

CITY OF CREEDE, COLORADO

FINANCIAL STATEMENTS

December 31, 2007

CITY OF CREEDE, COLORADO
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December 31, 2007

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CITY OF CREEDE, COLORADO
BASIC FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, Members of the
City Council and City Manager
City of Creede, Colorado
Creede, Colorado 81130

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Creede, Colorado, (the City), as of and for the year ended December 31, 2007, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The City has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, schedules, and reports listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules on pages 35-40, 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.

Wall, Smith, Bateman and Associates, Inc.

Wall, Smith, Bateman and Associates, Inc.
Alamosa, Colorado

September 29, 2008

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CITY OF CREEDE, COLORADO
STATEMENT OF NET ASSETS
December 31, 2007

	<u>Primary Government</u>		<u>TOTAL</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 622,787	\$ 195,916	\$ 818,703
Restricted Cash and Investments	4,443,760	90,750	4,534,510
Property Taxes Receivable	46,223	-	46,223
Accounts Receivable	57,720	6,724	64,444
Due from Other Governments	30,974	-	30,974
Other Assets	-	541	541
Total Current Assets	<u>5,201,464</u>	<u>293,931</u>	<u>5,495,395</u>
Capital Assets			
Land	109,898	32,457	142,355
Construction in Progress	-	8,453	8,453
Utility Plant	-	2,408,724	2,408,724
Building	352,140	-	352,140
Machinery and Equipment	58,100	123,671	181,771
Vehicles	41,624	-	41,624
Less Accumulated Depreciation/Depletion	<u>(182,685)</u>	<u>(1,235,676)</u>	<u>(1,418,361)</u>
Total Capital Assets	<u>379,077</u>	<u>1,337,629</u>	<u>1,716,706</u>
TOTAL ASSETS	<u>5,580,541</u>	<u>1,631,560</u>	<u>7,212,101</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	103,360	4,992	108,352
Payroll Taxes Payable	2,585	-	2,585
Deferred Tax Revenue	46,223	-	46,223
Deferred Grant Revenue	2,445	-	2,445
Deferred Revenue	-	2,977	2,977
Note Payable	-	2,150	2,150
Revenue Bonds Payable	-	18,000	18,000
Total Current Liabilities	<u>154,613</u>	<u>28,119</u>	<u>182,732</u>
Long-term Liabilities			
Note Payable	-	63,519	63,519
Revenue Bonds Payable	-	17,000	17,000
Total Long-term Liabilities	<u>-</u>	<u>80,519</u>	<u>80,519</u>
TOTAL LIABILITIES	<u>154,613</u>	<u>108,638</u>	<u>263,251</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	379,077	1,236,960	1,616,037
Restricted for:			
Parks and Recreation Facilities	4,375,552	-	4,375,552
TABOR	13,491	-	13,491
Unrestricted	<u>657,808</u>	<u>285,962</u>	<u>943,770</u>
TOTAL NET ASSETS	<u>\$ 5,425,928</u>	<u>\$ 1,522,922</u>	<u>\$ 6,948,850</u>

See Notes to the Basic Financial Statements

CITY OF CREEDE, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 408,493	\$ 26,846	\$ 15,173	\$ 253,486
Public Safety	37,698	-	-	-
Public Works	70,166	-	18,741	-
Culture and Recreation	208,312	3,120	8,413	45,500
Total Governmental Activities	<u>724,669</u>	<u>29,966</u>	<u>42,327</u>	<u>298,986</u>
Business-Type Activities				
Water and Sewer	230,286	242,679	-	187,929
Trash	40,357	41,200	-	-
Total Business-Type Activities	<u>270,643</u>	<u>283,879</u>	<u>-</u>	<u>187,929</u>
Total Primary Government	<u>\$ 995,312</u>	<u>\$ 313,845</u>	<u>\$ 42,327</u>	<u>\$ 486,915</u>

General Revenues:

Taxes:

General Property Taxes - Net

Sales Taxes

Other Taxes

Interest on Investments

Miscellaneous

Net Increase in Investment

Transfers

Total General Revenues and Special Items

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

**Net (Expense) Revenue and
Changes in Net Assets
Primary Government**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
\$ (112,988)	\$ -	\$ (112,988)
(37,698)	-	(37,698)
(51,425)	-	(51,425)
<u>(151,279)</u>	<u>-</u>	<u>(151,279)</u>
<u>(353,390)</u>	<u>-</u>	<u>(353,390)</u>
-	200,322	200,322
-	843	843
<u>-</u>	<u>201,165</u>	<u>201,165</u>
<u>\$ (353,390)</u>	<u>\$ 201,165</u>	<u>\$ (152,225)</u>
43,089	-	43,089
237,997	-	237,997
35,033	-	35,033
153,842	686	154,528
12,514	-	12,514
187,288	-	187,288
<u>-</u>	<u>-</u>	<u>-</u>
<u>669,763</u>	<u>686</u>	<u>670,449</u>
316,373	201,851	518,224
<u>5,109,555</u>	<u>1,321,071</u>	<u>6,430,626</u>
<u>\$ 5,425,928</u>	<u>\$ 1,522,922</u>	<u>\$ 6,948,850</u>

**CITY OF CREEDE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007**

	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENTS FUND</u>	<u>VIRGINIA G. CHRISTENSEN TRUST</u>
ASSETS			
Cash and Investments	\$ 208,281	\$ 410,316	\$ -
Restricted Cash and Investments	38,840	-	4,404,920
Accounts Receivable	57,720	-	-
Property Taxes Receivable	46,223	-	-
Due from Other Governments	23,046	7,928	-
TOTAL ASSETS	<u>\$ 374,110</u>	<u>\$ 418,244</u>	<u>\$ 4,404,920</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 103,360	\$ -	\$ -
Payroll Taxes Payable	2,585	-	-
Deferred Revenue-Grants	-	2,445	-
Deferred Revenue-Property Taxes	46,223	-	-
TOTAL LIABILITIES	<u>152,168</u>	<u>2,445</u>	<u>-</u>
FUND BALANCE			
Reserved			
Reserved for Parks and Recreation Facilities	-	-	4,404,920
Tabor Reserve	13,491	-	-
Unreserved			
General Fund	208,451	-	-
Special Revenue Funds	-	415,799	-
TOTAL FUND BALANCE	<u>221,942</u>	<u>415,799</u>	<u>4,404,920</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 374,110</u>	<u>\$ 418,244</u>	<u>\$ 4,404,920</u>

NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 4,190	\$ 622,787
-	4,443,760
-	57,720
-	46,223
-	30,974
<u>\$ 4,190</u>	<u>\$ 5,201,464</u>

\$ -	\$ 103,360
-	2,585
-	2,445
-	46,223
<u>-</u>	<u>154,613</u>

-	4,404,920
-	13,491
-	208,451
4,190	419,989
<u>4,190</u>	<u>5,046,851</u>
<u>\$ 4,190</u>	<u>\$ 5,201,464</u>

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CITY OF CREEDE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2007

Total governmental fund balances	\$ 5,046,851
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>379,077</u>
Net assets of governmental activities	<u><u>\$ 5,425,928</u></u>

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	VIRGINIA G. CHRISTENSEN TRUST
REVENUES			
Taxes	\$ 241,702	\$ 73,135	\$ -
Licenses and Permits	23,954	-	-
Intergovernmental Revenue	269,606	-	-
Fines and Forfeits	80	-	-
Interest Income	7,899	6,950	138,859
Net Increase In Investment	-	-	187,288
Other Revenue	87,182	-	-
TOTAL REVENUES	630,423	80,085	326,147
EXPENDITURES			
General Government	387,096	-	-
Public Safety	37,698	-	-
Public Works	69,258	-	-
Culture and Recreation	125,362	-	73,026
Capital Outlay	-	8,980	-
Debt Service	-	-	-
TOTAL EXPENDITURES	619,414	8,980	73,026
Excess (deficiency) of revenues over expenditures	11,009	71,105	253,121
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	51,500	-
Transfers to Other Funds	-	-	(51,500)
TOTAL OTHER FINANCING SOURCES (USES)	-	51,500	(51,500)
Excess (deficiency) of revenues over expenditures and other sources (uses)	11,009	122,605	201,621
Fund Balances at Beginning of Year	210,933	293,194	4,203,299
Fund Balances at End of Year	\$ 221,942	\$ 415,799	\$ 4,404,920

NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 314,837
-	23,954
4,253	273,859
-	80
134	153,842
-	187,288
-	87,182
<u>4,387</u>	<u>1,041,042</u>
6,167	393,263
-	37,698
-	69,258
4,469	202,857
-	8,980
-	-
<u>10,636</u>	<u>712,056</u>
<u>(6,249)</u>	<u>328,986</u>
-	51,500
-	(51,500)
-	-
(6,249)	328,986
<u>10,439</u>	<u>4,717,865</u>
<u>\$ 4,190</u>	<u>\$ 5,046,851</u>

CITY OF CREEDE, COLORADO
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, 2007

Net change in fund balances - total governmental funds \$ 328,986

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

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

Depreciation expense (12,613)

Change in net assets of governmental funds \$ 316,373

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2007

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
General Property Taxes (Net)	\$ 40,000	\$ 40,000	\$ 43,089	\$ 3,089
Specific Ownership Tax	10,000	10,000	7,059	(2,941)
Delinquent Tax	100	100	41	(59)
Delinquent Interest	-	-	207	207
Sales Tax	180,000	180,000	164,862	(15,138)
Building Use Tax	9,000	9,000	19,435	10,435
Franchise Tax	7,000	7,000	7,009	9
Total Taxes	246,100	246,100	241,702	(4,398)
Licenses and Permits				
Business Licenses and Permits	1,500	1,500	1,405	(95)
Non-Business Licenses and Permits	6,000	20,000	22,549	2,549
Total Licenses and Permits	7,500	21,500	23,954	2,454
Intergovernmental Revenue				
Department of Local Affairs Grant	-	126,000	246,771	120,771
Highway Users Tax	18,000	18,000	18,741	741
Additional Motor Vehicle Fees	2,700	2,700	2,707	7
Cigarette Tax	1,500	1,500	1,282	(218)
Motor Vehicle Sales Tax	500	500	105	(395)
GOCO Grant	-	-	49,660	49,660
Total Intergovernmental Revenue	22,700	148,700	319,266	170,566
Fines and Forfeits				
Court Fines	700	700	80	(620)
Total Fines and Forfeits	700	700	80	(620)
Interest Income				
	6,000	6,000	7,899	1,899
Other Revenue				
Donations	25,000	25,000	21,888	(3,112)
Program Fees	20,500	20,500	3,120	(17,380)
Miscellaneous	25,000	13,000	12,315	(685)
Refunds of Expenditures	1,500	1,500	199	(1,301)
Total Other Revenue	72,000	60,000	37,522	(22,478)
TOTAL REVENUES	355,000	483,000	630,423	147,423

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2007

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
EXPENDITURES				
General Government				
Salaries	33,712	33,712	33,667	45
Fringe Benefits	10,674	10,674	14,113	(3,439)
Professional Services	30,000	30,000	47,079	(17,079)
Operating Supplies	6,000	6,000	2,047	3,953
Travel and Transportation	7,000	7,000	5,479	1,521
Dues and Meetings	4,000	4,000	1,503	2,497
Insurance and Bonds	9,000	9,000	4,309	4,691
Printing and Advertising	3,500	3,500	1,499	2,001
Building and Plant	-	-	988	(988)
Legislative	14,000	14,000	15,473	(1,473)
Judicial	1,500	1,500	1,500	-
Elections	1,000	1,000	-	1,000
Creede/Mineral County Visitor's Center	-	90,000	251,251	(161,251)
Miscellaneous	7,500	7,500	8,188	(688)
Total General Government	127,886	217,886	387,096	(169,210)
Public Safety				
Law Enforcement Contract	35,000	35,000	35,000	-
Miscellaneous	3,500	3,500	2,698	802
Total Public Safety	38,500	38,500	37,698	802
Public Works				
Salaries	31,998	31,998	32,460	(462)
Fringe Benefits	8,064	8,064	2,581	5,483
Operating Expenses	7,000	7,000	308	6,692
Streets Repairs and Maintenance	20,000	20,000	9,058	10,942
Equipment Repairs and Maintenance	10,000	10,000	2,393	7,607
Utilities	13,500	13,500	15,083	(1,583)
Insurance and Bonds	6,000	6,000	4,039	1,961
Miscellaneous	10,000	10,000	3,336	6,664
Total Public Works	106,562	106,562	69,258	37,304
Culture and Recreation				
Ball Park	2,200	2,200	4,769	(2,569)
Donations	18,000	18,000	18,536	(536)
Fish Hatchery	800	800	1,910	(1,110)
Recreation	42,000	46,000	100,147	(54,147)
Total Culture and Recreation	63,000	67,000	125,362	(58,362)
TOTAL EXPENDITURES	335,948	429,948	619,414	(189,466)

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Excess (deficiency) of revenues over expenditures	<u>19,052</u>	<u>53,052</u>	<u>11,009</u>	<u>(42,043)</u>
Fund Balances at Beginning of Year	<u>210,933</u>	<u>210,933</u>	<u>210,933</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 229,985</u>	<u>\$ 263,985</u>	<u>\$ 221,942</u>	<u>\$ (42,043)</u>

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2007

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Sales Tax	\$ 72,000	\$ 72,000	\$ 73,135	\$ 1,135
Total Taxes	72,000	72,000	73,135	1,135
Other Revenue				
Interest Income	-	-	6,950	6,950
Total Other Revenue	-	-	6,950	6,950
TOTAL REVENUES	72,000	72,000	80,085	8,085
EXPENDITURES				
Capital Outlay	120,000	20,000	8,980	11,020
TOTAL EXPENDITURES	120,000	20,000	8,980	11,020
Excess (deficiency) of revenues over expenditures	(48,000)	52,000	71,105	19,105
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	51,500	51,500	51,500	-
TOTAL OTHER FINANCING SOURCES (USES)	51,500	51,500	51,500	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	3,500	103,500	122,605	19,105
Fund Balance at Beginning of Year	293,194	293,194	293,194	-
Fund Balance at End of Year	\$ 296,694	\$ 396,694	\$ 415,799	\$ 19,105

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
VIRGINIA G. CHRISTENSEN FUND
For the Year Ended December 31, 2007

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Interest Income	\$ 111,500	\$ 111,500	\$ 138,859	\$ 27,359
Net Increase (Decrease) in Investment	-	-	187,288	187,288
TOTAL REVENUES	<u>111,500</u>	<u>111,500</u>	<u>326,147</u>	<u>214,647</u>
EXPENDITURES				
Culture and Recreation				
Distributions	<u>60,000</u>	<u>60,000</u>	<u>73,026</u>	<u>(13,026)</u>
TOTAL EXPENDITURES	<u>60,000</u>	<u>60,000</u>	<u>73,026</u>	<u>(13,026)</u>
Excess (deficiency) of revenues over expenditures	<u>51,500</u>	<u>51,500</u>	<u>253,121</u>	<u>201,621</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	<u>(51,500)</u>	<u>(51,500)</u>	<u>(51,500)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(51,500)</u>	<u>(51,500)</u>	<u>(51,500)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>-</u>	<u>-</u>	<u>201,621</u>	<u>201,621</u>
Fund Balance at Beginning of Year	<u>4,203,299</u>	<u>4,203,299</u>	<u>4,203,299</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,203,299</u>	<u>\$ 4,203,299</u>	<u>\$ 4,404,920</u>	<u>\$ 201,621</u>

CITY OF CREEDE, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2007

	<u>WATER AND SEWER FUND</u>	<u>TRASH FUND</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash	\$ 132,438	\$ 63,478	\$ 195,916
Restricted Cash and Investments	90,750	-	90,750
Accounts Receivable	5,225	1,499	6,724
Prepaid Bond Costs	541	-	541
Total Current Assets	<u>228,954</u>	<u>64,977</u>	<u>293,931</u>
Capital Assets			
Land	32,457	-	32,457
Construction in Progress	8,453	-	8,453
Utility Plant	2,408,724	-	2,408,724
Machinery and Equipment	123,015	656	123,671
Accumulated Depreciation	(1,235,020)	(656)	(1,235,676)
Total Capital Assets	<u>1,337,629</u>	<u>-</u>	<u>1,337,629</u>
TOTAL ASSETS	<u>\$ 1,566,583</u>	<u>\$ 64,977</u>	<u>\$ 1,631,560</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,956	\$ 3,036	\$ 4,992
Deferred Revenue	2,054	923	2,977
Revenue Bonds Payable	18,000	-	18,000
Note Payable	2,150	-	5,434
Total Current Liabilities	<u>24,160</u>	<u>3,959</u>	<u>31,403</u>
Long-Term Liabilities			
Revenue Bonds Payable	17,000	-	17,000
Notes Payable	63,519	-	60,235
Total Long-Term Liabilities	<u>80,519</u>	<u>-</u>	<u>77,235</u>
TOTAL LIABILITIES	<u>104,679</u>	<u>3,959</u>	<u>108,638</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,236,960	-	1,236,960
Unrestricted	224,944	61,018	285,962
TOTAL NET ASSETS	<u>1,461,904</u>	<u>61,018</u>	<u>1,522,922</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,566,583</u>	<u>\$ 64,977</u>	<u>\$ 1,631,560</u>

CITY OF CREEDE, COLORADO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2007

	<u>WATER AND SEWER FUND</u>	<u>TRASH FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for Services	\$ 202,954	\$ 41,200	\$ 244,154
Total Operating Revenues	<u>202,954</u>	<u>41,200</u>	<u>244,154</u>
OPERATING EXPENSES			
Personnel Services	76,717	1,850	78,567
Garbage Collections	-	38,507	38,507
Materials and Supplies	14,018	-	14,018
Testing Fees	5,165	-	5,165
Professional Services	12,385	-	12,385
Repairs	3,257	-	3,257
Utilities	35,618	-	35,618
Insurance	4,039	-	4,039
Depreciation Expense	63,012	-	63,012
Amortization Expense	122	-	122
Capital Improvements	1,275	-	1,275
Other Expenses	8,926	-	8,926
Total Operating Expenses	<u>224,534</u>	<u>40,357</u>	<u>264,891</u>
Operating income (loss)	<u>(21,580)</u>	<u>843</u>	<u>(20,737)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	686	-	686
DOLA Grant Revenue	187,929	-	187,929
Interest Expense	(5,752)	-	(5,752)
Total nonoperating revenues (expenses)	<u>182,863</u>	<u>-</u>	<u>182,863</u>
Income Before Other Revenue	161,283	843	162,126
Capital Contributions (Water and Sewer Taps)	<u>39,725</u>	<u>-</u>	<u>39,725</u>
Changes in Net Assets	201,008	843	201,851
Net Assets at beginning of year	<u>1,260,896</u>	<u>60,175</u>	<u>1,321,071</u>
Net Assets at end of year	<u>\$ 1,461,904</u>	<u>\$ 61,018</u>	<u>\$ 1,522,922</u>

CITY OF CREEDE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2007

	<u>WATER AND SEWER FUND</u>	<u>TRASH FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 202,570	\$ 42,024	\$ 244,594
Cash Payments to Suppliers for Goods and Services	(83,677)	(38,807)	(122,484)
Cash Payments to Employees	(60,710)	(1,477)	(62,187)
Cash Payments for Employee Benefits and Taxes	(16,007)	(373)	(16,380)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>42,176</u>	<u>1,367</u>	<u>43,543</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In (Out)	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Property, Plant and Equipment	(228,309)	-	(228,309)
Grant Proceeds	204,000	-	204,000
Capital Contributions	39,725	-	-
Interest Paid on Notes and Bonds	(5,752)	-	(5,752)
Principal Paid on Notes and Bonds	(20,331)	-	(20,331)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(10,667)</u>	<u>-</u>	<u>(50,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase (Decrease) in Investments and Interest	686	-	686
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>686</u>	<u>-</u>	<u>686</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,195	1,367	33,562
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>190,993</u>	<u>62,111</u>	<u>253,104</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 223,188</u>	<u>\$ 63,478</u>	<u>\$ 286,666</u>
Operating Income	\$ (21,580)	\$ 843	\$ (20,737)
Adjustments to Reconcile Operating Income to Net Cash Proved by Operating Activities:			
Depreciation	63,012	-	63,012
Amortization	122	-	122
Decrease (Increase) in: Accounts Receivable	(384)	824	440
Increase (Decrease) in: Accounts Payable	1,006	(300)	706
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 42,176</u>	<u>\$ 1,367</u>	<u>\$ 43,543</u>

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

The City of Creede, Colorado, was incorporated on June 13, 1892, under an act entitled "An Act in Relation to Municipal Corporations" passed by the First General Assembly on April 4, 1877. The City operates under a Town Council form of government and provides the following services: public safety, highway and street maintenance, culture and recreation, debt service and general government activities, including financial administration, planning and zoning and municipal court services.

A Board of Trustees elected by eligible voters of the City governs the City of Creede.

Component Units

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

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

Based on aforementioned criteria, the City of Creede has no component units.

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

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The City reports the following major governmental funds:

- The *General Fund* is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Improvements Fund* is used for the aggregation of monies for future capital purchases. Sources of revenue are derived from transfers from other funds and construction use taxes designated for capital improvements.
- The *Virginia G. Christensen Trust Fund* is used to account for revenue earned from the trust fund and the expenditures are to be used for parks and recreations facilities.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

The City reports the following major enterprise funds:

- The *Water and Sewer Fund* accounts for user charges and expenses for operating, financing, and maintaining the City's water, sewer, and sanitation systems.
- The *Trash Fund* accounts for user charges and expenses for operating, financing, and maintaining trash services for the City.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments

Cash and investments for all funds are pooled into one common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at year end. An individual fund's pooled cash and cash investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by the specific accounts noted above are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General fund and interfund payables of the deficit fund.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Mineral County Treasurer bills and collects all property taxes for the County. Monthly remittances are sent to the City of Creede, Colorado. Property tax revenue is recognized by the City to the extent it results in a current receivable.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

The 2007 property tax levy due January 1, 2008 has been recorded in the financial statements as a receivable and a corresponding deferred revenue in the General Fund.

Inventory

Water and Sewer Fund supply inventory is valued at cost. Supplies purchased in the General Fund consist of expendable items held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

Capital Assets

Capital Assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Building	15 – 40
Equipment	5-7
Vehicles	5
Infrastructure	20 – 25

GASB No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Compensated Absences

City employees receive vacation per year depending on employee classification. Salary employees can accumulate up to 10 days per year for the first 5 years of service, 15 days per year for 5-10 years of service and 20 days per year for 10 years of service or more. Full time hourly employees can accumulate up to 5 days after the first year of service and up to 10 days per year for 2 years of service or more. Part time hourly employees can accumulate up to 2 ½ days after the first year of service and up to 5 days per year for 2 years of service or more. Accumulated vacation is not currently limited by the City. A liability for these amounts is reported in the governmental funds only if amounts are actually due to employees as a result of termination and/or retirement.

Long-Term Obligations

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

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

Interest Capitalization

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

Deferred Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as deferred revenues.

Encumbrances

The City does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments out-standing at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Fund Equity

In the Fund Financial Statements, reserved fund balances indicate that a portion of fund equity is not available for appropriation or is legally restricted by outside parties of use for a specific purpose. Fund reservations include debt service, inventories, and TABOR (discussed later). Designated fund balances indicate tentative plans for future use. Undesignated fund balances indicate that a portion of fund equity is available for budgeting in future periods.

Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Formal budgetary integration is employed as a management control device for all funds of the City. The governmental funds and the expendable trust funds budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The proprietary funds budgets are adopted using the

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

same accounting methods as governmental fund types; this procedure follows Colorado State Statute, but is not in accordance with GAAP.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The City Council adopted supplemental appropriations during 2007.

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

Stewardship

The General Fund, Virginia G. Christensen Fund, Legal Defense Fund and the Water and Sewer Fund had actual expenditures exceeding the final budgeted amount by \$189,466, \$13,026, \$5,367 and \$20,920, respectively. Such over expenditures are a violation of Colorado State Statute.

NOTE 3 CASH, DEPOSITS AND INVESTMENTS

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2007 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end \$673,639 of the City's bank balance of \$873,639 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

INVESTMENTS

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks.

Credit Risk

As of December 31, 2007, the local government investment pools (ColoTrust) in which the City had invested, were rated AAAM by Standard & Poor's.

The City of Creede received 20% of the Virginia G. Christensen Trust Estate in 1997. According to the trust agreement the trust income is to be distributed to the City at least annually. The trust principal may also be distributed to the City at the discretion of the trustee, but is to be used only for park or recreational facilities. JP Morgan Chase Trust Department in Boulder, Colorado is serving as the trustee. The Trust is accounted for as a special revenue fund in the City's financial statements.

The Virginia Christensen Trust Fund's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Five of the Virginia Christensen Trust Fund's investments are exposed to foreign currency risk, the Causeway International Value Fund, Dodge and Cox International, JPMorgan China Region Fund, JPMorgan India Fund, and T Rowe Price New Asia Fund, which had fair market values of \$179,920 \$337,881, \$39,993, \$49,452 and \$218,152 as of December 31, 2007 respectively. These funds are highly diversified, which minimize the impact any one currency could have on the overall investments. Ratings from Moody's or Standard and Poor's are not available for these products. The Virginia Christensen Trust Fund is also exposed to possible interest rate risk from 5 fixed income investments including the US Treasury Inflation Protected Securities Fund, JPMorgan Government Bond Fund, the JPMorgan High Yield Bond Fund, JP Morgan Core Plus Fund and JPMorgan Intermediate Bond Fund. These funds hold several types of fixed income securities including: asset backed securities, collateralized mortgage obligations, corporate bonds, mortgage pass through securities, U.S. government bonds, agency securities, and U.S. treasury obligations. There are no concentrations of any one issuer.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Up To 120 Days</u>	<u>121 Days to 5 Years</u>	<u>More Than 5 Years</u>
Bond Funds	100% \$ 3,532,177	\$ 3,532,177	\$ -	\$ -
		100.00%	0.00%	0.00%
Cash on Hand and in Banks	\$ 971,308			
Money Market Funds	\$ 759,171			
ColoTrust	<u>90,557</u>			
Cash and Investments in Custody of Others		<u>849,728</u>		
Total Deposits and Investments		<u>\$ 5,353,213</u>		

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

The carrying amounts of deposits and investments are reflected in the accompanying financial statements as:

<u>Government-wide Statement of Net Assets</u>	
Cash and cash equivalents	\$ 818,703
Restricted cash and investments	<u>4,534,510</u>
	<u>\$ 5,353,213</u>

Interest Rate Risk

Colorado Revised Statutes and the City’s investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

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

NOTE 4 INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007 were as follows:

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Improvements Fund	Virginia Christensen Fund	\$ <u>51,500</u>
	TOTALS	\$ <u>51,500</u>

This transfer from the Virginia Christensen Fund to the Capital Improvements Fund was for the City’s use for recreational purposes.

NOTE 5 PREPAID BOND COSTS

Bond issuance cost on the series 1971 Joint Water and Sewer Revenue Bond amounted to \$2,776.75. The issuance costs are being amortized over the life of the bonds.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	BALANCE 12/31/2006	ADDITIONS	DELETIONS	BALANCE 12/31/2007
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 109,898	\$ -	\$ -	\$ 109,898
Total Capital assets not being depreciated	<u>109,898</u>	<u>-</u>	<u>-</u>	<u>109,898</u>
Capital assets being depreciated				
Building and Improvements	352,140	-	-	352,140
Equipment	58,100	-	-	58,100
Vehicles	41,624	-	-	41,624
Total Capital assets being depreciated	<u>451,864</u>	<u>-</u>	<u>-</u>	<u>451,864</u>
Less accumulated depreciation for :				
Building and Improvements	74,648	12,213	-	86,861
Equipment	53,800	400	-	54,200
Vehicles	41,624	-	-	41,624
Total Accumulated Depreciation	<u>170,072</u>	<u>12,613</u>	<u>-</u>	<u>182,685</u>
Total Capital assets being depreciated, net	<u>281,792</u>	<u>(12,613)</u>	<u>-</u>	<u>269,179</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 391,690</u>	<u>\$ (12,613)</u>	<u>\$ -</u>	<u>\$ 379,077</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 32,457	\$ -	\$ -	\$ 32,457
Construction in Progress	106,350	-	97,897	8,453
Total Capital assets not being depreciated	<u>138,807</u>	<u>-</u>	<u>97,897</u>	<u>40,910</u>
Capital assets being depreciated				
Utility Plant	2,082,518	326,206	-	2,408,724
Equipment	123,671	-	-	123,671
Total Capital assets being depreciated, net	<u>2,206,189</u>	<u>326,206</u>	<u>-</u>	<u>2,532,395</u>
Less accumulated depreciation for :				
Total Accumulated Depreciation	<u>1,172,664</u>	<u>63,012</u>	<u>-</u>	<u>1,235,676</u>
Total Accumulated Depreciation	<u>1,033,525</u>	<u>263,194</u>	<u>-</u>	<u>1,296,719</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 1,172,332</u>	<u>\$ 263,194</u>	<u>\$ 97,897</u>	<u>\$ 1,337,629</u>

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

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

Governmental activities:	
General Government	\$ 6,250
Public Works	908
Culture and Recreation	<u>5,455</u>
Total depreciation expense – governmental activities	<u>\$ 12,613</u>
Business-type activities:	
Water Services	\$ 42,830
Sewer Services	<u>20,182</u>
Total depreciation expense – business-type activities	<u>\$ 63,012</u>

NOTE 7 LONG-TERM DEBT

Changes in Long-term Debt

	Beginning Balance <u>12/31/06</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/07</u>	Due Within <u>One Year</u>
Business-type activities:					
Joint Water and Sewer Revenue Bonds – 1971	\$ 53,000	\$ -	\$ 18,000	\$ 35,000	\$ 18,000
Note Payable	<u>68,000</u>	<u>-</u>	<u>2,331</u>	<u>65,669</u>	<u>2,150</u>
Business-type activities long-term debt	<u>\$ 121,000</u>	<u>\$ -</u>	<u>\$ 20,331</u>	<u>\$ 100,669</u>	<u>\$ 20,150</u>

BUSINESS-TYPE ACTIVITIES:

Revenue Bonds

The City of Creede, Colorado on October 8, 1971, issued to the United States Department of Agriculture, Farmers Home Administration, a 5%, \$355,000 Joint Water and Sewer Revenue Bond Payable solely out of net income and revenue derived by the City from the operation of the municipal water and sewer system. The bond is secured by an irrevocable first lien on the net revenue of the fund. The bond ordinance requires that a reserve account in the amount of \$22,600 be established to prevent defaults in the payment of interest and principal of bonds issued. Principal payments in varying amounts through 2010 are made annually on January 1 with interest at 5%. The payment due January 1, 2007 was made by the City in December of 2007.

The bond ordinance for the series 1971 bonds require:

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

“The board of trustees of the Town covenants that it will establish, maintain, and enforce rates and charges for services rendered by the joint system to create income and revenue each year sufficient to pay maintenance and operation expense of the joint system and to cover 1.25 times the annual interest and principal requirements of the bonds authorized herein.”

These requirements were met for the year ended December 31, 2007.

The annual debt service for the revenue bonds is as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Yearly</u> <u>Requirements</u>
2009	\$ 18,000	\$ 1,713	\$ 19,713
2010	<u>17,000</u>	<u>813</u>	<u>17,813</u>
TOTAL	<u>\$ 35,000</u>	<u>\$ 2,526</u>	<u>\$ 37,526</u>

Note Payable

Note payable to the State of Colorado Department of Local Affairs as a part of the Energy and Mineral Impact Grant for the Creede Water Line Replacement Project, payable in annual payments of \$5,434, including interest at 5%. Final payment is due 2026.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,150	\$ 3,284	\$ 5,434
2009	2,258	3,176	5,434
2010	2,371	3,063	5,434
2011	2,489	2,945	5,434
2012-16	14,443	12,725	27,168
2017-21	18,433	8,735	27,168
2022-2026	<u>23,525</u>	<u>3,644</u>	<u>27,169</u>
TOTAL	<u>\$ 65,669</u>	<u>\$ 37,572</u>	<u>\$ 103,241</u>

NOTE 8 PENSION PLANS

The City of Creede participates in a pension plan offered by Colorado County Officials and Employees Retirement Association, with Denver U.S. National Bank as trustee. The plan is a defined contribution plan and the City has no liability other than to make the required monthly contributions. All employees employed by the City on a full-time basis are eligible for the plan. The financial report can be obtained by writing to the Colorado County Officials and Employees Retirement Association, 4949 S Syracuse St Ste 430 Denver, CO 80237 or by calling 1-303-713-9400.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

The City agrees to contribute a minimum of 3% and a maximum of 6% of the compensation of each employee. Currently, the City contributes 3%. Each participant contributes an amount equal to the City's contribution. Participants may contribute an extra voluntary amount not to exceed 10% of their compensation.

The plan provides for various methods of withholding money and vesting schedules. Upon retirement, an annuity is purchased for the participant. The City is not involved in making pension payments and is only liable for their monthly contribution. The authorization for and the basic requirements of the plan are described in section 24-51-901 through 24-51-911 of the Colorado Revised Statutes (1973).

The City's current year covered payroll was \$124,381. The total City payroll for this period was \$162,347. Four employees were enrolled in the plan at year end.

Contributions:

	Amount	% of Covered Payroll
Employer Contributions to Plan	\$ 3,731	3%
Employee Contributions to Plan	3,731	3%
Total Contributions	\$ 7,462	

NOTE 9 RESTRICTED ASSETS

In accordance with the contract with the Deep Creek Water and Sanitation District cash in the amount of \$27,019 has been restricted for sewer treatment facility expansion. See Note 10. In accordance with bond covenants cash in the amount of \$23,269 has been restricted for the bond cash reserve. See Note 7.

Cash in the amount of \$113,572 and investments in the amount of \$4,291,348 are restricted by the Virginia G. Christensen Trust agreement. According to the agreement the funds are to be used for parks and recreation projects and facilities.

Cash in the amount of \$ 38,840 and \$30,000 is restricted per the pre-annexation agreement with The Creede America Group, LLC in the General Fund and Water and Sewer Fund respectively.

NOTE 10 DEEP CREEK WATER AND SANITATION DISTRICT

During 1990, the City signed a contract with the Deep Creek Water and Sanitation District which allows the District to connect to the City's sewage treatment and disposal system. The District pays a monthly user fee for the services, and is required to pay a one-time connection fee of \$400 per user. The contract states that the Deep Creek user connection fees will be placed into a separate fund to be used only for sewer treatment facility expansion. User connection fees of \$27,019 are recorded as restricted cash at December 31, 2007.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

NOTE 11 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. These risks are covered by participation in the Colorado Intergovernmental Risk Sharing Agency and the City continues to carry commercial insurance for employee health and life insurance. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage in the current year or in any of the prior three years.

Risk Pool

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). This public entity risk pool does not meet the criteria for inclusion within the reporting entity because CIRSA is:

- financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the City,
- has a separate management, which is responsible for day to day operations and is accountable to a separate governing board,
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and

- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls

The purpose of the risk pool is to provide members the coverage's authorized by law, through joint self-insurance, insurance, reinsurance, or any combination thereof, to provide claims services related to such coverage's and to provide risk management and loss control services to assist members in preventing and reducing losses and injuries.

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

The risk sharing agency combined summary audited financial information as of December 31, 2007, for the CIRSA Property and Liability Fund and Worker's Compensation Pool, is as follows:

	<u>2007</u>
Assets	\$ <u>66,291,264</u>
Liabilities	\$ 32,691,419
Net Assets	<u>33,599,845</u>
 Total Liabilities and Net Assets	 \$ <u>66,291,264</u>
Revenues	\$ 26,490,950
Expenditures	<u>(20,125,102)</u>
 Excess (Deficiency) of Revenues to Expenditures	 \$ <u>6,365,848</u>

NOTE 12 SEGMENT INFORMATION

The City of Creede, Colorado, provides water, sewer, and trash services for City residents. The City has two enterprise funds to account for these activities. The following segment information is provided:

	<u>WATER</u>	<u>SEWER</u>	<u>TRASH</u>	<u>TOTAL</u>
Operating Revenue	\$ 184,247	\$ 58,432	\$ 41,200	\$ 283,879
Depreciation and Amortization Expense	\$ 41,019	\$ 22,115	\$ -	\$ 63,134
Operating Income (Loss)	\$ 47,871	\$ (29,726)	\$ 843	\$ 18,988
Net Income (Loss)	\$ 233,267	\$ (32,259)	\$ 843	\$ 201,851

Because water and sewer services are provided for in one fund, several items cannot be allocated between water and sewer. Therefore, some line items have been omitted in the segment information.

NOTE 13 TABOR EMERGENCY RESERVE

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

CITY OF CREEDE, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2007

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

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

The voters of the City passed a ballot issue in 1996 that allowed the retention of excess revenues as defined by the Tabor Amendment.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grant Programs – The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Insurance Pools - The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) and the Colorado Workers' Compensation Pool (CWCP). CIRSA and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds, and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CIRSA and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. The ultimate liability to the City resulting from claims not covered by CIRSA and CWCP is not presently determinable.

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CITY OF CREEDE, COLORADO

SUPPLEMENTARY INFORMATION

The Combining Financial Statements represent the second level of financial reporting for the City. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

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**CITY OF CREEDE, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

Conservation Trust Fund – This fund is used to account for the City’s share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

Legal Defense Fund – This fund is used to account for funds collected by the City to pay litigation costs in their fight against the railroad.

**CITY OF CREEDE, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2007**

	CONSERVATION TRUST FUND	LEGAL DEFENSE FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS			
Cash	\$ 4,190	\$ -	\$ 4,190
TOTAL ASSETS	\$ 4,190	\$ -	\$ 4,190
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
FUND BALANCE			
Fund Balance			
Undesignated	4,190	-	4,190
TOTAL FUND BALANCE	4,190	-	4,190
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,190	\$ -	\$ 4,190

CITY OF CREEDE, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	<u>CONSERVATION TRUST FUND</u>	<u>LEGAL DEFENSE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
REVENUES			
Intergovernmental Revenue	\$ 4,253	\$ -	\$ 4,253
Interest	62	72	134
TOTAL REVENUES	<u>4,315</u>	<u>72</u>	<u>4,387</u>
EXPENDITURES			
Culture and Recreation	4,469	-	4,469
Professional Services	-	6,167	6,167
TOTAL EXPENDITURES	<u>4,469</u>	<u>6,167</u>	<u>10,636</u>
Excess (deficiency) of revenues over expenditures	(154)	(6,095)	(6,249)
Fund Balance at Beginning of Year	<u>4,344</u>	<u>6,095</u>	<u>10,439</u>
Fund Balance at End of Year	<u>\$ 4,190</u>	<u>\$ -</u>	<u>\$ 4,190</u>

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CITY OF CREEDE, COLORADO
OTHER SCHEDULES AND REPORTS

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CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental Revenue				
State Lottery	\$ 3,750	\$ 4,500	\$ 4,253	\$ (247)
Total Intergovernmental Revenue	<u>3,750</u>	<u>4,500</u>	<u>4,253</u>	<u>(247)</u>
Other Revenue				
Interest Income	-	-	62	62
Total Other Revenue	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
TOTAL REVENUES	<u>3,750</u>	<u>4,500</u>	<u>4,315</u>	<u>(185)</u>
EXPENDITURES				
Culture and Recreation				
Park Maintenance	3,600	4,470	-	4,470
Park Salaries	-	-	4,469	(4,469)
Total Culture and Recreation	<u>3,600</u>	<u>4,470</u>	<u>4,469</u>	<u>1</u>
TOTAL EXPENDITURES	<u>3,600</u>	<u>4,470</u>	<u>4,469</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	150	30	(154)	(184)
Fund Balances at Beginning of Year	<u>4,344</u>	<u>4,344</u>	<u>4,344</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 4,494</u>	<u>\$ 4,374</u>	<u>\$ 4,190</u>	<u>\$ (184)</u>

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LEGAL DEFENSE FUND
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Interest	\$ 4	\$ 60	\$ 72	\$ 12
TOTAL REVENUES	<u>4</u>	<u>60</u>	<u>72</u>	<u>12</u>
EXPENDITURES				
Professional Services	<u>3,000</u>	<u>800</u>	<u>6,167</u>	<u>(5,367)</u>
TOTAL EXPENDITURES	<u>3,000</u>	<u>800</u>	<u>6,167</u>	<u>(5,367)</u>
Excess (deficiency) of revenues over expenditures	(2,996)	(740)	(6,095)	(5,355)
Fund Balances at Beginning of Year	<u>6,095</u>	<u>6,095</u>	<u>6,095</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,099</u>	<u>\$ 5,355</u>	<u>\$ -</u>	<u>\$ (5,355)</u>

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL
WATER AND SEWER FUND
For the Year Ended December 31, 2007

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
OPERATING REVENUES				
Charges for Services	\$ 199,500	\$ 199,500	\$ 202,954	\$ 3,454
Total Operating Revenues	<u>199,500</u>	<u>199,500</u>	<u>202,954</u>	<u>3,454</u>
OPERATING EXPENSES				
Personnel Services	75,904	75,904	76,717	(813)
Materials and Supplies	16,000	16,000	14,018	1,982
Testing Fees	4,000	4,000	5,165	(1,165)
Professional Services	15,000	15,000	12,385	2,615
Repairs	5,000	5,000	3,257	1,743
Utilities	33,000	33,000	35,618	(2,618)
Insurance	6,000	6,000	4,039	1,961
Depreciation	40,897	40,897	63,012	(22,115)
Capital Improvements	204,000	224,000	229,584	(5,584)
Other Expenses	12,000	12,000	8,926	3,074
Total Operating Expenses	<u>411,801</u>	<u>431,801</u>	<u>452,721</u>	<u>(20,920)</u>
Operating income (loss)	<u>(212,301)</u>	<u>(232,301)</u>	<u>(249,767)</u>	<u>(17,466)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	-	-	686	686
DOLA Grant Revenue	204,000	204,000	187,929	(16,071)
Interest Expense	(7,331)	(7,331)	(5,752)	1,579
Principal Payment	(19,103)	(19,103)	(20,331)	(1,228)
Total nonoperating revenues (expenses)	<u>177,566</u>	<u>177,566</u>	<u>162,532</u>	<u>(15,034)</u>
Income Before Other Revenue	<u>(34,735)</u>	<u>(54,735)</u>	<u>(87,235)</u>	<u>(32,500)</u>
Capital Contributions	<u>55,000</u>	<u>55,000</u>	<u>39,725</u>	<u>(15,275)</u>
Net Income (Loss) - Budget Basis	<u>20,265</u>	<u>265</u>	<u>(47,510)</u>	<u>(47,775)</u>
Add: Capital Outlay			228,309	
Add: Principal Payments			20,331	
Deduct: Amortization			<u>(122)</u>	
Net Income (Loss)			201,008	
Net Assets at beginning of year	<u>1,260,896</u>	<u>1,260,896</u>	<u>1,260,896</u>	<u>-</u>
Net Assets at end of year	<u>\$ 1,281,161</u>	<u>\$ 1,261,161</u>	<u>\$ 1,461,904</u>	<u>\$ 200,743</u>

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL
TRASH FUND
For the Year Ended December 31, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OPERATING REVENUE				
Charges for Services	\$ 44,000	\$ 44,000	\$ 41,200	\$ (2,800)
Total Operating Revenue	<u>44,000</u>	<u>44,000</u>	<u>41,200</u>	<u>(2,800)</u>
OPERATING EXPENSES				
Personnel Services	-	-	1,850	(1,850)
Garbage Collection Expense	39,000	39,000	38,507	493
Miscellaneous Expense	1,887	1,887	-	1,887
Total Operating Expenses	<u>40,887</u>	<u>40,887</u>	<u>40,357</u>	<u>530</u>
Operating Income (Loss)	<u>3,113</u>	<u>3,113</u>	<u>843</u>	<u>(2,270)</u>
Net Income - Budget Basis	3,113	3,113	843	(2,270)
Net Assets at beginning of year	<u>60,175</u>	<u>60,175</u>	<u>60,175</u>	<u>-</u>
Net Assets at end of year	<u>\$ 63,288</u>	<u>\$ 63,288</u>	<u>\$ 61,018</u>	<u>\$ (2,270)</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Creede
	YEAR ENDING : December 2007

This Information From The Records Of (example - City of _ or County of City of Creede)	Prepared By: Clyde Dooley	Phone: (719) 658-2276
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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)	8,981
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,255
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	20,000	b. Snow and ice removal	7,992
3. Other local imposts (from page 2)	7,060	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	7,992
5. Transfers from toll facilities		4. General administration & miscellaneous	4,439
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	17,500
a. Bonds - Original Issues		6. Total (1 through 5)	47,167
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	27,060	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	21,454	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	48,514	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)	47,167

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
	920	48,514	47,167	2,267	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2007

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	7,060	g. Other Misc. Receipts	
6. Total (1. through 5.)	7,060	h. Other	
c. Total (a. + b.)	7,060	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	18,742	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	2,712	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	2,712	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	21,454	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		8,981	8,981
(5). Total Construction (1) + (2) + (3) + (4)	0	8,981	8,981
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,981	8,981
			(Carry forward to page 1)

Notes and Comments: