

**Town of Granby
Granby, Colorado**

**Financial Statements
December 31, 2010**



**Town of Granby, Colorado
Financial Report
December 31, 2010**

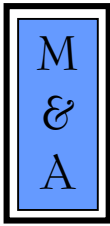
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Town Council Town of Granby, Colorado

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

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Town of Granby, Colorado, as of December 31, 2010, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the major governmental funds for the year then ended in conformity with U.S. generally accepted accounting principles.

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

Member: American Institute of Certified Public Accountants

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The accompanying financial information in section F is presented for purposes of additional analysis and is not a required part of the financial statements. These sections are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. Section G has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

McMahan and Associates, L.L.C.
April 5, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Granby, Colorado

Management's Discussion and Analysis December 31, 2010

As management of the Town of Granby ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2010.

Financial Highlights

- The Town had an increase in net assets of \$1,181,246. The increase was in part attributable to significant asset contributions including Grand Elk water and sewer assets.
- The Town's governmental funds combined fund balance increased by \$582,522 due largely to a sales tax settlement from the State of Colorado.

Overview of the Financial Statements

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

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

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, streets, and parks and recreation. The business-type activities of the Town include water and sewer services.

Overview of the Financial Statements (continued)

The government-wide financial statements include not only the Town itself (known as the primary government), but also the Grand Elk General Improvement District. Because the Town created the General Improvement District and the Town Board is also the Grand Elk General Improvement District Board, the financial statements are required to be blended or combined for financial reporting purposes. Therefore, the financial information for Grand Elk General Improvement District is blended to include the financial information for the District as a fund of the Town. Additional information regarding Grand Elk General Improvement District is available on Page D1.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D15 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the Town's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 72% of the total assets. The Town uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net assets, the following are restricted:

	<u>01/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/10</u>
<i>General Fund:</i>				
Emergency reserves	\$ 94,914	24,074	-	\$ 118,988
Affordable housing	70,421	-	-	70,421
SC West lighting	7,342	-	-	7,342
Downtown development	264,894	-	(37,763)	227,131
Employee severance	46,670	-	(21,670)	25,000
Recreation	124,740	-	-	124,740
Police Surcharge	27,293	80	-	27,373
<i>Grand Elk Fund:</i>				
Emergency reserves	23,738	1,903	-	25,641
<i>Water Plant Investment Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
	<u>\$ 842,662</u>	<u>26,057</u>	<u>(59,433)</u>	<u>809,286</u>

The following graphs show the Town's net assets for 2009 and 2010:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:						
Current and other assets	\$ 7,912,832	7,329,160	1,767,603	1,765,205	9,680,435	9,094,365
Capital assets	13,657,291	14,216,301	11,801,623	10,925,072	25,458,914	25,141,373
Total Assets	<u>21,570,123</u>	<u>21,545,461</u>	<u>13,569,226</u>	<u>12,690,277</u>	<u>35,139,349</u>	<u>34,235,738</u>
Liabilities:						
Other liabilities	1,572,861	1,508,078	107,564	65,589	1,680,425	1,573,667
Long-term liabilities	12,287,958	12,660,534	204,321	216,136	12,492,279	12,876,670
Total Liabilities	<u>13,860,819</u>	<u>14,168,612</u>	<u>311,885</u>	<u>281,725</u>	<u>14,172,704</u>	<u>14,450,337</u>
Net Assets:						
Invested in capital assets, net of related debt	3,999,244	4,248,149	11,585,486	10,697,574	15,584,730	14,945,723
Restricted	765,982	769,663	182,650	182,650	948,632	952,313
Unrestricted	2,944,076	2,359,038	1,489,206	1,528,327	4,433,282	3,887,365
Total Net Assets	<u>\$ 7,709,302</u>	<u>7,376,850</u>	<u>13,257,342</u>	<u>12,408,551</u>	<u>20,966,644</u>	<u>19,785,401</u>

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year. Capital assets increased significantly due to contributions of assets from development projects within Town.

Overview of the Financial Statements (continued)

The following chart is a summary of financial information relating to the Town's Statement of Activities:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 413,240	427,989	1,241,193	1,122,871	1,654,433	1,550,860
Operating grants & contributions	161,107	224,672	33,847	35,584	194,954	260,256
Capital grants & contributions	4,724	1,184,380	1,238,923	799,003	1,243,647	1,983,383
General revenues:						
Property taxes	1,347,529	1,209,585	-	-	1,347,529	1,209,585
Sales and use taxes	2,722,731	1,943,267	-	-	2,722,731	1,943,267
Other taxes	206,857	200,827	-	-	206,857	200,827
Investment earnings and other revenue	47,325	90,231	15,199	24,284	62,524	114,515
Total Revenues	4,903,513	5,280,951	2,529,162	1,981,742	7,432,675	7,262,693
Expenses:						
General government	1,297,234	1,427,078	-	-	1,297,234	1,427,078
Public safety	721,163	692,488	-	-	721,163	692,488
Streets	1,310,840	1,629,896	-	-	1,310,840	1,629,896
Parks & recreation	610,444	615,148	-	-	610,444	615,148
Interest	631,378	652,119	-	-	631,378	652,119
Water	-	-	1,050,021	968,731	1,050,021	968,731
Sewer	-	-	630,349	586,806	630,349	586,806
Total Expenses	4,571,059	5,016,729	1,680,370	1,555,537	6,251,429	6,572,266
Change in Net Assets before transfers	332,454	264,222	848,792	426,205	1,181,246	690,427
Change in Net Assets	332,454	264,222	848,792	426,205	1,181,246	690,427
Net Assets - Beginning	7,376,850	7,112,627	12,408,551	11,982,346	19,785,401	19,094,973
Net Assets - Ending	\$ 7,709,304	7,376,849	13,257,343	12,408,551	20,966,647	19,785,400

Governmental activities: Governmental activities increased the Town's net assets by \$264,223. Key elements of this increase are as follows:

- Capital grants and contributions listed above consisted primarily of infrastructure provided to the Town (e.g. Granby Ranch, Village roads, sewer, etc.). Sales tax increased significantly due to a significant sales tax settlement received from the State.
- Street expenditures were lower due to decreased expenses from paving expenses.

Business-type activities: Business-type activities increased the Town's net assets by \$426,205. Key elements of this change are as follows:

- Business type assets increased due to significant amounts of developer contributions in part attributable to significant asset contributions including water and sewer lines in the Grand Elk Subdivision.

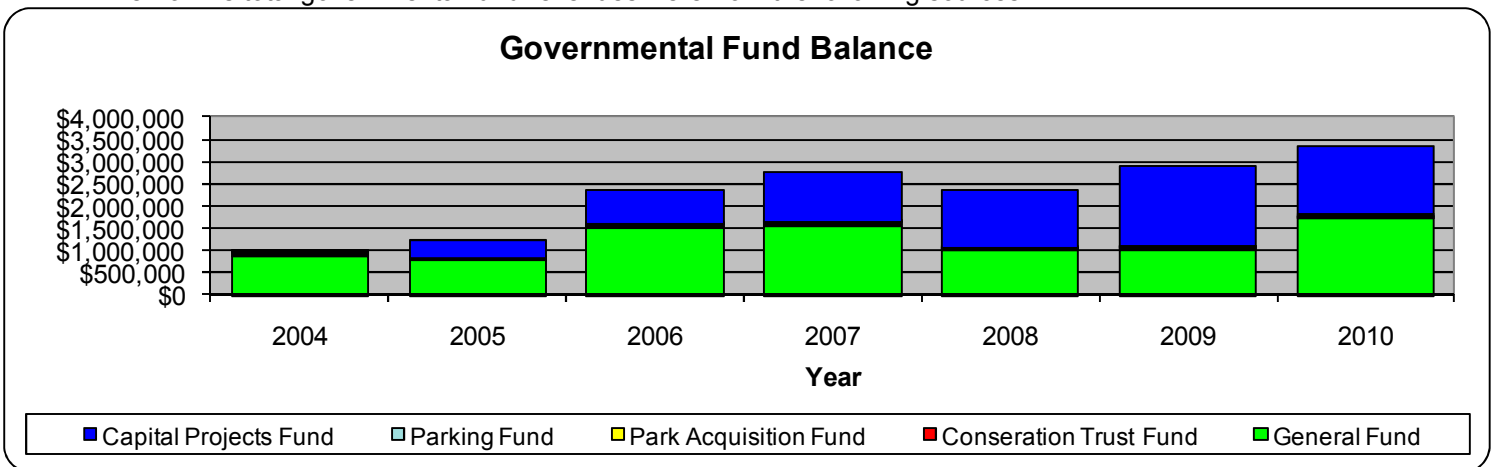
Financial Analysis of the Town's Funds

As mentioned on page B1 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

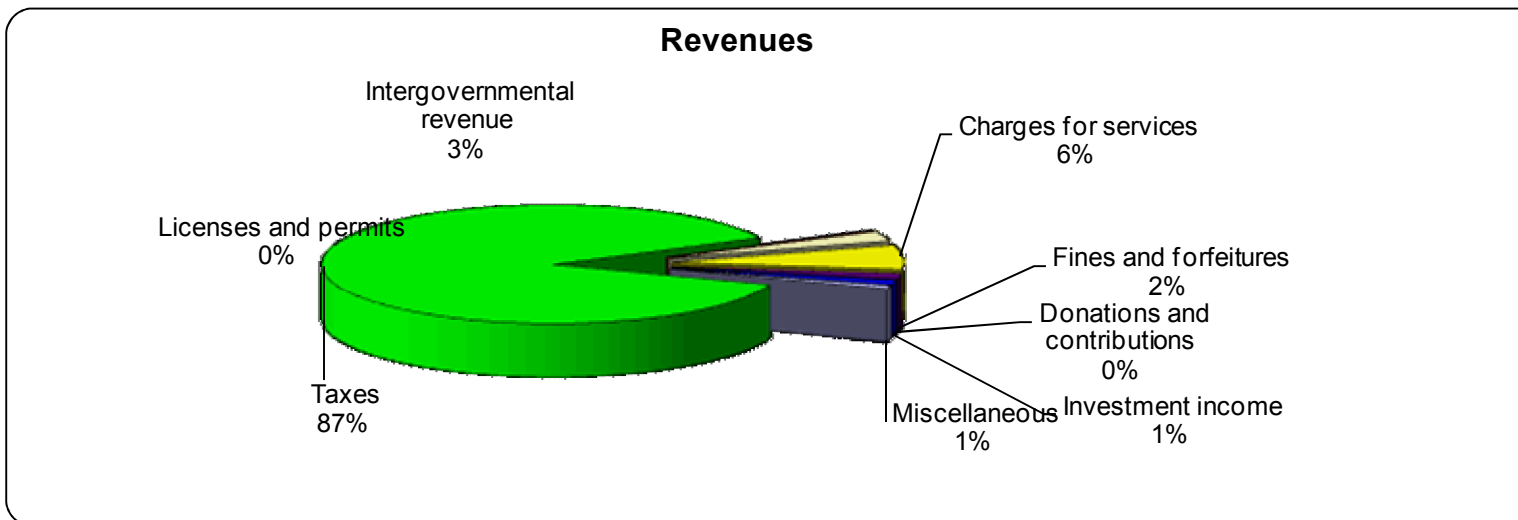
Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,411,359, an increase of \$582,522 from the prior year ending fund balances. The Town's fund balances for past three years and 2010 are presented in graph format below. To increase comparability, the graph excludes the Grand Elk General Improvement District and Special Disaster Relief Fund.

The Town's total governmental fund revenues were from the following sources:



The Town's total governmental fund expenditures were from the following sources:



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

Budget variances in the General Fund: The Town's significant General Fund budget variances are detailed as follows:

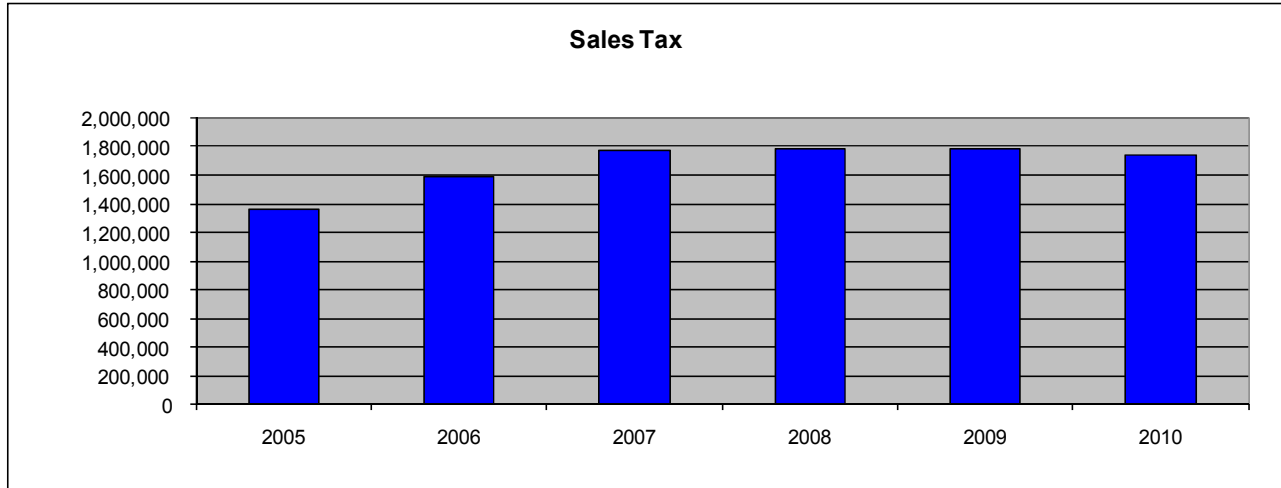
	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & Use	\$ 1,789,009	\$ 2,382,390	593,381	Received sales tax settlement from State.
Developer revenue sharing	162,851	141,188	(21,663)	Decreased HWMD revenue sharing fees.
Other income	11,173	26,214	15,041	Include insurance claim reimbursement.
Total Revenues	3,073,398	3,639,971	566,573	
Expenditures:				
Legislative	311,935	167,857	144,078	Budgeted \$120,000 for tax lien purchases.
Economic Development	141,100	42,912	98,188	Minimal downtown enhancement projects.
Administrative	605,160	587,112	18,048	Variety of expenses below budget.
Street	820,699	712,808	107,891	Sidewalk and paving less than anticipated.
Capital Outlay	95,639	178,705	(83,066)	Dump Truck purchase.
Total Expenditures	3,768,712	3,502,660	266,052	

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, increased due to the additions to Town Streets, sidewalks and equipment. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D10 and D11 of this report.

Long-term debts: As of the end of the current fiscal year, the Town had \$12,528,393 in governmental long-term debts. This includes \$10,010,000 of Grand Elk General Improvement District debt which is solely the responsibility of the District. The Town has no responsibility for the debt, other than its responsibility as the primary government sponsoring the District. The Town also had capital leases relating to the purchase of a public works building and a Town hall. Additionally, the Town's Water Fund had a Colorado Water Conservation Board note. Additional information regarding the Town's debt can be found on pages D12 through D13.

Financial Analysis of the Town's Funds (continued)

Sales and Use Tax: The Town has 4% sales and use tax that is used to fund its governmental operations. 12.5% of the tax collected is placed in the Capital Improvement Fund for future capital acquisitions. The decrease in sales tax (excluding the settlement) from 2009 was -\$43,155 or -2%. The following chart indicates changes in the sales tax over the past several years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$1,736,152. The Town's 2011 budget anticipates an ending General Fund balance of \$1,351,015.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Finance Director, P.O. Box 440, Granby, Colorado 80446.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Granby, Colorado
Statement of Net Assets
December 31, 2010

ASSETS:	Governmental Activities	Business type Activities	Total
Cash and investments	4,332,299	1,682,721	6,015,020
Cash with Treasurer	4,115	-	4,115
Accounts, taxes, and interest receivable	1,759,589	84,881	1,844,470
Prepaid expenses	27,614	-	27,614
Total current assets	<u>6,123,617</u>	<u>1,767,602</u>	<u>7,891,219</u>
Other assets:			
Deferred charges	<u>1,789,214</u>	<u>-</u>	<u>1,789,214</u>
Capital assets:			
Water rights	-	454,548	454,548
Land & Improvements	1,433,268	9,804	1,443,072
Infrastructure	10,375,479	-	10,375,479
System and improvements	-	15,615,879	15,615,879
Buildings and improvements	7,242,475	86,462	7,328,937
Equipment	1,596,705	401,378	1,998,083
Less accumulated depreciation	<u>(6,990,637)</u>	<u>(4,766,448)</u>	<u>(11,757,085)</u>
Total capital assets (net of accumulated depr.)	<u>13,657,290</u>	<u>11,801,623</u>	<u>25,458,913</u>
Total assets	<u>21,570,121</u>	<u>13,569,225</u>	<u>35,139,346</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	43,723	16,695	60,418
Accrued expenses	61,919	19,934	81,853
Deposits	6,000	-	6,000
Deferred revenue	1,461,220	-	1,461,220
Total current liabilities:	<u>1,572,862</u>	<u>36,629</u>	<u>1,609,491</u>
Noncurrent liabilities:			
Compensated absences	139,398	59,117	198,515
Accrued interest	34,819	-	34,819
Due within one year	439,278	11,816	451,094
Due in more than one year	11,674,463	204,321	11,878,784
Total noncurrent liabilities	<u>12,287,958</u>	<u>275,254</u>	<u>12,563,212</u>
Total liabilities	<u>13,860,820</u>	<u>311,883</u>	<u>14,172,703</u>
NET ASSETS:			
Invested in capital assets, net of related debt	3,999,244	11,585,486	15,584,730
Restricted	765,982	182,650	948,632
Unrestricted	<u>2,944,076</u>	<u>1,489,206</u>	<u>4,433,282</u>
Total net assets	<u>7,709,302</u>	<u>13,257,342</u>	<u>20,966,644</u>

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

**Town of Granby, Colorado
Statement of Activities
December 31, 2010**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	1,297,234	99,126	55,268	-	(1,142,840)	-	(1,142,840)
Public safety	721,163	179,183	-	4,724	(537,256)	-	(537,256)
Streets	1,310,840	5,822	71,194	-	(1,233,824)	-	(1,233,824)
Parks and recreation	610,444	129,109	34,645	-	(446,690)	-	(446,690)
Interest	631,378	-	-	-	(631,378)	-	(631,378)
Total Governmental Activities	<u>4,571,059</u>	<u>413,240</u>	<u>161,107</u>	<u>4,724</u>	<u>(3,991,988)</u>	<u>-</u>	<u>(3,991,988)</u>
Business-type activities:							
Water	1,050,021	755,306	33,847	626,324	-	365,456	-
Sewer	630,349	485,887	-	612,599	-	468,137	468,137
Total Business-type Activities	<u>1,680,370</u>	<u>1,241,193</u>	<u>33,847</u>	<u>1,238,923</u>	<u>-</u>	<u>833,593</u>	<u>833,593</u>
Total Primary Government	<u><u>6,251,429</u></u>	<u><u>1,654,433</u></u>	<u><u>194,954</u></u>	<u><u>1,243,647</u></u>	<u><u>(3,991,988)</u></u>	<u><u>833,593</u></u>	<u><u>(3,158,395)</u></u>
General Revenues:							
Property tax, levied for general purposes					1,347,529	-	1,347,529
Specific ownership tax					50,041	-	50,041
General sales and use tax					2,722,731	-	2,722,731
Franchise tax					117,576	-	117,576
Other miscellaneous taxes					39,240	-	39,240
Investment earnings					56,472	11,654	68,126
Grants and contributions not restricted to any program					(24,163)	3,545	(20,618)
Gain (loss) on disposal of assets					15,016	-	15,016
Total General Revenues, Special Items, and Transfers					<u>4,324,442</u>	<u>15,199</u>	<u>4,339,641</u>
Change in Net Assets					332,454	848,792	1,181,246
Net Assets - Beginning					7,376,850	12,408,551	19,785,401
Net Assets - Ending					<u><u>7,709,304</u></u>	<u><u>13,257,343</u></u>	<u><u>20,966,647</u></u>

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

FUND FINANCIAL STATEMENTS



Town of Granby, Colorado
Balance Sheet
Governmental Funds
December 31, 2010

	<u>General</u>	<u>Grand Elk GID</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and investments - Unrestricted	1,671,895	485,993	1,556,971	67,440	3,782,299
Cash and Investments - Restricted	-	550,000	-	-	550,000
Cash with County Treasurer	2,022	2,073	-	21	4,116
Receivables, net of allowance for uncollectibles	920,683	794,417	15,915	28,572	1,759,587
Prepaid expenses	27,614	-	-	-	27,614
Total Assets	<u>2,622,214</u>	<u>1,832,483</u>	<u>1,572,886</u>	<u>96,033</u>	<u>6,123,616</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable	40,512	92	-	3,115	43,719
Accrued payroll	43,606	-	-	-	43,606
Accrued compensated absences	139,398	-	-	-	139,398
Accrued expenses	18,313	-	-	-	18,313
Deferred revenue	644,231	794,417	-	28,572	1,467,220
Total Liabilities	<u>886,060</u>	<u>794,509</u>	<u>-</u>	<u>31,687</u>	<u>1,712,256</u>
Fund Balances:					
Reserved	600,995	25,641	-	-	626,636
Reserved for debt service	-	778,964	-	-	778,964
Unreserved:					
General	1,135,159	-	-	-	1,135,159
Special revenue	-	230,215	-	64,345	294,560
Capital projects	-	3,154	1,572,886	-	1,576,040
Total Fund Balances	<u>1,736,154</u>	<u>1,037,974</u>	<u>1,572,886</u>	<u>64,345</u>	<u>4,411,359</u>
Total Liabilities and Fund Balances	<u>2,622,214</u>	<u>1,832,483</u>	<u>1,572,886</u>	<u>96,032</u>	<u>6,123,615</u>

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

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

Governmental Funds Total Fund Balance	4,411,359
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	20,647,927
Bond issuance expenses and deferred charges are capitalized and amortized over the life of the bond issue.	1,789,214
Less:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition	(6,990,637)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt and capital leases owed.	(12,113,741)
Accrued interest is not due and payable in the current period and not reported in the fund. This represents accrued interest on the Town's debt.	(34,819)
Governmental Activities Net Assets	<u><u>7,709,303</u></u>

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

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

	<u>General</u>	<u>Grand Elk GID</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	3,083,308	844,917	340,340	8,550	4,277,115
Licenses and permits	6,663	-	-	-	6,663
Intergovernmental revenue	110,918	-	-	18,314	129,232
Charges for services	322,538	-	-	-	322,538
Fines and forfeitures	76,993	-	-	-	76,993
Investment income	13,335	30,786	12,092	550	56,763
Miscellaneous	26,214	-	5,822	12,700	44,736
Total Revenues	<u>3,639,969</u>	<u>875,703</u>	<u>358,254</u>	<u>40,114</u>	<u>4,914,040</u>
Expenditures:					
General government	1,071,848	75,980	-	1,618	1,149,446
Public safety	751,247	-	-	-	751,247
Streets	712,808	29,076	-	-	741,884
Parks and recreation	448,849	-	-	-	448,849
Capital outlay	178,705	-	-	58,733	237,438
Debt service	339,203	678,467	-	-	1,017,670
Total Expenditures	<u>3,502,660</u>	<u>783,523</u>	<u>-</u>	<u>60,351</u>	<u>4,346,534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>137,309</u>	<u>92,180</u>	<u>358,254</u>	<u>(20,237)</u>	<u>567,506</u>
Other Financing Sources (Uses):					
Sale of asset	15,016	-	-	-	15,016
Transfers in	586,940	-	-	-	586,940
Transfers (out)	-	-	(586,940)	-	(586,940)
Total Other Financing Sources (Uses)	<u>601,956</u>	<u>-</u>	<u>(586,940)</u>	<u>-</u>	<u>15,016</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	739,265	92,180	(228,686)	(20,237)	582,522
Fund Balances - Beginning	996,889	945,792	1,801,572	84,581	3,828,834
Fund Balances - Ending	<u>1,736,154</u>	<u>1,037,972</u>	<u>1,572,886</u>	<u>64,344</u>	<u>4,411,356</u>

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

Town of Granby
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2010

Governmental Funds Changes in Fund Balances (Deficits)	\$	582,522
Add:		
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 of capitalized assets during the year.		715,157
Retirement of lease principal outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.		461,568
Less:		
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 depreciation expense for the year.		(1,246,765)
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.		(27,402)
Governmental funds report interest expense as it is paid. However in the Statement of Activities interest expense is reported when it is owed. This represents the change in accrued interest during the year.		(75,576)
Bond issues costs are paid out at the time off issuance in the fund financial statements but are capitalized and amortized over the life of the bonds in the government-wide financial statements.		(77,053)
Governmental Activities Change in Net Assets		332,451

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

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

	<u>North Service Area</u>		<u>South Service Area</u>		<u>Total</u>
	<u>Water Operations</u>	<u>Water Plant Investment</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Assets:					
Current assets:					
Cash and cash equivalents	(949)	662,325	465,392	555,953	1,682,721
Accounts receivables, net of allowance for uncollectibles	67,899	600	8,631	7,752	84,882
Total current assets	<u>66,950</u>	<u>662,925</u>	<u>474,023</u>	<u>563,705</u>	<u>1,767,603</u>
Non-current assets:					
Land and easements	-	9,804	-	-	9,804
Water rights	47,451	251,457	155,640	-	454,548
Water system and improvements	1,801,977	1,104,573	6,554,496	6,154,833	15,615,879
Building and improvements	69,587	16,875	-	-	86,462
Equipment	236,941	16,554	84,295	63,589	401,379
Less: Accumulated depreciation	(1,455,293)	(408,485)	(1,201,232)	(1,701,438)	(4,766,448)
Total non-current assets:	<u>700,663</u>	<u>990,778</u>	<u>5,593,199</u>	<u>4,516,984</u>	<u>11,801,624</u>
Total Assets	<u>767,613</u>	<u>1,653,703</u>	<u>6,067,222</u>	<u>5,080,689</u>	<u>13,569,227</u>
Liabilities:					
Current liabilities:					
Accounts payable	12,525	-	2,140	2,030	16,695
Accrued payroll	7,646	-	2,962	2,123	12,731
Accrued compensated absences	42,778	-	9,520	6,819	59,117
Accrued expenses	7,204	-	-	-	7,204
Total current liabilities:	<u>70,153</u>	<u>-</u>	<u>14,622</u>	<u>10,972</u>	<u>95,747</u>
Non-current liabilities:					
Loans	216,137	-	-	-	216,137
Total non-current liabilities	<u>216,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,137</u>
Total Liabilities	<u>286,290</u>	<u>-</u>	<u>14,622</u>	<u>10,972</u>	<u>311,884</u>
Net Assets:					
Invested in capital assets, net of related debt	484,526	980,974	5,593,199	4,516,984	11,575,683
Restricted	-	182,650	-	-	182,650
Unrestricted	(3,202)	490,080	459,399	552,732	1,499,009
Total Net Assets	<u>481,324</u>	<u>1,653,704</u>	<u>6,052,598</u>	<u>5,069,716</u>	<u>13,257,342</u>

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

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

	<u>North Service Area</u>		<u>South Service Area</u>		<u>Total</u>
	<u>Water Operations</u>	<u>Water Plant Investment</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Operating Revenue:					
Utility sales	329,828	-	416,205	473,497	1,219,530
Other revenue	12,700	-	31,205	21,940	65,845
Operating Revenue	<u>342,528</u>	<u>-</u>	<u>447,410</u>	<u>495,437</u>	<u>1,285,375</u>
Operating Expenses::					
Salaries and employee benefits	269,190	-	124,632	86,852	480,674
Purchased services	88,368	-	253,328	399,881	741,577
Supplies	23,320	-	14,172	5,315	42,807
Depreciation and amortization	61,749	35,471	171,072	147,852	416,144
Operating Expenses	<u>442,627</u>	<u>35,471</u>	<u>563,204</u>	<u>639,900</u>	<u>1,681,202</u>
Operating income (loss)	(100,099)	(35,471)	(115,794)	(144,463)	(395,827)
Non-Operating Revenues (Expenses):					
Interest Revenue	154	4,659	3,007	3,833	11,653
Interest Expense	(8,720)	-	-	-	(8,720)
Grants and Contributions	2,760	149,027	-	-	151,787
Total Non-Operating Revenues (Expenses)	<u>(5,806)</u>	<u>153,686</u>	<u>3,007</u>	<u>3,833</u>	<u>154,720</u>
Income (Loss) Before Contributions and Transfers	(105,905)	118,215	(112,787)	(140,630)	(241,107)
Capital contributions	-	-	477,297	612,599	1,089,896
Change in Net Assets	(105,905)	118,215	364,510	471,969	848,789
Total Net Assets - Beginning	587,228	1,535,489	5,688,088	4,597,746	12,408,551
Total Net Assets - Ending	<u>481,323</u>	<u>1,653,704</u>	<u>6,052,598</u>	<u>5,069,715</u>	<u>13,257,340</u>

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

**Town of Granby
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010**

	<u>North Service Area</u>		<u>South Service Area</u>		<u>Total</u>
	<u>Water Operations</u>	<u>Water Plant Investment</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Cash Flows From Operating Activities:					
Cash received from customers for services	323,104	-	419,175	474,469	1,216,748
Other cash received	12,700	-	31,205	21,940	65,845
Cash paid for goods and services	(103,760)	-	(264,249)	(399,328)	(767,337)
Cash paid for employment services	(238,275)	-	(123,543)	(86,602)	(448,420)
Net Cash Provided (Used) by Operating Activities	<u>(6,231)</u>	<u>-</u>	<u>62,588</u>	<u>10,479</u>	<u>66,836</u>
Cash Flows From Non-Capital Financing Activities:					
Grants and contributions	2,760	-	-	-	2,760
Deposits	-	-	(7,781)	-	(7,781)
Net Cash Provided by Non-Capital Financing Activities	<u>2,760</u>	<u>-</u>	<u>(7,781)</u>	<u>-</u>	<u>(5,021)</u>
Cash Flows From Capital Financing Activities:					
Purchase of fixed assets	(13,834)	(20,559)	(9,690)	(9,690)	(53,773)
Interest paid	(8,720)	-	-	-	(8,720)
Principal paid	(11,361)	-	-	-	(11,361)
Net Cash (Used) by Capital Financing Activities	<u>(33,915)</u>	<u>(20,559)</u>	<u>(9,690)</u>	<u>(9,690)</u>	<u>(73,854)</u>
Cash Flows From Investing Activities:					
Interest received	154	4,659	3,007	3,833	11,653
Net Cash Provided by Investing Activities	<u>154</u>	<u>4,659</u>	<u>3,007</u>	<u>3,833</u>	<u>11,653</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(37,232)	(15,900)	48,124	4,622	(386)
Cash and Cash Equivalents - Beginning	<u>36,283</u>	<u>678,226</u>	<u>417,267</u>	<u>551,331</u>	<u>1,683,107</u>
Cash and Cash Equivalents - Ending	<u>(949)</u>	<u>662,326</u>	<u>465,391</u>	<u>555,953</u>	<u>1,682,721</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating (loss)	(100,099)	(35,471)	(115,794)	(144,463)	(395,827)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:					
Depreciation	61,749	35,471	171,072	147,852	416,144
(Increase) decrease in accounts receivable	(6,724)	-	2,970	970	(2,784)
Increase (decrease) in accounts payable	7,928	-	(4,381)	938	4,485
Increase (decrease) in compensated absences	29,639	-	7,631	4,930	42,200
Increase (decrease) in accrued wages	1,276	-	1,089	250	2,615
Total Adjustments	<u>93,868</u>	<u>35,471</u>	<u>178,381</u>	<u>154,940</u>	<u>462,660</u>
Net Cash Provided (Used) by Operating Activities	<u>(6,231)</u>	<u>-</u>	<u>62,587</u>	<u>10,477</u>	<u>66,833</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Granby
Notes to the Financial Statements
December 31, 2010

I. Summary of Significant Accounting Policies

The Town of Granby (the "Town"), was founded in 1905 as a Colorado statutory municipality. The Town is centrally located in the middle of Grand County and is minutes from world class skiing and hot springs.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include water and sewer operations, road maintenance, police service, and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements after that date to its business-type activities and enterprise funds, the Town has not chosen to do so. The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The Town has included the following component units:

Grand Elk General Improvement District: On September 25, 2001, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District.

Shorefox General Improvement District: On September 13, 2005, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District.

Grand Elk Ranch No. 2 General Improvement District: On September 22, 2006, the Town authorized the creation of a General Improvement District (the "District") to finance infrastructure improvements within the District's boundaries. The Town's Board sits as *ex officio* as the District's Board. The boundaries of the District are within the Town but costs relating to operations and infrastructure within the District are borne by the District's citizens through a separate District mill levy. The Town's citizenry have no responsibility for the debt relating to the District. The Town's Board, however, acting as the District's Board has operational and financial control of the District. The District currently has no mill levy and its operations have been dormant.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The Town's water and sewer utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The *Grand Elk General Improvement District* accounts for taxes set aside for operation, capital construction, and debt of the District.

The *Capital Projects Fund* accounts for revenues set aside for construction of municipal assets.

The Town reports the following proprietary or business-type funds:

The *Water Operations Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, North of the Fraser River.

The *Water Plant Investment Fund* accounts for plant investment fees, also referred to as tap fees, to ensure adequate funds are available for plant expansion, North of the Fraser River.

The *South Service Water Operations & Capital Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River.

The *South Service Sewer Operations & Fund* accounts for the purchase and delivery of water to the citizens of a specific portion of the Town, South of the Fraser River.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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 nonoperating revenues and expenses.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2001), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town does not intend to capitalize infrastructure acquired prior to January 1, 2001. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

**Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	7

6. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that bond issuance expenses and discounts are capitalized and amortized over the life of the bond issue. This amount of \$1,789,214 represents unamortized bond issuance costs of \$899,431 and deferred refunding costs and discount of \$889,783 on the Grand Elk General Improvement District debt.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that retirement of lease principal outstanding on the Town's debt result in a reduction of accumulated resources on the fund financial statements. This represents payments on the Town's capital leases including the Town hall and Town Shop leases.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2010.

1. For the 2010 budget year, prior to August 25, 2009 (revised November 30), the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Finance Director submitted to the Board, on or before October 15, 2009, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
3. Prior to December 15, 2009, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2009 were collected in 2010 and taxes certified in 2010 will be collected in 2011. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year the Town approved the following budget amendments.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Amendment</u>
Conservation Trust Fund	\$ -	\$ 58,900	\$ (58,900)
Water Plant Investment Fund	\$ 36,000	\$ 47,833	\$ (11,833)
Park Acquisition Fund	\$ -	\$ 35,000	\$ (35,000)
Grand Elk GID Operating Fund	\$ 44,152	\$ 125,117	\$ (80,965)
Grand Elk GID Debt Svc. Fund	\$ 660,262	\$ 711,170	\$ (50,908)

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly know as the Taxpayer's Bill of Rights ("TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$144,886, which is the approximate required reserve at December 31, 2010.

On November 6, 2001, the Town's electorate approved the following ballot question: *Provided there is no new tax or no increase in any mill levy or any other tax rate without the subsequent approval of the Town's voters, shall the Town of Granby, Colorado be authorized to collect, retain and spend all revenues and other funds collected in the current year and each subsequent year fiscal year for streets, water, capital improvements, and any other lawful purpose, without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, the property tax revenue limitation of Section 29-1-301, Colorado Revised Statutes, or any other law.*

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation. The Grand Elk General Improvement District's electorate also passed a ballot question exempting the District from the provisions of Tabor on November 6, 2001.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits was \$4,938,533 at year end. Petty cash totaled \$500. At year end, the Town had the following investments and maturities:

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Deposits and Investments (continued)

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Petty cash	Not Rated	\$ 500		
Interest bearing checking	Not Rated	779,990		
Savings & money market	Not Rated	2,886,436		
Certificates of Deposit	Not Rated	1,272,106		
<i>Investments:</i>				
Cash with fiscal agent	Not Rated	666,480	-	-
United States Agencies	AAA	100,000	100,000	-
United States Treasuries	AAA	113,782	113,782	-
Investment Pools	AAAm	195,726	195,726	-
		<u>\$ 6,015,020</u>	<u>\$ 409,508</u>	<u>\$ -</u>

The Investment Pool represents investments in COLOTRUST and CSAFE which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. State law and Town policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding Town funds must provide the Town with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Total
	General	Grand Elk GID	Capital Improvement	Other Governmental Funds	
Receivables:					
Taxes	\$ 554,535	794,417	-	28,572	1,377,524
Accounts receivable	265,529	-	15,917	-	281,446
Accrued interest	273	-	-	-	273
Loans receivable	100,346	-	-	-	100,346
Gross receivables	<u>920,683</u>	<u>794,417</u>	<u>15,917</u>	<u>28,572</u>	<u>1,759,589</u>
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	<u><u>\$ 920,683</u></u>	<u><u>794,417</u></u>	<u><u>15,917</u></u>	<u><u>28,572</u></u>	<u><u>1,759,589</u></u>
	Enterprise Funds				
	North Service Area		South Service Area		Total
	Water Operations	Water Plant Investment	South Service Water Fund	South Service Sewer Fund	
Receivables:					
Accounts receivable	\$ 67,692	600	1,710	4,203	74,205
Other receivables	207	-	6,920	3,549	10,676
Gross receivables	<u>67,899</u>	<u>600</u>	<u>8,630</u>	<u>7,752</u>	<u>84,881</u>
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	<u><u>\$ 67,899</u></u>	<u><u>600</u></u>	<u><u>8,630</u></u>	<u><u>7,752</u></u>	<u><u>84,881</u></u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2009 but not available until 2010.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Land improvements	\$ 1,458,268	-	(25,000)	1,433,268
Infrastructure	9,989,849	385,630	-	10,375,479
Buildings	7,159,427	105,834	(22,786)	7,242,475
Furniture, fixtures, and equipment	1,471,861	223,692	(98,848)	1,596,705
Total capital assets being depreciated	<u>20,079,405</u>	<u>715,156</u>	<u>(146,634)</u>	<u>20,647,927</u>
Less accumulated depreciation for:				
Land improvements	(51,889)	(45,224)	-	(97,113)
Infrastructure	(3,306,465)	(849,788)	-	(4,156,253)
Buildings	(1,380,694)	(209,656)	19,195	(1,571,155)
Furniture, fixtures, and equipment	(1,122,868)	(142,097)	98,849	(1,166,116)
Total accumulated depreciation	<u>(5,861,916)</u>	<u>(1,246,765)</u>	<u>118,044</u>	<u>(6,990,637)</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,217,489</u>	<u>(531,609)</u>	<u>(28,590)</u>	<u>\$ 13,657,290</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and easements	\$ -	9,804	-	9,804
Water rights	440,549	14,000	-	454,549
Total Capital Assets, Not Depreciated	<u>440,549</u>	<u>23,804</u>	<u>-</u>	<u>464,353</u>
Capital assets, being depreciated:				
Water system and improvements	14,379,294	1,243,142	-	15,622,436
Buildings and improvements	79,904	-	-	79,904
Equipment	375,629	25,749	-	401,378
Total Capital Assets Being Depreciated	<u>14,834,827</u>	<u>1,268,891</u>	<u>-</u>	<u>16,103,718</u>
Less accumulated depreciation for:				
Water system and improvements	(4,007,511)	-	(379,182)	(4,386,693)
Buildings and improvements	(59,687)	-	(4,615)	(64,302)
Equipment	(283,106)	-	(32,348)	(315,454)
Total Accumulated Depreciation	<u>(4,350,304)</u>	<u>-</u>	<u>(416,145)</u>	<u>(4,766,449)</u>
Business-type activities capital assets, net	<u>\$ 10,925,072</u>	<u>\$ 1,292,695</u>	<u>\$ (416,145)</u>	<u>\$ 11,801,622</u>

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 98,633	-
Public safety	29,498	-
Streets	954,587	-
Parks and recreation	164,047	-
Capital outlay	-	715,156
Total - Governmental Activities	<u><u>\$ 1,246,765</u></u>	<u><u>715,156</u></u>
Business-type activities:		
Water	\$ 268,292	521,380
Sewer	147,852	622,289
Total - Business-type Activities	<u><u>\$ 416,144</u></u>	<u><u>1,143,669</u></u>

E. Interfund Receivables, Payables, and Transfers

There were no interfund receivables or payables as of December 31, 2010.

Transfers were as follows:

	<u>In</u>	<u>Out</u>
<i>Governmental Funds:</i>		
General Fund	\$ 586,940	-
Other Governmental Funds	-	(586,940)
Total	<u><u>\$ 586,940</u></u>	<u><u>(586,940)</u></u>

The above transfers were made to allocate funds to the fund's particular function.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Other Liabilities

1. Capital Leases

The Town has financed the Town hall and a public works building through capital leases. The Town Hall lease was entered into on March 10, 2006 for an original amount of \$2,900,000. The lease requires semiannual payments of \$135,880 on March and September 10. The lease term goes through March 10, 2021 but is subject to annual appropriations and a termination clause. The lease carries a 4.25% interest rate. The public works building lease totaled an original amount of \$550,000 and requires monthly payments of \$5,620 through October 1, 2018. The lease carries an interest rate of 4.2% and is subject to annual appropriation.

2. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$198,515 at December 31, 2010. All unused benefits are recorded on the individual fund that pays the related payroll.

3. Grand Elk Debt

On September 25, 2001, the Town authorized the creation of a General Improvement District ("District") to finance infrastructure improvements within the District's boundaries. The District's electorate has approved the issuance of \$7,750,000 in GID General Obligation Bonds. On December 20, 2002 the District issued \$2,000,000 of Limited Tax General Obligation Bonds, Series 2002. In 2003 the District issued \$5,750,000 of Limited Tax General Obligation Bonds, Series 2003. In 2007 the District refunded all its debt with the issuance of Limited Tax General Obligation Refunding Bonds, Series 2007A. The bond issue totaled \$9,905,000 in bonds maturing in 2028. The District also issued \$200,000 of 2007B subordinate bonds which mature after the 2007A bonds have been paid in full.

The Town has no financial obligation for any of the District's bonds. Although the District is within the Town's boundaries, the District's citizens are solely responsible for repayment of the debt through the imposition of a mill levy on all real property within the District. The District's ability to retire the indebtedness created by the issuance of the bonds is dependant upon significant growth in development within the District and maintenance of an adequate tax base from which the District can collect sufficient tax revenues from the required mill levy. Payments are made from the Grand Elk GID Fund.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Other Liabilities (continued)

4. Water Fund Debt

On March 15, 1984 the Town borrowed \$405,000 from the Colorado Water Conservation Board. The note has a thirty-year term and accrues interest at 4%. Payments are made from the Water Operations Fund.

5. Debt Schedule

The following payments are required:

Year	Water Fund Debt			Governmental Debt			
	Principal	Interest	Total	Principal	Interest	Total	
2011	11,816	8,645	20,461	439,278	538,598	977,876	
2012	12,289	8,172	20,461	474,093	520,183	994,276	
2013	12,780	7,681	20,461	504,338	500,038	1,004,376	
2014	13,292	7,169	20,461	540,031	478,424	1,018,455	
2015	13,823	6,638	20,461	576,193	455,151	1,031,344	
2016 - 2020	77,865	24,440	102,305	3,408,516	1,868,920	5,277,436	
2021 - 2025	74,272	7,572	81,844	3,132,987	1,144,010	4,276,997	
2026 - 2028	-	-	-	3,038,306	318,601	3,356,907	
Total	<u>\$ 216,137</u>	<u>70,317</u>	<u>286,454</u>	<u>12,113,742</u>	<u>5,823,925</u>	<u>17,937,667</u>	
				Grand Elk GID Debt	9,393,306	5,638,741	15,032,047
				Town of Granby Debt	2,720,436	185,184	2,905,620
				Total	<u>\$ 12,113,742</u>	<u>5,823,925</u>	<u>17,937,667</u>

6. Changes in Debt

The Town had the following changes in debt for the year ended December 31, 2010:

	01/01/10	Additions	Deletions	12/31/10	Due within one year
Governmental Fund Debt:					
Capital lease (General)	\$ 496,591	-	(47,397)	449,194	49,436
Grand Elk GID Bonds	9,640,000	-	(246,694)	9,393,306	215,000
Capital Lease (Town Hall)	2,438,718	-	(167,477)	2,271,241	174,842
Compensated absences	49,755	89,643	-	139,398	-
Enterprise Debt:					
Compensated absences	16,916	42,201	-	59,117	-
Colorado Water Conservancy Note	227,498	-	(11,361)	216,137	11,816
Total	<u>\$ 12,869,478</u>	<u>131,844</u>	<u>(472,929)</u>	<u>12,528,393</u>	<u>451,094</u>

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Restricted Fund Balance

The Town had the following restrictions on fund balances at December 31, 2010:

	<u>01/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/10</u>
<i>General Fund:</i>				
Emergency reserves	\$ 94,914	24,074	-	\$ 118,988
Affordable housing	70,421	-	-	70,421
SC West lighting	7,342	-	-	7,342
Downtown development	264,894	-	(37,763)	227,131
Employee severance	46,670	-	(21,670)	25,000
Recreation	124,740	-	-	124,740
Police Surcharge	27,293	80	-	27,373
<i>Grand Elk Fund:</i>				
Emergency reserves	23,738	1,903	-	25,641
<i>Water Plant Investment Fund:</i>				
Water Rights Acquisition	64,000	-	-	64,000
Water Quality Improvement	118,650	-	-	118,650
	<u>\$ 842,662</u>	<u>26,057</u>	<u>(59,433)</u>	<u>809,286</u>

V. Other Information

A. Retirement Plans

1. Deferred Compensation Plan – Section 457

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan.

Town of Granby
Notes to the Financial Statements
December 31, 2010
(Continued)

V. Other Information (continued)

A. Retirement Plans (continued)

2. Retirement Plan - Section 401(a)

In 1985 the Town established a defined contribution money purchase plan in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust under Code Section 401 of the Internal Revenue code. In 1994 administration for the plan was moved to Great West Life Assurance Company.

All Town employees, except police officers, receive a five percent contribution to the plan, in addition to social security. Police Officers employees receive a contribution of 11.2% and are required to match 8% to the plan. Police Officers are not subject to social security taxes. Only full-time employees who have been with the Town for six consecutive months are eligible. Police Officers are immediately eligible. The Town's total and covered payroll for 2010 is \$1,424,828 and \$861,388, respectively. Contributions were \$95,317, which consisted of \$68,911 from the Town and \$26,406 from the employee.

The Town is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

B. Other Employee Benefits

All Town employees may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Town is recognized.

C. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property taxes	525,112	525,112	524,601	(511)	465,532
Specific ownership tax	22,678	22,678	19,502	(3,176)	20,655
Sales & Use	1,789,009	1,789,009	2,382,390	593,381	1,700,359
Franchise tax	109,500	109,500	117,576	8,076	95,056
Other taxes	43,270	43,270	39,240	(4,030)	52,106
Total Taxes	<u>2,489,569</u>	<u>2,489,569</u>	<u>3,083,309</u>	<u>593,740</u>	<u>2,333,708</u>
Licenses and Permits:					
Other licenses and permits	4,615	4,615	6,663	2,048	63,537
Intergovernmental Revenue:					
Grant revenue	45,371	45,371	39,724	(5,647)	5,247
State highway users tax	50,151	50,151	59,306	9,155	51,262
County road and bridge	11,905	11,905	11,888	(17)	11,671
Total Intergovernmental Revenue	<u>107,427</u>	<u>107,427</u>	<u>110,918</u>	<u>3,491</u>	<u>68,180</u>
Charges for Services:					
Zoning and subdivision fees	900	900	265	(635)	954
Recreation revenue	134,500	134,500	104,807	(29,693)	128,601
Mosquito revenue	32,600	32,600	27,600	(5,000)	24,600
Other charges for services	162,851	162,851	141,188	(21,663)	96,110
Rents	48,238	48,238	48,679	441	47,019
Total Charges for Services	<u>379,089</u>	<u>379,089</u>	<u>322,539</u>	<u>(56,550)</u>	<u>297,284</u>
Fines and Forfeitures:					
Traffic fines	66,000	66,000	76,993	10,993	62,445
Miscellaneous Revenue:					
Investment income	15,525	15,525	13,335	(2,190)	31,133
Other income	11,173	11,173	26,214	15,041	28,130
Total Miscellaneous Revenue	<u>26,698</u>	<u>26,698</u>	<u>39,549</u>	<u>12,851</u>	<u>59,263</u>
Total Revenues	<u>3,073,398</u>	<u>3,073,398</u>	<u>3,639,971</u>	<u>566,573</u>	<u>2,884,417</u>
Expenditures:					
General Government:					
Legislative	311,935	311,935	167,857	144,078	195,064
Economic Development	141,100	141,100	42,912	98,188	45,434
Administrative	605,160	605,160	587,112	18,048	581,332
Planning	23,106	23,106	29,289	(6,183)	1,679
Program Project and Facility	221,220	221,220	244,678	(23,458)	330,432
Total General Government	<u>1,302,521</u>	<u>1,302,521</u>	<u>1,071,848</u>	<u>230,673</u>	<u>1,153,941</u>
Public Safety:					
Police and Public Safety	733,629	733,629	751,247	(17,618)	674,594
Streets:					
Streets	820,699	820,699	712,808	107,891	1,109,671
Parks and Recreation:					
Recreation	304,037	304,037	276,181	27,856	288,130
Parks	172,984	172,984	172,668	316	158,023
Total Parks and Recreation	<u>477,021</u>	<u>477,021</u>	<u>448,849</u>	<u>28,172</u>	<u>446,153</u>
Capital Outlay:					
Capital Outlay	95,639	95,639	178,705	(83,066)	40,192
Debt Service:					
Interest	124,329	124,329	124,329	-	133,339
Principal	214,874	214,874	214,874	-	205,864
Total Debt Service	<u>339,203</u>	<u>339,203</u>	<u>339,203</u>	<u>-</u>	<u>339,203</u>
Total Expenditures	<u>3,768,712</u>	<u>3,768,712</u>	<u>3,502,660</u>	<u>266,052</u>	<u>3,763,754</u>
Excess (Deficiency) of Revenues over Expenditures	(695,314)	(695,314)	137,311	832,625	(879,337)
Other Financing Sources (Uses):					
Transfer in	586,940	586,940	586,940	-	876,055
Sale of Assets	2,000	2,000	15,016	13,016	-
Total Other Financing Sources (Uses)	<u>588,940</u>	<u>588,940</u>	<u>601,956</u>	<u>13,016</u>	<u>876,055</u>
Net Change in Fund Balance	<u>(106,374)</u>	<u>(106,374)</u>	739,267	<u>845,641</u>	(3,282)
Fund Balance - Beginning			996,889		1,000,170
Fund Balance - Ending			<u>1,736,156</u>		<u>996,888</u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Special Disaster Relief Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Miscellaneous:					
Insurance	-	-	-	-	128,000
Interest	-	-	-	-	9,281
Total Revenues	-	-	-	-	137,281
Expenditures:					
Consultants	-	-	-	-	96,889
Capital outlay	-	-	-	-	54,614
Total Expenditures	-	-	-	-	151,503
Excess (Deficiency) of Revenues over Expenses	-	-	-	-	(14,222)
Other Financing Sources (Uses):					
Transfer (out)	-	-	-	-	(1,138,898)
Total Other Financing Sources (Uses)	-	-	-	-	(1,138,898)
Net Change in Fund Balance	-	-	-	-	(1,153,120)
Fund Balance - Beginning			-		1,153,120
Fund Balance - Ending			-		-

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Grand Elk General Improvement District
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	845,339	845,339	844,917	(422)	777,063
Investment income	3,500	2,050	30,786	28,736	14,198
Total Revenues	848,839	847,389	875,703	28,314	791,261
Expenditures:					
General government	75,727	76,870	75,979	891	71,895
Streets	-	80,000	29,076	50,924	-
Capital outlay	-	-	-	-	481,846
Debt service	628,687	679,417	678,467	950	637,630
Total Expenditures	704,414	836,287	783,522	52,765	1,191,371
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	144,425	11,102	92,181	81,079	(400,110)
Fund Balances - Beginning			945,792		1,345,903
Fund Balances - Ending			1,037,973		945,793

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			<u>2009</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Sales and use tax	255,238	255,238	340,341	85,103	242,908
Investment income	15,000	15,000	12,092	(2,908)	18,050
Miscellaneous income	-	-	5,822	5,822	-
Total Revenues	<u>270,238</u>	<u>270,238</u>	<u>358,255</u>	<u>88,017</u>	<u>260,958</u>
Excess (Deficiency) of Revenues over Expenditures	270,238	270,238	358,255	88,017	260,958
Other Financing Sources (Uses):					
Transfer In	-	-	-	-	634,898
Transfer Out	(586,940)	(586,940)	(586,940)	-	(372,055)
Total Other Financing Sources (Uses)	<u>(586,940)</u>	<u>(586,940)</u>	<u>(586,940)</u>	<u>-</u>	<u>262,843</u>
Net Change in Fund Balance	<u>(316,702)</u>	<u>(316,702)</u>	(228,685)	<u>88,017</u>	523,801
Fund Balance - Beginning			<u>1,801,572</u>		<u>1,277,772</u>
Fund Balance - Ending			<u>1,572,887</u>		<u>1,801,573</u>

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

SUPPLEMENTARY INFORMATION



**Town of Granby, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

	Special Revenue			Total Nonmajor Governmental Funds
	Conservation Trust	Park Acquisition	Parking	
Assets:				
Cash and investments - Unrestricted	6,215	35,396	17,713	67,440
Cash with County Treasurer	-	-	-	21
Receivables, net of allowance for uncollectibles	-	-	-	28,572
Total Assets	<u>6,215</u>	<u>35,396</u>	<u>17,713</u>	<u>36,709</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	1,912	-	-	1,204
Deferred Revenue	-	-	-	28,572
Total Liabilities	<u>1,912</u>	<u>-</u>	<u>-</u>	<u>29,776</u>
Fund Balances:				
Unreserved:				
Special revenue	4,303	35,396	17,713	6,933
Total Fund Balances	<u>4,303</u>	<u>35,396</u>	<u>17,713</u>	<u>6,933</u>
Total Liabilities and Fund Balances	<u>6,215</u>	<u>35,396</u>	<u>17,713</u>	<u>36,709</u>

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

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

	Special Revenue			Shorefox GID	Total Nonmajor Governmental Funds
	Conservation Trust	Park Acquisition	Parking		
Revenues:					
Taxes	-	-	-	8,550	8,550
Intergovernmental revenue	18,314	-	-	-	18,314
Investment income	184	244	122	-	550
Miscellaneous	12,700	-	-	-	12,700
Total Revenues	<u>31,198</u>	<u>244</u>	<u>122</u>	<u>8,550</u>	<u>40,114</u>
Expenditures:					
General government	-	-	-	1,618	1,618
Capital outlay	58,733	-	-	-	58,733
Total Expenditures	<u>58,733</u>	<u>-</u>	<u>-</u>	<u>1,618</u>	<u>60,351</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(27,535)	244	122	6,932	(20,237)
Fund Balances - Beginning	<u>31,838</u>	<u>35,152</u>	<u>17,591</u>	<u>-</u>	<u>84,581</u>
Fund Balances - Ending	<u><u>4,303</u></u>	<u><u>35,396</u></u>	<u><u>17,713</u></u>	<u><u>6,932</u></u>	<u><u>64,344</u></u>

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental revenue:					
State lottery funds	17,990	17,500	18,314	814	18,188
Other Income	-	12,700	12,700	-	1,210
Investment income	200	200	184	(16)	427
Total Revenues	18,190	30,400	31,198	798	19,825
Expenditures:					
Capital outlay	-	58,900	58,733	167	2,480
Total Expenditures	-	58,900	58,733	167	2,480
Net Change in Fund Balance	18,190	(28,500)	(27,535)	965	17,345
Fund Balance - Beginning			31,838		14,493
Fund Balance - Ending			4,303		31,838

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Park Acquisition Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Licenses and Permits:					
Fees in lieu of park land	-	-	-	-	-
Investment income	450	200	244	44	495
Total Revenues	450	200	244	44	495
Expenditures:					
Capital outlay	-	35,000	-	35,000	-
Total Expenditures	-	35,000	-	35,000	-
Net Change in Fund Balance	450	(34,800)	244	35,044	495
Fund Balance - Beginning			35,152		34,657
Fund Balance - Ending			35,396		35,152

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

Town of Granby
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Parking Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment income	350	350	122	(228)	427
Total Revenues	<u>350</u>	<u>350</u>	<u>122</u>	<u>(228)</u>	<u>427</u>
Net Change in Fund Balance	<u>350</u>	<u>350</u>	122	<u>(228)</u>	427
Fund Balance - Beginning			17,591		17,164
Fund Balance - Ending			<u>17,713</u>		<u>17,591</u>

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

Town of Granby, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Shorefox General Improvement District
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			<u>Final Budget</u>	<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Property tax	8,268	8,268	8,268	-	-
Specific ownership tax	-	-	282	282	-
Total Revenues	<u>8,268</u>	<u>8,268</u>	<u>8,550</u>	<u>282</u>	<u>-</u>
Expenditures:					
General government:					
Administration	1,268	1,268	-	1,268	-
Operating expenses	7,000	7,000	1,204	5,796	-
Treasurer fees	-	-	413	(413)	-
Total Expenditures	<u>8,268</u>	<u>8,268</u>	<u>1,617</u>	<u>6,651</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	-	6,933	6,933	-
Fund Balances - Beginning	-	-	-	-	-
Fund Balances - Ending	<u>-</u>	<u>-</u>	<u>6,933</u>	<u>6,933</u>	<u>-</u>

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

Town of Granby, Colorado
Combining Schedule
Grand Elk General Improvement District
For the Year Ended December 31, 2010

	<u>Operations</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes:				
Property tax	181,036	633,625	-	814,661
Specific ownership tax	6,724	23,533	-	30,257
Investment income	2,344	28,442	-	30,786
Total Revenues	<u>190,104</u>	<u>685,600</u>	<u>-</u>	<u>875,704</u>
Expenditures:				
General government:				
Administration	22,389	-	-	22,389
Operating expenses	12,115	-	-	12,115
Treasurer fees	9,158	32,318	-	41,476
Streets	29,076	-	-	29,076
Debt service:				
Interest	-	431,473	-	431,473
Principal	-	246,694	-	246,694
Other	-	300	-	300
Total Expenditures	<u>72,738</u>	<u>710,785</u>	<u>-</u>	<u>783,523</u>
Excess (Deficiency) of Revenues Over Expenditures	117,366	(25,185)	-	92,181
Fund Balances - Beginning	138,489	804,149	3,154	945,792
Fund Balances - Ending	<u>255,855</u>	<u>778,964</u>	<u>3,154</u>	<u>1,037,973</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Operations
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Utility sales	347,100	347,100	329,828	(17,272)	314,897
Other revenue	7,793	7,793	12,700	4,907	9,225
Interest revenue	550	550	154	(396)	660
Grants and Contributions	-	-	2,760	2,760	-
Transfer In	36,000	36,000	-	(36,000)	15,558
Total Revenues	<u>391,443</u>	<u>391,443</u>	<u>345,442</u>	<u>(46,001)</u>	<u>340,340</u>
Expenditures:					
Salaries and wages	177,299	177,299	197,780	(20,481)	165,197
Employee benefits	72,382	72,382	71,410	972	58,790
Utilities	31,110	31,110	30,947	163	29,359
Repairs and maintenance	29,500	29,500	16,602	12,898	37,188
Insurance	10,750	10,750	9,897	853	9,208
Other purchased services	26,342	26,342	30,922	(4,580)	23,273
Supplies	25,200	25,200	23,320	1,880	24,005
Bond principal	11,362	11,362	11,361	1	10,925
Interest expense	9,099	9,099	8,720	379	9,172
Capital outlay	36,000	36,000	13,834	22,166	17,320
Total Expenditures	<u>429,044</u>	<u>429,044</u>	<u>414,793</u>	<u>14,251</u>	<u>384,437</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>(37,601)</u>	<u>(37,601)</u>	(69,351)	<u>(31,750)</u>	(44,097)
Reconciliation to GAAP Basis:					
Capitalized assets			13,834		17,320
Depreciation			(61,749)		(62,456)
Loan principal			11,361		10,925
Net (Loss) - GAAP Basis			<u>(105,905)</u>		<u>(78,308)</u>

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

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
North Service Area Water Plant Investment
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Water fees	4,965	-	-	-	33,950
Interest revenue	3,500	3,750	4,659	909	9,066
Grants and contributions	-	-	149,027	149,027	-
Total Revenues	<u>8,465</u>	<u>3,750</u>	<u>153,686</u>	<u>149,936</u>	<u>43,016</u>
Expenditures:					
Capital outlay		19,000	20,559	(1,559)	-
Transfers out	36,000	28,833	-	28,833	15,558
Total Expenditures	<u>36,000</u>	<u>47,833</u>	<u>20,559</u>	<u>27,274</u>	<u>15,558</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>(27,535)</u>	<u>(44,083)</u>	133,127	<u>177,210</u>	27,458
Reconciliation to GAAP Basis:					
Capitalized assets			20,559		-
Depreciation			(35,471)		(33,827)
Net Income (Loss) - GAAP Basis			<u>118,215</u>		<u>(6,369)</u>

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

Town of Granby
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Water Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:				<u>Actual</u>
Utility sales	416,620	416,620	416,205	(415)
Other revenue	66,500	66,500	31,205	(35,295)
Interest revenue	5,500	5,500	3,007	(2,493)
Total Revenues	<u>488,620</u>	<u>488,620</u>	<u>450,417</u>	<u>(38,203)</u>
Expenditures:				
Salaries and wages	95,303	95,303	92,053	3,250
Employee benefits	36,182	36,182	32,579	3,603
Utilities	950	950	848	102
Repairs and maintenance	49,500	49,500	17,837	31,663
Insurance	9,750	9,750	9,145	605
Other purchased services	223,973	223,973	225,498	(1,525)
Supplies	44,700	44,700	14,172	30,528
Capital outlay	26,000	26,000	9,690	16,310
Total Expenditures	<u>486,358</u>	<u>486,358</u>	<u>401,822</u>	<u>84,536</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>2,262</u>	<u>2,262</u>	48,595	<u>46,333</u>
Reconciliation to GAAP Basis:				
Contributed capital			477,297	382,244
Capitalized assets			9,690	-
Depreciation			(171,072)	(133,171)
Net Income (Loss) - GAAP Basis			<u>364,510</u>	<u>264,729</u>

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

Town of Granby
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
South Service Sewer Fund
For the Year Ended December 31, 2010
(With Comparative Actual Amounts For the Year Ended 2009)

	<u>2010</u>			<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:				<u>Actual</u>
Utility sales	472,427	472,427	473,497	1,070
Other revenue	65,365	65,365	21,940	(43,425)
Interest revenue	9,000	9,000	3,833	(5,167)
Total Revenues	<u>546,792</u>	<u>546,792</u>	<u>499,270</u>	<u>(47,522)</u>
Expenditures:				
Salaries and wages	66,797	66,797	63,793	3,004
Employee benefits	24,515	24,515	23,059	1,456
Utilities	950	950	848	102
Repairs and maintenance	77,000	77,000	18,658	58,342
Insurance	7,750	7,750	7,464	286
Other purchased services	373,728	373,728	372,910	818
Supplies	9,700	9,700	5,315	4,385
Capital outlay	27,000	27,000	9,690	17,310
Total Expenditures	<u>587,440</u>	<u>587,440</u>	<u>501,737</u>	<u>85,703</u>
Excess (Deficiency) of Revenues Budget Over Expenditures (Non-GAAP) Basis	<u>(40,648)</u>	<u>(40,648)</u>	<u>(2,467)</u>	<u>38,181</u>
Reconciliation to GAAP Basis:				
Contributed capital			612,599	382,809
Capitalized assets			9,690	-
Depreciation			<u>(147,852)</u>	<u>(135,533)</u>
Net Income (Loss) - GAAP Basis			<u>471,970</u>	<u>246,154</u>

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

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**



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

LOCAL HIGHWAY FINANCE REPORT	City or County: TOWN OF GRANBY
	YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of _)	Prepared By: SHARON SPURLIN, FINANCE DIRECTOR Phone: 9708872501

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)	327,874
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	223,774
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	459,304
2. General fund appropriations	698,269	b. Snow and ice removal	159,356
3. Other local imposts (from page 2)	359,844	c. Other	67,443
4. Miscellaneous local receipts (from page 2)	77,538	d. Total (a. through c.)	686,103
5. Transfers from toll facilities		4. General administration & miscellaneous	71,548
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,309,299
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)	1,135,651	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	59,306	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,194,957	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)	1,309,299

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
	900,787	1,194,957	1,309,299	786,445	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: TOWN OF GRANBY
	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	77,538
1. Sales Taxes	340,342	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	19,502	g. Other Misc. Receipts	
6. Total (1. through 5.)	359,844	h. Other	
c. Total (a. + b.)	359,844	i. Total (a. through h.)	77,538
	(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	59,306	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	59,306	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		327,874	327,874
(5). Total Construction (1) + (2) + (3) + (4)	0	327,874	327,874
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	327,874	327,874
			(Carry forward to page 1)

Notes and Comments: