection Year	City of Louisville			Boulder Valley Schools	Boulder County	Urban Drainage and Flood Control District	Louisville Fire District (1)	Northern Colorado Water	Total	
		Operating	Debt Service (2)	Road & Bridge							Total Direct
2000	2001	1,507,615	-	-	1,507,615	126,008,817	78,053,932	1,706,603	1,062,242	3,330,459	211,669,668
2001	2002	1,918,784	-	39,975	1,958,759	111,929,873	78,183,325	1,642,246	1,242,877	3,679,989	198,677,044
2002	2003	1,922,340	-	-	1,922,340	125,399,588	90,859,290	1,695,961	1,236,363	3,762,094	224,875,636
2003	2004	1,983,161	583,778	-	2,566,939	127,737,793	94,356,356	1,746,793	1,275,228	4,035,582	232,302,469
2004	2005	2,005,390	590,321	-	2,595,711	125,759,422	100,896,978	1,777,428	1,283,405	4,352,070	237,255,335
2005	2006	2,035,839	599,284	-	2,635,123	133,570,367	108,354,720	1,855,614	1,299,537	4,538,972	252,853,617
2006	2007	2,044,505	601,835	-	2,646,340	140,792,830	112,630,364	1,902,890	2,742,042	4,593,229	265,909,530
2007	2008	2,194,163	645,890	-	2,840,053	150,815,108	124,745,065	1,993,702	2,930,608	5,062,766	289,033,192
2008	2009	2,211,265	650,924	-	2,862,189	156,938,470	129,119,905	2,100,059	2,950,539	5,416,619	300,038,705
2009	2010	2,315,673	681,658	-	2,997,331	167,976,116	137,564,655	2,124,166	3,109,216	5,347,290	319,800,432

Notes: (1) The Fire District passed a tax levy increase in 2005.

(2) The City of Louisville passed a tax levy increase in 2003 for the new library building debt service.

Source: Boulder County Assessor's Office (Summary of Levies)

**City of Louisville, Colorado
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	Type of Business	2001 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Storage Technology Corporation	Electronic Manufacturing	\$ 38,505,710	1	10.3%
Neoserv Co	Business Services	6,206,000	2	1.7%
Quantum Peripherals	Electronic Manufacturing	4,842,740	3	1.3%
Mack Cali Realty LP	Retail	4,817,940	4	1.3%
Riggs & Company	Business Services	4,809,420	5	1.3%
Evoke	Internet Communications	4,681,060	6	1.2%
Neodata Services Inc	Business Services	3,534,550	7	0.9%
Fund IX Fund X Fund XI	Business Services	3,445,810	8	0.9%
Piedra Properties LLP	Property Management	3,028,530	9	0.8%
Eagle Hardware & Garden Inc	Retail	3,020,610	10	0.8%
	Totals	\$ 76,892,370		20.5%

Taxpayer	Type of Business	2010 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Conoco Phillips Company	Energy Training and R&D Center	\$ 10,791,660	1	2.2%
Coherent Technologies	Laser-based technologies	7,542,180	2	1.5%
Neodata Services Inc.	Business Services	6,298,490	3	1.3%
MEPT Coal Creek Business Park	Office Park	5,343,450	4	1.1%
Infinite Funding Company LLC	Commercial Real Estate	4,717,110	5	0.9%
Public Service Co of Colorado	Energy	4,174,722	6	0.8%
Boulder Road LLC	Unknown	4,149,050	7	0.8%
VTR Avista MOB LLC	Medical Offices	3,868,890	8	0.8%
RLJ II-C Louisville CO LLC	Lodging	3,589,560	9	0.7%
Colorado Tech LLC	Technology	2,920,450	10	0.6%
	Totals	\$ 53,395,562		10.7%

Source: Boulder County Assessor's Office

**City of Louisville, Colorado
Property Tax Levies and Collections
Last Ten Fiscal Years**

Levy Year	Collection Year	Total Tax Levy	Total Current Tax Collections	Urban Revitalization District Current Tax Collections	City of Louisville Current Tax Collections	Ratio of Current Tax Collections to Total Tax Levy	City of Louisville Delinquent Tax Collections (1)	City of Louisville Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2000	2001	1,507,615	1,486,975		1,486,975	98.63%	13,768	1,500,743	99.54%
2001	2002	1,958,759	1,935,487		1,935,487	98.81%	1,620	1,937,107	98.89%
2002	2003	1,922,340	1,892,995		1,892,995	98.47%	213	1,893,208	98.48%
2003	2004	2,566,939	2,532,390		2,532,390	98.65%	1,190	2,533,580	98.70%
2004	2005	2,595,711	2,546,533		2,546,533	98.11%	2,547	2,549,080	98.20%
2005	2006	2,635,123	2,605,175		2,605,175	98.86%	2,605	2,607,780	98.96%
2006	2007	2,646,340	2,612,945		2,612,945	98.74%	7,463	2,620,408	99.02%
2007	2008	2,840,053	2,845,816	18,439	2,827,377	99.55%	11,819	2,839,196	99.97%
2008	2009	2,862,189	2,851,029	23,529	2,827,500	98.79%	1,215	2,828,715	98.83%
2009	2010	2,997,331	2,992,336	49,106	2,943,230	98.20%	1,918	2,945,148	98.26%

Notes:

(1) Delinquent taxes reported by collection year because they are not available by levy year

**City of Louisville, Colorado
Taxes Collected by Category
Last Ten Fiscal Years**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Agriculture	3,692	4,146	4,105	11,418	11,126	9,864	10,288	14,692	15,483	12,386
Mining	1,393	-	-	-	-	-	-	-	-	-
Construction	7,445	30,220	28,819	31,506	35,048	23,958	28,251	23,760	9,991	15,463
Manufacturing	96,263	85,661	71,504	91,997	451,986	108,794	166,047	109,387	127,496	245,502
Trans/Comm/Utilities	1,092,226	1,074,307	1,232,536	1,272,749	1,449,739	1,472,573	1,525,889	1,611,432	1,398,287	1,436,159
Wholesale	60,937	14,431	35,333	44,598	63,981	108,836	143,823	165,215	107,963	119,230
Home Improvements Centers	1,765,676	1,863,021	1,939,912	2,064,371	2,010,061	1,336,629	1,259,846	1,163,491	1,112,998	1,142,131
General Merchandise	2,450,886	2,294,414	2,203,006	2,406,894	2,407,114	1,872,976	1,969,137	1,863,152	1,799,936	983,285
Grocery Stores	1,892,069	1,957,632	1,947,215	1,764,012	1,634,397	1,601,653	1,658,008	1,708,054	1,763,143	1,744,867
Automotive	132,113	148,890	163,158	189,245	188,766	115,704	142,765	90,709	47,134	49,000
Apparel/Accessory	19,011	6,207	2,994	1,605	1,672	15,054	15,471	21,067	37,480	36,736
Furniture	41,485	34,808	40,209	42,830	56,786	80,320	105,467	129,802	101,337	148,801
Eating/Drinking	1,241,925	1,194,008	1,195,952	1,291,388	1,252,591	1,162,927	1,199,902	1,232,279	1,253,253	1,394,376
Miscellaneous	211,641	78,212	92,535	101,528	64,799	530,644	398,081	311,289	254,702	308,912
Financial/Insurance	69,558	75,682	94,215	83,711	124,017	165,818	194,936	238,279	304,251	278,138
Services	598,219	509,072	481,665	536,715	680,988	583,492	576,696	676,867	708,817	814,047

**City of Louisville, Colorado
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years**

Fiscal Year	City of Louisville	County of Boulder	State of Colorado	Regional Transportation District	Cultural District	Football District	Total
2001	3.375%	0.40%	2.90%	0.60%	0.10%	0.10%	7.475%
2002	3.375%	0.45%	2.90%	0.60%	0.10%	0.10%	7.525%
2003	3.375%	0.55% (1)	2.90%	0.60%	0.10%	0.10%	7.625%
2004	3.375%	0.55%	2.90%	0.60%	0.10%	0.10%	7.625%
2005	3.375%	0.65%	2.90%	1.00%	0.10%	0.10%	8.125%
2006	3.375%	0.65%	2.90%	1.00%	0.10%	0.10%	8.125%
2007	3.375%	0.65%	2.90%	1.00%	0.10%	0.10%	8.125%
2008	3.375%	0.65%	2.90%	1.00%	0.10%	0.10%	8.125%
2009	3.500% (2)	0.65%	2.90%	1.00%	0.10%	0.10%	8.250%
2010	3.500%	0.65%	2.90%	1.00%	0.10%	0.10%	8.250%

Notes: (1) Boulder County sales tax rate changed from .45 to .55 on July 1, 2002
(2) City of Louisville sales tax rate includes voter approved Historic Preservation tax of .125% on January 1, 2009

City of Louisville
Sales Tax Revenue Payers by Industry
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2001			Fiscal Year 2010			
	Number of Filers (1)	Percent of Total	Sales Tax Revenue	Number of Filers	Percent of Total	Sales Tax Revenue	Percent of Total
Agriculture	N/A	N/A	\$ 3,692	13	0.9%	\$ 12,386	0.1%
Mining	N/A	N/A	1,393	-	0.0%	-	0.0%
Construction	N/A	N/A	7,445	54	3.7%	15,463	0.2%
Manufacturing	N/A	N/A	96,263	104	7.0%	245,502	2.8%
Trans/Comm/Utilities	N/A	N/A	1,092,226	120	8.1%	1,436,159	16.5%
Wholesale	N/A	N/A	60,937	80	5.4%	119,230	1.4%
Home Improvements Centers	N/A	N/A	1,765,676	74	5.0%	1,142,131	13.1%
General Merchandise	N/A	N/A	2,450,886	38	2.6%	983,285	11.3%
Grocery Stores	N/A	N/A	1,892,069	40	2.7%	1,744,867	20.0%
Automotive	N/A	N/A	132,113	5	0.3%	49,000	0.6%
Apparel/Accessory	N/A	N/A	19,011	28	1.9%	36,736	0.4%
Furniture	N/A	N/A	41,485	35	2.4%	148,801	1.7%
Eating/Drinking	N/A	N/A	1,241,925	68	4.6%	1,394,376	16.0%
Miscellaneous	N/A	N/A	211,641	251	17.0%	308,912	3.5%
Financial/Insurance	N/A	N/A	69,558	163	11.0%	278,138	3.2%
Services	N/A	N/A	598,219	403	27.3%	814,047	9.3%
			<u>\$ 9,684,539</u>	<u>1,476</u>	<u>100%</u>	<u>\$ 8,729,033</u>	<u>100%</u>

Notes:

(1) Number of filers was not available for year 2000. Also due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Louisville, Colorado
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities				Total Primary Government	Ratio of G.O. Bonds to Actual Property Value	Net G.O. Bonds Per Capita	Ratio of Total Debt to Total Personal Income
	General Obligation Bonds	Sales Tax Refunding Revenue Bonds	General Obligation Bonds	Water Notes Payable	Windy Gap Lease Payments					
2001	550,000	4,295,000	2,576,072	-	643,407	8,064,479	0.13	163	1.04	
2002	285,000	4,025,000	2,223,654	-	618,594	7,152,248	0.10	132	0.93	
2003	-	3,830,000	2,020,000	18,211,667	592,344	24,654,011	0.07	108	3.23	
2004	7,085,000	3,500,000	1,820,000	17,327,500	564,563	30,297,063	0.32	473	3.75	
2005	6,820,000	3,145,000	1,615,000	16,408,333	535,188	28,523,521	0.29	451	3.26	
2006	6,545,000	2,785,000	1,405,000	15,453,333	504,000	26,692,333	0.27	422	2.89	
2007	6,260,000	2,415,000	1,190,000	14,458,333	470,812	24,794,145	0.24	393	2.54	
2008	5,965,000	2,040,000	970,000	13,422,500	435,562	22,833,062	0.22	359	2.36	
2009	5,660,000	1,655,000	740,000	12,337,500	398,093	20,790,593	0.19	329	2.22	
2010	5,345,000	1,260,000	-	11,210,833	358,219	18,174,052	0.16	291	N/A	

Notes:

In 2003, the City incurred new debt for the purchase of water rights.
 In 2004, the City incurred new debt for the new library building.

City of Louisville, Colorado
Computation of Direct and Overlapping Bonded Debt
As of December 31, 2010

<u>Jurisdiction [1]</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Louisville</u>	<u>Amount Applicable to Louisville</u>
Direct:			
City of Louisville	<u>\$ 5,345,000</u>	100.00%	<u>\$ 5,345,000</u>
Overlapping:			
Boulder Valley School District No. RE-2	374,280,000	9.16%	34,284,048
Colorado Tech Center Metropolitan District	12,815,000	100.00%	12,815,000
Northern Colorado Water Conservancy District	<u>4,234,399</u>	3.09%	<u>130,843</u>
Subtotal Overlapping Debt	<u>391,329,399</u>		<u>47,229,891</u>
Total direct and overlapping debt	<u>\$ 788,003,798</u>		<u>\$ 99,804,782</u>

Notes:

- (1) The following entities also overlap the City but have no general obligation debt outstanding:
Louisville Fire District, Boulder County, and Urban Drainage and Flood Control District.

Sources: Individual taxing entities

City of Louisville, Colorado
Computation of Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total estimated actual value	2,441,460,444	2,444,675,649	2,800,285,470	2,821,961,410	2,884,707,265	2,902,492,900	3,120,145,300	3,140,867,650	3,285,484,000	3,294,752,000
Debt limit: 3% of actual value	73,243,813	73,340,269	84,008,564	84,658,842	86,541,218	87,074,787	93,604,359	94,226,030	98,564,520	98,842,560
Total net amount of debt applicable to debt limit	2,580,000	2,215,000	2,020,000	8,905,000	8,435,000	7,950,000	7,450,000	6,935,000	6,400,000	5,345,000
Legal debt margin	70,663,813	71,125,269	81,988,564	75,753,842	78,106,218	79,124,787	86,154,359	87,291,030	92,164,520	93,497,560
Total net debt applicable to the limit	3.52%	3.02%	2.40%	10.52%	9.75%	9.13%	7.96%	7.36%	6.49%	5.41%

**City of Louisville, Colorado
Pledged-Revenue Coverage,
Last Ten Fiscal Years**

Fiscal Year	Water Revenue Bonds					Total	Coverage
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
2001	4,409,298	2,120,658	2,288,640	379,199	440,301	819,500	2.79
2002	3,629,917	2,292,252	1,337,665	398,872	417,434	816,306	1.64
2003	5,979,805	3,176,718	2,803,087	389,583	568,161	957,744	2.93
2004 (3)	4,740,480	3,340,860	1,399,620	911,948	789,198	1,701,146	0.82
2005	6,263,484	3,351,083	2,912,401	948,542	700,527	1,649,069	1.77
2006	6,701,307	3,538,452	3,162,855	986,188	660,287	1,646,475	1.92
2007	8,271,507	3,517,303	4,754,204	1,028,188	616,359	1,644,547	2.89
2008	8,827,124	4,081,622	4,745,502	1,071,083	577,671	1,648,754	2.88
2009	6,596,224	4,164,631	2,431,593	1,122,469	516,902	1,639,371	1.48
2010	6,717,820	4,181,847	2,535,973	1,166,542	470,095	1,636,637	1.55

Notes:

- (1) Gross revenues include all operating revenues. Also included is the portion of tap fees which are classified as capital contributions.
- (2) Total operating expenses exclusive of depreciation
- (3) Debt coverage slipped in 2004 due to excessive and unusual rains during the summer resulting in lower than expected charges for services. In addition, the City took on \$12 million in water bond debt.

**City of Louisville, Colorado
Principal Employers,
Current Year and Nine Years Ago**

Company	2001		
	Estimated Number of Employees	Rank	Percentage of Total City Employment (1)
Avista Hospital	400	4	N/A
Boulder Valley School District	448	3	N/A
Centrobe an E.D.S Company	2,500	2	N/A
City of Louisville (2)	248	5	N/A
Dillion Companies, Inc. (King Soopers)	150	9	N/A
Home Depot	194	8	N/A
McKesson HBO	214	7	N/A
Ohmeda Medical Systems	225	6	N/A
Storage Technology Corporation	3,000	1	N/A

Company	2010		
	Estimated Number of Employees	Rank	Percentage of Total City Employment (1)
Avista Adventist Hospital	600	1	N/A
Cablelabs	160	7	N/A
City of Louisville (2)	336	2	N/A
Fresca Foods	145	9	N/A
Gaiam	231	4	N/A
GHX	300	3	N/A
Lockheed Martin Coherent Tech	175	6	N/A
Medtronic	200	5	N/A
NetDevil	150	8	N/A
Vaisala	140	10	N/A

Notes:

(1) Total City Employment not available for 2001 or 2010.

(2) Represents full-time, part-time and temporary employees.

**City of Louisville, Colorado
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2001	19,237	773,674	40,218	33.9	27,953	3.7
2002	19,031	766,797	40,292	34.3	28,028	5.8
2003	18,710	762,601	40,759	34.7	28,292	5.8
2004	18,842	807,059	42,833	35.2	27,918	4.9
2005	18,695	874,047	46,753	35.5	27,924	4.5
2006	18,853	924,513	49,038	35.7	28,168	3.8
2007	18,972	974,933	51,388	35.9	28,471	3.4
2008	19,336	967,921	50,058	36.4	28,659	4.2
2009	19,480	936,131	48,056	36.7	28,861	6.4
2010	18,376	N/A	N/A	37.0	29,388	7.1

Notes:

(1) Colorado Department of Local Affairs - State Demography Office. 2010 population reflects U.S. Census results. Population estimates are for the City of Louisville; Median Age estimates are for Boulder County.

(2) U.S. Department of Commerce, Bureau of Economic Analysis for Boulder Metropolitan Statistical Area.

(3) Boulder Valley School District Enrollment Count.

(4) Colorado Department of Labor and Employment for Boulder County.

City of Louisville, Colorado
Full-time City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
City Management										
City Clerk	4	4	4	4	4	4	3	3	4	4
Human Resources	0 (1)	0 (1)	3	3	3	3	3	2	2	1
Finance and IT	0 (3)	0 (3)	3	3	2	3	3	3	4	2
Police	12	15	9	9	9	9	8	9	11	11
Public Works	38	38	31	38	38	38	38	38	38	38
Planning	41	41	42	42	42	42	42	45	45	43
Library	8	8	8	8	8	8	8	8	9	8
Recreation & Senior Services	8	9	9	8	8	8	10	9	9	8
Parks & Open Space	25	25	15	15	14	14	13	11	11	9
Total Full-Time Employees	136	140	135	143	141	143	142	143	147	138

Source:

Annual Budget reports.

Notes:

- (1) City Clerk included in Finance and IT.
- (2) Land Management was included with Recreation & Senior Services.
- (3) Human Resources included with Finance and IT.

**City of Louisville, Colorado
Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Building permits issued	821	909	1,033	3,469	2,210	889	924	919	1,059	1,140
Building inspections concluded	5,479	5,519	5,500	6,343	5,332	4,117	3,857	4,249	4,119	4,333
Police										
Physical arrests	766	453	407	310	367	317	279	446	407	325
Parking violations	405	156	113	144	116	263	198	178	223	239
Traffic violations	5,558	1,812	1,487	1,431	1,737	1,798	1,166	1,399	1,915	2,121
Other public works										
Street sweeping - miles per year	4,216	5,629	5,710	6,585	5,095	4,834	5,761	3,842	2,063	2,517
Potholes repaired	1,218	801	806	1,059	786	512	4,725	1,384	1,500	2,654
Snow and Ice - miles per year cleared	19,399	13,897	15,048	14,288	13,749	17,841	16,090	7,060	19,336	11,254
Square feet of buildings to maintain	44,178	44,178	44,178	44,178	44,170	39,964	39,964	39,964	39,964	39,964
Parks and Recreation										
Attendance	224,465	243,915	209,383	214,860	203,745	196,743	209,615	230,832	236,832	236,945
Athletic field permits issued	10	5	10	11	9	8	23	25	21	20
Library										
Volumes in collection	54,000	54,000	54,000	54,000	64,000	64,000	72,178	80,785	82,236	85,050
Water										
New connections	34	22	39	8	17	5	6	18	20	16
Water main breaks	6	8	8	6	5	10	5	6	9	8
Average daily consumption	4,093,867	3,001,065	3,315,119	2,883,022	3,417,234	3,780,421	3,589,147	3,775,740	3,207,000	3,168,000
Peak daily consumption	9,316,000	6,497,000	8,746,000	6,743,000	8,704,000	8,319,000	8,305,000	9,518,000	6,792,000	7,025,000
Wastewater										
Average daily sewage treatment	2.05 MGD	1.817 MGD	1.859 MGD	1.859 MGD	1.859 MGD	1.859 MGD	1.815 MGD	1.7 MGD	1.794 MGD	1.773

Source: Internally tracked departmental statistics

City of Louisville, Colorado
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	15	17	16	17	17	17	17
Public Works										
Streets and Highways (miles)	86	86	86	86	86	86	86	86	87	87
Parks and recreation										
Parks Acreage	150	160	160	160	160	178	178.11	178.11	178.11	178.11
Acres of Open space owned by the City and jointly	1753	2000	2000	2000	2000	2000	2000	2000	2000	2000
Playgrounds	12	12	12	12	12	13	13	13	13	13
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	6	6	6	13	13	13	14	14	14	14
Community centers	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	114	115	115	115	115	127	127	127	127	127
Fire hydrants	950	1000	1000	1000	1118					
Storage capacity	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD	8 MGD
Treatment capacity	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD	13 MGD
Wastewater										
Sanitary sewers (miles)	82	83	83	87	87	87	87	87	87	91
Storm sewers (miles)										51
Treatment capacity (thousand of gallons)	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD	3.4 MGD

Source: Internally tracked departmental statistics



The Honorable Mayor, Members of the City
Council and City Administrator
City of Louisville, Colorado

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing
Standards***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Louisville, Colorado (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Louisville's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Louisville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Golden, Colorado
June 8, 2011



The Honorable Mayor, Members of the City
Council and City Administrator
City of Louisville, Colorado

Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133

Compliance

We have audited the compliance of the City of Louisville, Colorado, (the City) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City of Louisville, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness as defined above.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies described in the schedule of findings and questioned costs as items 2010-01 and 2010-02.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the City Council, management and federal awarding agencies, and pass through entities and is not intended to be used and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Golden, Colorado
June 8, 2011

City of Louisville
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation - Federal Highway Administration		
Highway Planning & Construction	20.205	\$ 1,229,090
U.S. Department of Justice - Bureau of Justice Assistance		
Bullet Proof Vest Partnership Program	16.607	2,441
		<hr/>
Total Expenditures of Federal Awards		<u><u>\$ 1,231,530</u></u>

City of Louisville, Colorado
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2010

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Louisville, Colorado. All federal financial assistance received by the City directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CFDA and Contract Numbers

Federal CFDA numbers are from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration.

City of Louisville, Colorado
Schedule of Findings and Questioned Costs
December 31, 2010

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued is **unqualified**.

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ no

Type of auditor's report issued on compliance for major programs is unqualified for the major program tested.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 X yes _____ no

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

CFDA 20.205 Highway Planning and Construction - Federal Aid Highway Program

Dollar threshold used to distinguish between type A and type B programs: **\$300,000**

Auditee qualified as low-risk auditee? _____ yes X no

City of Louisville, Colorado
Schedule of Findings and Questioned Costs (continued)
December 31, 2010

Section II—Financial Statement Findings

NONE

Section III—Federal Award Findings and Questioned Costs

2010-01

**Passed through Colorado Department of Transportation
U.S. Department of Transportation
CFDA #20.205
Highway Planning & Construction (Federal-Aid Highway Program)**

Davis Bacon

Significant Deficiency in Internal Control over Compliance

Criteria - Non-federal entities are required to include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance (*OMB No. 1215-0149*).

Condition - We tested the certified payrolls received from the contractor and subcontractors during the year and noted that 130 of the 176 reports were received by the City more than one month after the payroll period.

We also noted that the certified payroll #15 for the 10/17/10 - 10/23/10 payroll period was not signed by the contractor / subcontractor.

Questioned costs - None

Cause - The City does not have a system of internal controls in place to ensure that all required certified payrolls were received timely.

City of Louisville, Colorado
Schedule of Findings and Questioned Costs (continued)
December 31, 2010

Effect - The City maintained logs to ensure that all certified payrolls were received for the contractor and subcontractors; however, follow up was not performed timely to ensure that the missing payroll reports were received within a reasonable period of time.

Recommendation - The City should implement procedures to ensure that all weekly certified payrolls are received from the contractor and subcontractors within one to two weeks after the end of the payroll period covered by the reports. Certified payrolls should also be received prior to payment being made to the contractor or subcontractor so that the City can verify that prevailing wages have been paid in accordance with the Davis-Bacon Act. We also recommend the City review certified payrolls for signatures and return unsigned certified payrolls to the contractor/subcontractor for appropriate signature.

Management's Response and Corrective Action Plan -

City staff within departments administering grants will continue to maintain receipt logs to ensure that all certified payrolls are received for all contractors and subcontractors subject to Davis-Bacon compliance. On a routine and frequent basis, City staff will review the reports and the receipt logs and will report any missing signatures or missing payroll reports to the appropriate department director and to the Finance Department. The Finance Department will require proof of compliance, or an affirmative statement of compliance from the administering department, before disbursing funds to contractors and subcontractors subject to Davis-Bacon compliance.

2010-02

Passed Through Colorado Department of Transportation
Department of Transportation
CFDA #20.205
Highway Planning & Construction (Federal-Aid Highway Program)

Cash Management

Significant Deficiency in Internal Control over Compliance

Criteria - The grant agreement with the Colorado Department of Transportation states that the City will prepare and submit to the State, no more than monthly, charges of costs incurred relative to the project. To be eligible for payment, billings must be received within 60 days after the period for which payment is being requested and final billings on this contract must be received by the State within 60 days after the end of the contract term.

City of Louisville, Colorado
Schedule of Findings and Questioned Costs (continued)
December 31, 2010

Condition - We tested cash draws for compliance with the requirements outlined in the agreement with the Colorado Department of Transportation and noted the following:

- Draw number 4 was made on October 31, 2010 that included expenditures made during 2009 through February 2010
- Draw number 5 was made on October 31, 2010 and included expenditures made between May and August 2010
- Draw number 6 was made on November 30, 2010 and included expenditures made between July and August 2010
- Draw number 7 was made on January 28, 2011 and included expenditures made during January 2010
- Draw number 8 was made on January 28, 2011 and included expenditures made between September and November
- Draw number 9 was made on October 31, 2010 and included expenditures made prior to January 2010

Questioned costs - None

Cause - The City does not appear to have an effective method of internal controls for ensuring that the funds expended are requested within the 60 day time frame as required by the grant agreement.

Effect - Requesting funds outside of the required 60 day time frame could result in reimbursement requests being denied by the State.

Recommendation - We recommend that the City implement procedures to ensure that reimbursements for funds expended comply with the 60 day requirement for reimbursements as required by the grant agreement.

Management's Response and Corrective Action Plan -

City staff within departments administering grants will be directed to comply completely with all grant agreements, including provisions pertaining to funding requests. The Finance Department will also monitor for compliance and will report any possible non-compliance to the appropriate department director and to the City Manager.

**City of Louisville, Colorado
Summary Schedule of Prior Year Findings
December 31, 2010**

NONE

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
City of Louisville
YEAR ENDING :
December 2010

This Information From The Records Of City of Louisville:

Prepared By: Barb Kelley
Phone: 303-335-4504

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)	3,173,244
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	985,851
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	58,682
2. General fund appropriations	1,507,004	b. Snow and ice removal	111,669
3. Other local imposts (from page 2)	1,821,230	c. Other	
4. Miscellaneous local receipts (from page 2)	251,537	d. Total (a. through c.)	170,351
5. Transfers from toll facilities		4. General administration & miscellaneous	155,295
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,244,226
a. Bonds - Original Issues		6. Total (1 through 5)	5,728,967
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)	3,579,771	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	890,313	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,258,883	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,728,967	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)	5,728,967

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
		5,728,967	5,728,967		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	210,146
1. Sales Taxes	1,548,448	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	131,600	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	141,182	g. Other Misc. Receipts	41,391
6. Total (1. through 5.)	1,821,230	h. Other	
c. Total (a. + b.)	1,821,230	i. Total (a. through h.)	251,537
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	589,649	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	66,350	d. Federal Transit Admin	
d. Other (Specify) HAA	234,314	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (FHWA via HAA)	1,258,883
f. Total (a. through e.)	300,664	g. Total (a. through f.)	1,258,883
4. Total (1. + 2. + 3.f)	890,313	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			30,232
b. Engineering Costs			37,537
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			1,508,001
(3). System Preservation			1,597,474
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	3,105,475
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	3,173,244
			(Carry forward to page 1)
Notes and Comments:			



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