

**City of Glenwood Springs
Glenwood Springs, Colorado**

**Financial Statements
December 31, 2006**



**City of Glenwood Springs, Colorado
Financial Report
December 31, 2006**

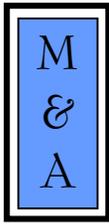
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INDEPENDENT AUDITOR'S REPORT

To the Members of City Council City of Glenwood Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Glenwood Springs, Colorado, (the "City"), as of and for the year ended December 31, 2006, which collectively comprises the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the management of the City. 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 City of Glenwood Springs, Colorado, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the major funds for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis in section B is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary fund information in section E is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The budgetary fund information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Performing services for local governments throughout Colorado

*D. Jerry McMahan, C.P.A.
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National and Colorado Government Finance Officers Association/Colorado Municipal League

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual non-major fund financial statements, and the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The individual non-major fund financial statements, and the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to basic financial statements, taken as a whole.

McMahan and Associates, LLC.

McMahan and Associates, L.L.C.

June 26, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Glenwood Springs, Colorado

Management's Discussion and Analysis

December 31, 2006

As management of the City of Glenwood Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2006.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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 City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all the City's 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 City 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 (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, transportation, public safety, community development, public works and culture and recreation. The business-type activities of the City include water and sewer operations, electric distribution operation, airport and landfill operations.

The government-wide financial statements can be found in Section C 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 City, 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 City can be divided into three categories: governmental funds, proprietary funds and fiduciary 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. The City's major governmental funds include the General Fund, Capital Projects Fund, and Acquisition and Improvement Fund. The City also reports a number of minor governmental funds.

Overview of the Financial Statements (continued)

Governmental Funds (continued): 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. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic major governmental fund financial statements can be found in Section C.

Proprietary Funds: The City 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 City uses Enterprise Funds to account for its Water and Sewer, Electric Distribution, Airport and Landfill 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 City, each of which is considered to be a major fund of the City.

The basic Proprietary Fund financial statements can be found in Section C of this report.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Fiduciary Funds used by the City are the Cemetery Reserve, Cathy Carney Scholarship Trust and the Volunteer Firemen's Pension Plan.

The basic Fiduciary Fund financial statements can be found in Section C of this report.

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 in Section D of this report.

Government-wide Financial Analysis:

City of Glenwood Spring's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and other assets	16,443,902	13,327,525	19,515,421	14,047,441	35,959,323	27,374,966
Capital assets, net	63,323,397	65,932,546	43,347,622	43,937,474	106,671,019	109,870,020
Total Assets	79,767,299	79,260,071	62,863,043	57,984,915	142,630,342	137,244,986
Liabilities:						
Other liabilities	5,119,896	5,168,273	1,806,392	1,957,588	6,926,288	7,125,861
Long-term liabilities	21,644,677	23,763,538	2,935,775	3,392,555	24,580,452	27,156,093
Total Liabilities	26,764,573	28,931,811	4,742,167	5,350,143	31,506,740	34,281,954
Net Assets:						
Invested in capital assets, net of related debt	40,043,735	40,643,308	40,080,489	40,321,970	80,124,224	80,965,278
Restricted	4,649,734	3,597,170	2,390,098	1,877,534	7,039,832	5,474,704
Unrestricted	8,309,257	6,087,782	15,650,289	10,435,268	23,959,546	16,523,050
Total Net Assets	53,002,726	50,328,260	58,120,876	52,634,772	111,123,602	102,963,032

Government-wide Net Assets and Activities: Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for 75% of its total assets; these assets are not an available source for payment of future spending. Of the remaining \$35,959,323 in assets, \$7,038,389 is restricted for the following purposes:

	Governmental Activities	Business-type Activities
Due from Downtown Development Authority	\$ 299,635	-
Police Seizures	64,470	-
Emergency Reserve	641,569	-
Prepaid expenses and inventory	18,964	-
Intersection improvement	25,000	-
Other projects	3,415,625	-
Housing and road fees	183,028	-
Water and sewer improvements	-	1,929,568
Debt service	-	460,530
	\$ 4,648,291	2,390,098

At the end of the 2006 fiscal year, the City is able to report positive balances in all three categories of net assets, first for the government as a whole, and then as separate governmental and business-type activities.

The City's net assets increased \$8,160,572 during the current fiscal year. The increase in governmental activities can primarily be attributed to the City's investment in capital assets and debt reduction. Additionally, the opening of the Glenwood Meadows complex has provided the City with an additional revenue stream. The increase in business-type activities is due to net income in the water and sewer fund, electric fund and landfill fund. The business-type activities have increased because the sale of services has exceeded operating costs. The Water and Sewer Fund implemented the first step of a multi-year rate increase beginning in the spring of 2006.

Government-wide Financial Analysis (continued):

Governmental Activities: Governmental activities increased the City's net assets by \$2,674,466. Key elements of this increase are as follows:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	3,804,271	3,570,588	16,718,406	14,578,422	20,522,677	18,149,010
Grants and contributions	1,913,095	1,563,868	421,224	759,524	2,334,319	2,323,392
General revenue:						
Sales and use taxes	15,768,744	12,237,739	-	-	15,768,744	12,237,739
Property taxes	1,130,727	946,140	-	-	1,130,727	946,140
Other taxes	1,005,130	866,059	-	-	1,005,130	866,059
Interest and other revenues	1,020,202	606,462	619,811	281,172	1,640,013	887,634
Total Revenues	24,642,169	19,790,856	17,759,441	15,619,118	42,401,610	35,409,974
Expenses:						
General government	3,516,170	2,763,627	-	-	3,516,170	2,763,627
Transportation	847,460	782,098	-	-	847,460	782,098
Public Safety	5,478,364	5,063,486	-	-	5,478,364	5,063,486
Community development	1,133,847	1,032,896	-	-	1,133,847	1,032,896
Public works	5,420,541	3,079,673	-	-	5,420,541	3,079,673
Culture and recreation	3,442,855	3,144,733	-	-	3,442,855	3,144,733
Interest on long-term debt	1,032,398	1,110,591	-	-	1,032,398	1,110,591
Water and sewer	-	-	3,125,407	3,153,120	3,125,407	3,153,120
Electric system	-	-	8,149,316	7,806,095	8,149,316	7,806,095
Airport operations	-	-	165,155	127,799	165,155	127,799
Landfill	-	-	1,929,527	1,692,208	1,929,527	1,692,208
Total Expenses	20,871,635	16,977,104	13,369,405	12,779,222	34,241,040	29,756,326
Change in Net Assets						
Before Transfers	3,770,534	2,813,752	4,390,036	2,839,896	8,160,570	5,653,648
Transfers	(1,096,068)	755,229	1,096,068	(755,229)	-	-
Change in Net Assets	2,674,466	3,568,981	5,486,104	2,084,667	8,160,570	5,653,648
Net Assets - Beginning	50,328,260	46,759,279	52,634,772	50,550,105	102,963,032	97,309,384
Net Assets - Ending	53,002,726	50,328,260	58,120,876	52,634,772	111,123,602	102,963,032

Significant events impacting 2006 are:

- Governmental Activities revenues increased \$4,912,244 over the prior year. Sales tax increased by \$3,591,936 over the prior year due to increased sales at the Glenwood Meadows project. Expenditures increased in 2006 due to additional street projects started.
- Broadband activities are being accounted for in the Electric Fund. The activities are being accounted for in the Electric Fund because the broadband infrastructure utilizes the City's electric right of ways and conduits. The City sells broadband access to Internet Service Providers within the City. The services at some date in the future are intended to cover operational costs.

Government-wide Financial Analysis (continued):

- The City has historically contributed capital assets from the Capital Projects Fund to the business-type activities funds. The business-type activities funds also share the cost of general government overhead functions. The reimbursement of overhead from business-type activities to governmental activities has assisted the governmental activities in maintaining an overall positive net asset position.

Business-type Activities: Business-type activities increased the City's net assets by \$5,486,104. Key elements of this increase are as follows:

- The Water and Sewer Fund's net assets increased \$2,389,015. User fees increased \$547,801 over the prior year. The collection and distribution system capitalized \$403,442 for both the water and sewer system. The cash increased by \$2,674,965 for this fund.
- The Electric Fund's net assets increased \$1,254,734. This increase is due to several factors including an increase in user fees of \$768,702. Additionally, the fund received \$125,230 in developer contributions. The Fund's available cash increased by \$954,554 due to lower outlay of cash for system improvements.
- The Landfill Fund's net assets increased \$1,824,205. This increase is largely due to operating revenues exceeding operating expenditures; as disposal fees continue to exceed budget estimates. Transfers out to the Acquisition and Improvement Fund totaled \$449,686. Cash in this fund increased \$1,596,783.

Financial Analysis of the City's Funds

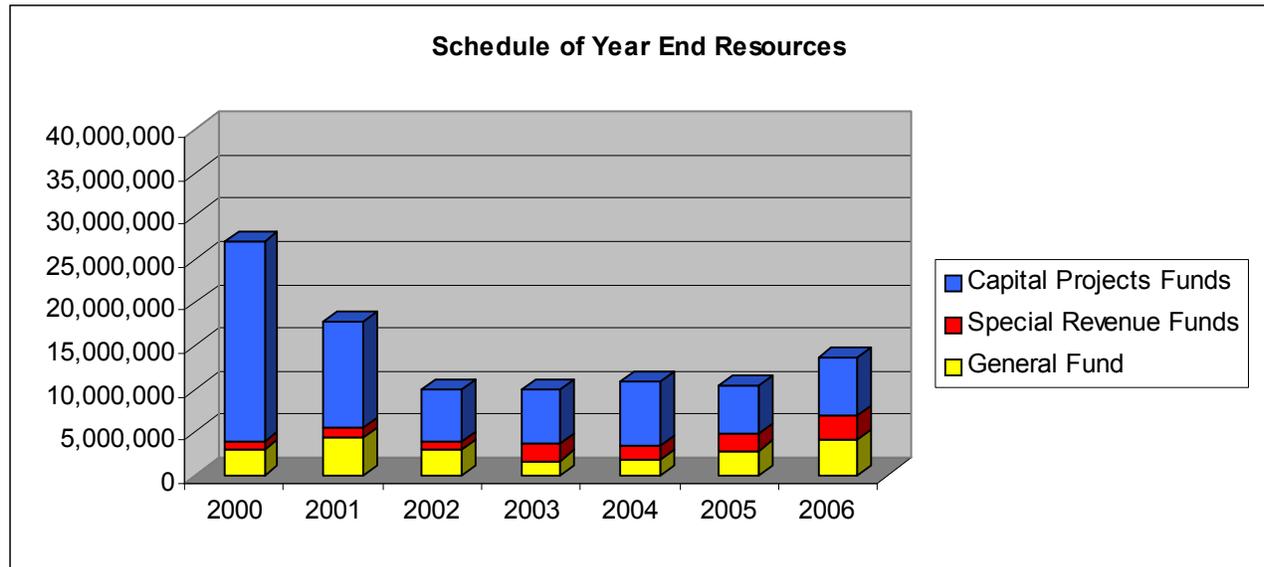
As mentioned earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

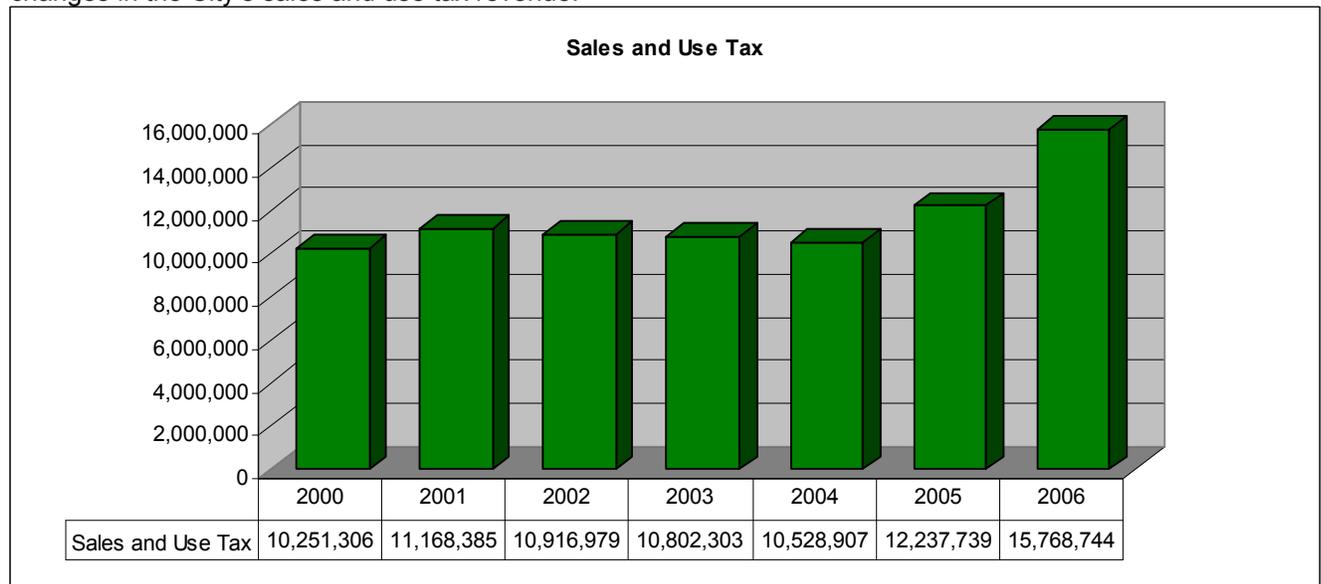
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,729,288, an increase of \$3,277,321 from the prior year ending fund balances. This increase is largely due to increased sales tax collection. The Glenwood Meadows project continues to generate sales tax for the City. In addition, the City approved a one-fourth cent (1/4) increase in the Street Maintenance and Construction Tax for a total tax of one-half cent (1/2). Approximately 34% of the total fund balance, or \$4,648,291, is reserved, meaning it is not available for new spending because it has already been committed. The remainder of the combined fund balance is unreserved, which is available for spending at the City's discretion. The following graph provides a view of the City's ending fund balances:

Financial Analysis of the City's Funds (continued)

Governmental Funds (continued):



The City's primary funding of governmental activities is sales and use tax. The following chart represents changes in the City's sales and use tax revenue:



The increase in 2006 is a result of the continued sales tax earned from the opening of the Glenwood Meadow project. This coupled with a rebounding economy resulted in significant increase over years past. The City approved a one-fourth cent (1/4) increase in the Street Maintenance and Construction Tax for a total tax of one-half cent (1/2). Governmental funds received a total of \$692,626 in operational transfers in from proprietary funds, before accounting for any capital contributions between fund types. These transfers were approved to primarily cover equipment and land acquisitions and to subsidize operational costs.

Financial Analysis of the City's Funds (continued)

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

The City's proprietary funds had ending net assets of \$58,120,876 broken down by fund as follows: Water and Sewer - \$27,073,292, Electric - \$25,122,279, Airport - \$113,354, and Landfill - \$5,811,951. The net assets listed previously include fixed assets. Cash available at year-end broken down by fund is: Water and Sewer - \$4,602,255, Electric System - \$4,782,382, Airport - \$25,871, and Landfill Operations - \$4,920,579.

The approved budget for 2007 decreases transfers from the Enterprise funds; only debt requirements are budgeted.

Budget Variances in the General Fund: The City amended the General Fund budget during the year increasing appropriations by \$113,746. The ending expenditures were \$530,693 less than the amended budget. The following significant variances were noted in the General Fund:

<u>Account</u>	<u>Variance Positive (Negative)</u>	<u>Reason</u>
Revenues:		
Sales Tax	\$ 402,537	Continued increased sales tax earned from Glenwood Meadows Project.
Interest Income	101,224	Higher interest rates than anticipated at budget time.
Expenses:		
Police Department	173,412	Purchase of three new police vehicles
Community Center	(195,740)	Optimistic budgeting, balance comparable to prior year.
Recreation	109,036	Staff vacancies throughout the year.

Capital Assets: The City's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statement in section D.

Long-term Debts: As of the end of the current fiscal year, the City's long-term liabilities totaled \$27,635,234. The only significant increase in long-term liabilities consisted of a \$50,926 capital lease for the purchase of equipment issued in the general fund. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements in section D of this report.

Next Year's Budget and Rates: The City's General Fund balance at the end of fiscal year 2006 totaled \$4,183,948. The original 2007 budget anticipates decreasing this balance by \$500,204. Items to note include: 1) The Electric Fund imposed a 4% rate increase beginning in the spring of 2007. 2) An Internal Service Fund for fleet maintenance will be established beginning in 2007. Vehicles and equipment service by the fleet service department will be transferred into the new fund. 3) The Internal Service Fund for self-insurance will end on December 31, 2006 with any residual equity being transferred to the General Fund.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Glenwood Springs, City Finance Director, 101 W. 8th Street, Glenwood Springs, CO 81601.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Statement of Net Assets
December 31, 2006

Assets:	Governmental Activities	Business Type Activities	Total
Cash and cash equivalents - unrestricted	12,252,786	14,331,087	26,583,873
Cash and cash equivalents - restricted	-	2,186,026	2,186,026
Accounts, taxes, and interest receivable	4,075,090	2,453,639	6,528,729
Due from other governments	97,062	-	97,062
Inventory	18,964	464,066	483,030
Total current assets	16,443,902	19,434,818	35,878,720
Other assets:			
Deferred charges	-	80,603	80,603
Capital assets:			
Land and water rights	9,731,732	134,441	9,866,173
Buildings and improvements	70,074,761	60,198,956	130,273,717
Equipment	2,047,051	3,224,084	5,271,135
Vehicles	5,141,828	854,360	5,996,188
Construction in Progress	2,504,211	1,255,586	3,759,797
Less accumulated depreciation	(26,176,186)	(22,319,805)	(48,495,991)
Total capital assets (net of accumulated depr.)	63,323,397	43,347,622	106,671,019
Total assets	79,767,299	62,863,043	142,630,342
Liabilities:			
Current Liabilities:			
Accounts, retainage, arbitrage & deposits payable	1,014,466	1,029,750	2,044,216
Accrued compensation	192,511	62,058	254,569
Interest payable	299,912	11,185	311,097
Deferred revenue	1,184,995	-	1,184,995
Compensated absences - Due within one year	317,211	268,399	585,610
Long-term debt - Due within one year	2,110,801	435,000	2,545,801
Total current liabilities:	5,119,896	1,806,392	6,926,288
Noncurrent liabilities:			
Compensated absences	475,816	103,642	579,458
Long-term debt	21,168,861	2,832,133	24,000,994
Total noncurrent liabilities	21,644,677	2,935,775	24,580,452
Total Liabilities	26,764,573	4,742,167	31,506,740
Net Assets:			
Invested in capital assets, net of related debt	40,043,735	40,080,489	80,124,224
Restricted for:			
Debt service	-	460,530	460,530
Other purposes	4,008,165	1,929,568	5,937,733
Emergencies	641,569	-	641,569
Unrestricted	8,309,257	15,650,289	23,959,546
Total Liabilities	53,002,726	58,120,876	111,123,602

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

City of Glenwood Springs, Colorado
Statement of Activities
For the Year Ended December 31, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Grants and Contributions			
Functions/Programs:							
Governmental Activities:							
General government	3,516,170	1,541,771	267,162	-	(1,707,237)	-	(1,707,237)
Public transportation	847,460	8,889	256,369	-	(582,202)	-	(582,202)
Public safety	5,478,364	700,396	696,764	-	(4,081,204)	-	(4,081,204)
Community and economic development	1,133,847	367,005	503	-	(766,339)	-	(766,339)
Public works	5,420,541	33,455	465,832	-	(4,921,254)	-	(4,921,254)
Culture and recreation	3,442,855	1,152,755	125,225	101,240	(2,063,635)	-	(2,063,635)
Interest on long-term debt	<u>1,032,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,032,398)</u>	<u>-</u>	<u>(1,032,398)</u>
Total Governmental Activities	<u>20,871,635</u>	<u>3,804,271</u>	<u>1,811,855</u>	<u>101,240</u>	<u>(15,154,269)</u>	<u>-</u>	<u>(15,154,269)</u>
Business-type activities:							
Water and sewer	3,125,407	3,253,442	3,280	1,708	-	133,023	133,023
Electric system	8,149,316	9,298,069	266,937	125,230	-	1,540,920	1,540,920
Airport operations	165,155	156,703	24,069	-	-	15,617	15,617
Landfill operations	<u>1,929,527</u>	<u>4,010,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,080,665</u>	<u>2,080,665</u>
Total Business-type Activities	<u>13,369,405</u>	<u>16,718,406</u>	<u>294,286</u>	<u>126,938</u>	<u>-</u>	<u>3,770,225</u>	<u>3,770,225</u>
Total	<u>34,241,040</u>	<u>20,522,677</u>	<u>2,106,141</u>	<u>228,178</u>	<u>(15,154,269)</u>	<u>3,770,225</u>	<u>(11,384,044)</u>
General Revenues:							
Taxes:							
Property tax, levied for general purposes					1,130,727	-	1,130,727
Specific ownership tax					91,765	-	91,765
Sales and use tax					15,768,744	-	15,768,744
Franchise tax					201,147	-	201,147
Accommodations tax					677,362	-	677,362
Other miscellaneous taxes					34,856	-	34,856
Unrestricted investment earnings					530,433	612,527	1,142,960
Grants, contributions and miscellaneous income not restricted for specific purposes					489,769	800	490,569
Sale of fixed assets					-	6,484	6,484
Transfers					<u>(1,096,068)</u>	<u>1,096,068</u>	<u>-</u>
Total General Revenues and Transfers					<u>17,828,735</u>	<u>1,715,879</u>	<u>19,544,614</u>
Change in Net Assets					2,674,466	5,486,104	8,160,570
Net Assets - Beginning					<u>50,328,260</u>	<u>52,634,772</u>	<u>102,963,032</u>
Net Assets - Ending					<u>53,002,726</u>	<u>58,120,876</u>	<u>111,123,602</u>

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

FUND FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Balance Sheet
Governmental Funds
December 31, 2006

	<u>General</u>	<u>Capital Projects</u>	<u>Acquisition and Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets:					
Cash and investments	3,171,380	2,095,920	3,474,666	3,200,928	11,942,894
Taxes receivable	1,927,587	244,518	489,035	611,700	3,272,840
Accounts receivable	160,820	27,899	-	258,051	446,770
Interest receivable	41,012	20,153	8,709	-	69,874
Due from other governments	65,096	-	3,600	-	68,696
Due from other funds	271,269	-	-	(271,269)	-
Prepaid expenses	-	-	-	1,444	1,444
Inventory	18,964	-	-	-	18,964
Total Assets	<u>5,656,128</u>	<u>2,388,490</u>	<u>3,976,010</u>	<u>3,800,854</u>	<u>15,821,482</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts/vouchers payable	240,961	50,939	114,785	231,977	638,662
Other liabilities	73,548	-	-	-	73,548
Accrued payroll and related liabilities	190,739	4,250	-	-	194,989
Deferred property taxes not collectible until subsequent year	966,932	-	-	218,063	1,184,995
Total Liabilities	<u>1,472,180</u>	<u>55,189</u>	<u>114,785</u>	<u>450,040</u>	<u>2,092,194</u>
Fund Balance:					
Reserved:					
Other	247,498	1,082,302	2,333,323	25,000	3,688,123
Emergencies	395,456	61,426	61,491	123,196	641,569
Inventory and prepaids	18,964	-	-	1,444	20,408
Long-Term receivable - DDA	271,269	-	-	28,365	299,634
Unreserved, reported in:					
General	3,250,761	-	-	-	3,250,761
Special revenue	-	-	-	2,526,161	2,526,161
Capital projects	-	1,189,573	1,466,411	-	2,655,984
Other government	-	-	-	646,648	646,648
Total Fund Balance	<u>4,183,948</u>	<u>2,333,301</u>	<u>3,861,225</u>	<u>3,350,814</u>	<u>13,729,288</u>
Total Liabilities and Fund Balance	<u>5,656,128</u>	<u>2,388,490</u>	<u>3,976,010</u>	<u>3,800,854</u>	<u>15,821,482</u>

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

City of Glenwood Springs, Colorado
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2006

Governmental Funds Total Fund Balance	13,729,288
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	63,323,397
Internal Service Funds are used by the City to charge the cost of health insurance to individual funds. A portion of the assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Activities.	322,642
Less:	
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 City long-term liabilities.	(24,372,601)
Governmental Activities Net Assets	<u><u>53,002,726</u></u>

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

City of Glenwood Springs, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2006

	<u>General</u>	<u>Capital Projects</u>	<u>Acquisition and Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	7,479,301	2,095,836	4,191,671	3,971,199	17,738,007
Permits and licenses	262,405	-	-	-	262,405
Intergovernmental revenue	1,450,949	-	7,200	399,876	1,858,025
Charges for services	1,991,358	15,655	-	50,585	2,057,598
Investment income	125,224	140,151	145,669	119,389	530,433
Miscellaneous	2,038,009	27,901	140,300	82,441	2,288,651
Total Revenues	<u>13,347,246</u>	<u>2,279,543</u>	<u>4,484,840</u>	<u>4,623,490</u>	<u>24,735,119</u>
Expenditures:					
General government	2,608,047	-	375,467	202,951	3,186,465
Transportation	-	-	-	2,181,995	2,181,995
Public safety	5,039,597	-	-	80,568	5,120,165
Community and economic development	543,577	-	-	586,994	1,130,571
Public works	1,523,970	1,265,605	476,048	-	3,265,623
Culture and recreation	2,499,000	-	221,618	133,577	2,854,195
Debt service:					
Principal	150,000	172,657	1,470,939	202,282	1,995,878
Interest	143,093	59,363	799,197	64,339	1,065,992
Total Expenditures	<u>12,507,284</u>	<u>1,497,625</u>	<u>3,343,269</u>	<u>3,452,706</u>	<u>20,800,884</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>839,962</u>	<u>781,918</u>	<u>1,141,571</u>	<u>1,170,784</u>	<u>3,934,235</u>
Other Financing Sources (Uses):					
Financing proceeds	35,711	-	-	-	35,711
Transfers in	655,834	20,000	489,686	189,206	1,354,726
Transfers (out)	(189,206)	(1,790,400)	(20,000)	(47,746)	(2,047,352)
Total Other Financing Sources (Uses)	<u>502,339</u>	<u>(1,770,400)</u>	<u>469,686</u>	<u>141,460</u>	<u>(656,915)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	1,342,301	(988,482)	1,611,257	1,312,244	3,277,320
Fund Balance - Beginning of Year	<u>2,841,647</u>	<u>3,321,783</u>	<u>2,249,968</u>	<u>2,038,570</u>	<u>10,451,968</u>
Fund Balance - End of Year	<u>4,183,948</u>	<u>2,333,301</u>	<u>3,861,225</u>	<u>3,350,814</u>	<u>13,729,288</u>

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

City of Glenwood Springs, Colorado
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
December 31, 2006

Net Change in Fund Balances of Governmental Funds	3,277,320
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay for the year.	(2,580,034)
Repayment of bond principal and leases are expenditures in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets. This represents the total principal repayments and the change in accrued interest at year end.	2,078,881
Lease proceeds provide current available resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. This is the lease proceeds for the year.	(35,711)
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.	(25,789)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities.	(11,084)
In the Statement of Activities only the gain or loss on the sale and disposal of assets is reported, whereas in governmental funds, only the proceeds which increase current available resources is reported.	(29,117)
Governmental Activities Change in Net Assets	2,674,466

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

City of Glenwood Springs, Colorado
Statement of Net Assets
Enterprise Funds
December 31, 2006

	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Airport Operations</u>	<u>Landfill Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds Totals</u>
Assets:						
Current:						
Cash in bank - Unrestricted	4,602,255	4,782,382	25,871	4,920,579	14,331,087	309,893
Cash in bank - Restricted	1,901,526	284,500	-	-	2,186,026	-
Accounts receivable - Trade (net of allowance for doubtful accounts)	295,234	1,404,892	19,125	572,390	2,291,641	12,893
Interest receivable	20,226	48,956	-	50,700	119,882	-
Other receivables	42,116	-	-	-	42,116	-
Inventory	174,685	279,394	9,987	-	464,066	-
Total Current Assets	<u>7,036,042</u>	<u>6,800,124</u>	<u>54,983</u>	<u>5,543,669</u>	<u>19,434,818</u>	<u>322,786</u>
Other Assets:						
Deferred charge - Bond issuance cost, net of amortization	65,888	14,715	-	-	80,603	-
Property and Equipment:						
Land	-	104,641	-	-	104,641	-
Construction in progress	-	1,255,586	-	-	1,255,586	-
Building, plant and system	32,085,818	27,802,187	30,205	105,488	60,023,698	-
Water rights	29,800	-	-	-	29,800	-
Equipment	808,654	270,431	84,293	1,530,107	2,693,485	-
Vehicles	705,611	705,857	8,405	140,344	1,560,217	-
Total	<u>33,629,883</u>	<u>30,138,702</u>	<u>122,903</u>	<u>1,775,939</u>	<u>65,667,427</u>	<u>-</u>
Less accumulated depreciation	<u>(12,097,654)</u>	<u>(9,365,519)</u>	<u>(53,339)</u>	<u>(803,293)</u>	<u>(22,319,805)</u>	<u>-</u>
Net Property and Equipment	<u>21,532,229</u>	<u>20,773,183</u>	<u>69,564</u>	<u>972,646</u>	<u>43,347,622</u>	<u>-</u>
 Total Assets	 <u><u>28,634,159</u></u>	 <u><u>27,588,022</u></u>	 <u><u>124,547</u></u>	 <u><u>6,516,315</u></u>	 <u><u>62,863,043</u></u>	 <u><u>322,786</u></u>
Liabilities and Fund Equity:						
Current Liabilities:						
Accounts payable	26,694	658,635	10,593	68,944	764,866	144
Deposits	1,173	263,711	-	-	264,884	-
Accrued interest	2,810	8,375	-	-	11,185	-
Accrued payroll and taxes	26,791	27,413	600	7,254	62,058	-
Accrued vacation and sick pay	268,399	82,609	-	21,033	372,041	-
Other liabilities	-	-	-	607,133	607,133	-
Current portion of long-term debt	175,000	260,000	-	-	435,000	-
Total Current Liabilities	<u>500,867</u>	<u>1,300,743</u>	<u>11,193</u>	<u>704,364</u>	<u>2,517,167</u>	<u>144</u>
Long-term Liabilities:						
Long-term debt - Bonds payable, net of current portion	1,060,000	1,165,000	-	-	2,225,000	-
Total Liabilities	<u>1,560,867</u>	<u>2,465,743</u>	<u>11,193</u>	<u>704,364</u>	<u>4,742,167</u>	<u>144</u>
Net Assets:						
Invested in capital assets, net of related debt	20,297,229	19,348,183	69,564	972,646	40,687,622	-
Restricted	176,030	284,500	-	-	460,530	-
Unrestricted	6,600,033	5,489,596	43,790	4,839,305	16,972,724	322,642
Total Net Assets	<u>27,073,292</u>	<u>25,122,279</u>	<u>113,354</u>	<u>5,811,951</u>	<u>58,120,876</u>	<u>322,642</u>
 Total Liabilities and Fund Equity	 <u><u>28,634,159</u></u>	 <u><u>27,588,022</u></u>	 <u><u>124,547</u></u>	 <u><u>6,516,315</u></u>	 <u><u>62,863,043</u></u>	 <u><u>322,786</u></u>

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

City of Glenwood Springs, Colorado
Statement of Revenues, Expenditures and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2006

	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Airport Operations</u>	<u>Landfill Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds Totals</u>
Operating Revenues:						
Rentals	-	-	20,943	-	20,943	-
Charges and fees	3,171,915	9,307,961	133,078	3,971,604	16,584,558	1,353,405
Other	86,515	257,045	5,086	37,788	386,434	-
Total Operating Revenues	<u>3,258,430</u>	<u>9,565,006</u>	<u>159,107</u>	<u>4,009,392</u>	<u>16,991,935</u>	<u>1,353,405</u>
Operating Expenses:						
Purchased power	-	5,193,335	-	-	5,193,335	-
Operations and maintenance	1,677,572	1,352,689	119,663	1,424,965	4,574,889	-
General and administrative	603,369	911,060	28,947	373,296	1,916,672	1,372,565
Improvements	-	-	8,997	-	8,997	-
Depreciation	932,628	868,001	7,548	131,266	1,939,443	-
Total Operating Expenses	<u>3,213,569</u>	<u>8,325,085</u>	<u>165,155</u>	<u>1,929,527</u>	<u>13,633,336</u>	<u>1,372,565</u>
Operating Income (Loss)	<u>44,861</u>	<u>1,239,921</u>	<u>(6,048)</u>	<u>2,079,865</u>	<u>3,358,599</u>	<u>(19,160)</u>
Non-Operating Revenues (Expenses):						
Sale of assets	-	6,484	-	800	7,284	-
Investment income	204,050	213,518	1,733	193,226	612,527	8,076
Intergovernmental awards	-	-	22,465	-	22,465	-
Interest expense	(36,933)	(71,856)	-	-	(108,789)	-
Amortization - bond issuance cost	(16,805)	(5,469)	-	-	(22,274)	-
Total Non-Operating Revenues (Expenses)	<u>150,312</u>	<u>142,677</u>	<u>24,198</u>	<u>194,026</u>	<u>511,213</u>	<u>8,076</u>
Income (Loss) Before Transfers and Capital Contributions	195,173	1,382,598	18,150	2,273,891	3,869,812	(11,084)
Transfer (out)	-	(253,094)	-	(449,686)	(702,780)	-
Transfer in	1,790,400	-	-	-	1,790,400	-
Capital contributions	403,442	125,230	-	-	528,672	-
Change in Net Assets	2,389,015	1,254,734	18,150	1,824,205	5,486,104	(11,084)
Net Assets - Beginning of Year	<u>24,684,277</u>	<u>23,867,545</u>	<u>95,204</u>	<u>3,987,746</u>	<u>52,634,772</u>	<u>333,726</u>
Net Assets - End of Year	<u>27,073,292</u>	<u>25,122,279</u>	<u>113,354</u>	<u>5,811,951</u>	<u>58,120,876</u>	<u>322,642</u>

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

City of Glenwood Springs, Colorado
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2006

	Water and Sewer	Electric System	Airport Operations	Landfill Operations	Totals	Governmental Activities Internal Service Funds Totals
Cash Flows From Operating Activities:						
Cash received from customers	3,149,113	9,307,675	135,937	3,695,522	16,288,247	1,398,309
Cash paid to suppliers and employees	(2,301,959)	(7,714,713)	(144,922)	(1,632,784)	(11,794,378)	(1,506,168)
Other operating revenues	86,515	257,045	5,086	37,788	386,434	-
Interfund transfers	1,790,400	(253,094)	(5,177)	(449,686)	1,082,443	-
Net Cash Provided (Used) by Operating Activities	2,724,069	1,596,913	(9,076)	1,650,840	5,962,746	(107,859)
Cash Flows From Non-Capital Financing Activities:						
Net refunds of customer deposits	-	29,819	-	-	29,819	-
Net Cash (Used) by Non-Capital Financing Activities	-	29,819	-	-	29,819	-
Cash Flows From Capital and Related Financing Activities:						
Sale of assets	-	6,484	-	800	7,284	-
Grant received	-	-	22,465	-	22,465	-
Interest paid on bonds and equipment contracts	(37,225)	(72,418)	-	-	(109,643)	-
Principal paid on bonds and equipment contracts	(175,000)	(250,000)	-	-	(425,000)	-
Acquisition and construction of capital assets	(42,059)	(541,918)	(19,175)	(217,767)	(820,919)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(254,284)	(857,852)	3,290	(216,967)	(1,325,813)	-
Cash Flows From Investing Activities:						
Interest on investments	205,180	185,674	1,733	162,910	555,497	8,076
Net Cash Provided by Investing Activities	205,180	185,674	1,733	162,910	555,497	8,076
Net Increase in Cash and Cash Equivalents	2,674,965	954,554	(4,053)	1,596,783	5,222,249	(99,783)
Cash and Cash Equivalents - Beginning of Year	3,828,816	4,112,328	29,924	3,323,796	11,294,864	409,676
Cash and Cash Equivalents - End of Year	6,503,781	5,066,882	25,871	4,920,579	16,517,113	309,893
Cash and Cash Equivalents Consists of the Following:						
Cash in bank - Unrestricted	4,602,255	4,782,382	25,871	4,920,579	14,331,087	309,893
Cash in bank - Restricted	1,901,526	284,500	-	-	2,186,026	-
Total	6,503,781	5,066,882	25,871	4,920,579	16,517,113	309,893
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Operating income (loss)	44,861	1,239,921	(6,048)	2,079,865	3,358,599	(19,160)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	932,628	868,001	7,548	131,266	1,939,443	-
(Increase) decrease in accounts receivable	(22,802)	(286)	(18,084)	(276,082)	(317,254)	44,904
(Increase) decrease in inventories	(8,726)	42,287	4,575	-	38,136	-
(Increase) decrease in prepaid items/other assets	-	-	-	73,320	73,320	7,200
Increase (decrease) in accounts payable	(25,930)	(320,646)	8,286	85,790	(252,500)	(140,803)
Increase (decrease) in compensated absences	13,638	20,730	(176)	6,367	40,559	-
Net change in interfund transfers	1,790,400	(253,094)	(5,177)	(449,686)	1,082,443	-
Total Adjustments	2,679,208	356,992	(3,028)	(429,025)	2,604,147	(88,699)
Net Cash Provided (Used) by Operating Activities	2,724,069	1,596,913	(9,076)	1,650,840	5,962,746	(107,859)
Schedule of Non-Cash Investing, Capital and Financing Activities:						
Assets donated	403,442	125,230	-	-	528,672	-

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

City of Glenwood Springs, Colorado
Statement of Fiduciary Net Assets
December 31, 2006

	<u>Cathy Carney Scholarship Fund</u>	<u>Cemetery Reserve Fund</u>	<u>Firemen's Pension Fund</u>	<u>Totals</u>
Assets:				
Cash and investments	<u>1,222</u>	<u>8,222</u>	<u>987,465</u>	<u>996,909</u>
Total Assets	<u>1,222</u>	<u>8,222</u>	<u>987,465</u>	<u>996,909</u>
Net Assets:				
Held in Trust	<u><u>1,222</u></u>	<u><u>8,222</u></u>	<u><u>987,465</u></u>	<u><u>996,909</u></u>

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

City of Glenwood Springs, Colorado
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2006

	Cathy Carney Scholarship Fund	Cemetery Reserve Fund	Fireman's Pension Fund	Totals
Additions:				
Charges and fees	-	5,250	-	5,250
Pension contributions	-	-	39,900	39,900
Other	32	373	127,104	127,509
Total Additions	<u>32</u>	<u>5,623</u>	<u>167,004</u>	<u>172,659</u>
Deductions:				
Scholarships	-	-	-	-
Pension payments	-	-	85,235	85,235
Cemetery maintenance	-	10,029	-	10,029
Total Reductions	<u>-</u>	<u>10,029</u>	<u>85,235</u>	<u>95,264</u>
Change in Net Assets	32	(4,406)	81,769	77,395
Net Assets - Beginning of Year	<u>1,190</u>	<u>12,628</u>	<u>905,696</u>	<u>919,514</u>
Net Assets - End of Year	<u><u>1,222</u></u>	<u><u>8,222</u></u>	<u><u>987,465</u></u>	<u><u>996,909</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006

I. Summary of Significant Accounting Policies

The City of Glenwood Springs, Colorado, ("City"), is located in Garfield County, Colorado and its major operations include police and fire protection, road maintenance, ambulance, airport, utilities and culture and recreation.

The City'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 City has the option to apply FASB pronouncements after that date to its business-type activities and enterprise funds, it has not chosen to do so. The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

In 1966, the City became a "Home Rule City" (a municipal corporation, as defined by Colorado Revised Statutes). The City is governed by an appointed Mayor and an elected City Council which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. Additional separate governmental units, agencies, or non-profit corporations are included in the financial statements of the City since they were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

B. Blended Component Units

In conformity with generally accepted accounting principles, the financial statements of the following component units have been included in the financial reporting entity as blended component units.

- General Improvement District Number 1980 (the "District"); the District's primary purpose is to provide infrastructure improvements to specific areas within the City's downtown area. The District's primary funding source is an ad valorem tax. The District's boundaries are entirely within the City's boundaries. Although the District is legally separate from the City, the District and the City are related through a common governing board. For financial reporting purposes, the District is reported as if it were part of the City's operations because the City is able to impose its will on the District and City Council acts as the District's *de facto* governing board.
- Downtown Development Authority (the "Authority"); the Authority's primary purpose is to develop and implement a downtown development and redevelopment plan for the central business area. The Authority's boundaries are entirely within the City's boundaries. The Authority exists only with the City's express consent. Although the Authority is legally separate from the City, the Authority and the City are related through a common governing board. For financial reporting purposes, the Authority is reported as if it were part of the City's operations because the City is able to impose its will on the Authority and City Council acts as the Authority's *de facto* governing board.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, road maintenance, culture and recreation, community development, transportation systems, and administration are classified as governmental activities. The City's utilities, airport and landfill are classified as business-type activities.

1. Government-wide Financial Statements

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

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

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

2. Fund Financial Statements

The financial transactions of the City 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 City reports the following major governmental funds:

- (a) *General Fund* - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.
- (b) *Capital Projects Fund* - accounts for major City projects which are financed by a one-half (1/2) cent sales tax.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

- (c) *Acquisitions and Improvements Fund* - accounts for revenues and expenditures received from a 1.00% sales tax and special assessments levied for capital improvements purposes.

The City reports the following major propriety funds:

- (a) *Water and Sewer Fund* - accounts for activities of the fund that supplies water and sewer services to the citizens of the City. City water is provided on a metered basis.
- (b) *Electric System Fund* - accounts for activities related to the purchase and delivery of power within the City limits.
- (c) *Airport Operations Fund* - accounts for activities related to user charges and maintenance expenses for the airport.
- (d) *Landfill Operations Fund* - accounts for the activities related to the operations of the City landfill and recycling program.

The City reports the following non-major governmental funds:

- (a) *Tourism Fund* - accounts for funds received from a two and one-half percent rent tax on accommodations. Expenditures are restricted for tourism promotion purposes.
- (b) *Street Maintenance and Construction Fund* - accounts for one-half cent (1/2) sales tax designated towards traffic management and transportation related projects.
- (c) *Victims Assistance and Law Enforcement Fund (V.A.L.E.)* - accounts for funds received from a surcharge for violation of all municipal ordinances and violations of the Model Traffic Code. Expenditures are restricted to victims' and witnesses' services and reimbursements and to Police Department equipment purchases, training, and additional personnel costs.
- (d) *Conservation Trust Fund* - accounts for funds received and restricted as to use in the acquisition, development and maintenance of new conservation sites pursuant to Colorado Revised Statutes.
- (e) *Bus Tax Fund* - accounts for the .2% sales tax designated towards "Ride Glenwood Springs" bus service.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

- (f) *Downtown Development Authority (the "Authority")* - the Authority's primary purpose is to develop and implement a downtown development and redevelopment plan for the central business area. The Authority's primary funding is intended to be tax incremental financing whereby, the Authority receives a portion of any increased tax revenues occurring within the Authority's boundaries.
- (g) *General Improvement District Number 1980 Fund* - the District's primary purpose is to provide infrastructure improvements to specific areas within the downtown area. The District's primary funding source is an ad valorem tax.
- (h) *Emergency Services Equipment Replacement Fund* - accounts for revenues received on a pro-rated basis from the Glenwood Springs Rural Fire Protection District and transfers from the General Fund for the purchase of emergency services, facilities and equipment.

The City also reports the following fiduciary funds which are not included in the government-wide statements since the resources of the fund are not available to the City:

- (a) The *Cemetery Reserve Fund* accounts for funds received and restricted for the maintenance and care of the Rosebud Cemetery.
- (b) The *Cathy Carney Trust Fund* accounts for funds received and restricted for use in the award of scholarships as memorials to a former city employee.
- (c) The *Firemen's Pension Fund* accounts for the retirement plan established for the City's volunteer firemen through the Fire and Police Pension Association.

Additionally, the City reports the following Internal Service Fund:

Self Insurance Fund - accounts for employee health care costs which are charged to other city departments on a cost reimbursement basis.

D. 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.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements, proprietary fund financial statements, 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.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City'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 non-operating revenues and expenses.

E. 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 original maturities of three months or less.

2. Investments

Investments are stated at fair value.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

3. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Electric System Fund and the Water and Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month prior to the close of the fiscal year.

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. Use of Estimates

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

6. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

7. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are shown as long-term debt on the Government-wide Statement of Net Assets. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated to be taken as "terminal leave" at retirement.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City 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.

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.

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

	Years
Infrastructure	25-40
Buildings	30
Electric plant	40
Electric system and equipment	25
Water and sewer, plant and distribution system	40
Office furniture and equipment	10
Vehicles and tools	5

9. Comparative Data

Comparative data for the prior year have been presented only on the individual fund financial statements in order to provide an understanding of the changes in the financial position and operations of the 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 a 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 “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The \$63,323,397 reconciling item represents the book value of capital assets at December 31, 2006.

Another element of that reconciliation states that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$24,372,601 difference represent long-term bonds and loans of \$21,695,253, property leases of \$1,510,066, capital equipment obligations of \$74,343, accrued interest of \$299,912 and \$793,027 of compensated absences.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

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

Another element of that reconciliation states that "Internal Service Funds are used by the City to charge the cost of health insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets". The result is an increase in net assets of \$322,642 in the governmental activities.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes a 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 "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 as depreciation expense". The details of the net difference of \$2,580,034 are net capital outlay of \$518,409 less depreciation expense of \$3,098,443.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

As required by Colorado statutes and the Home Rule Charter, the City followed required timetables in preparing, approving, and enacting its budget for the ensuing year. The following is a summary of the budget calendar for the 2006 budget year:

- (1) For the 2006 budget year, prior to December 10, 2005, the County Assessor sent to the City the final recertified assessed valuation of all taxable property within the City's boundaries.
- (2) The City Manager, or other qualified persons appointed by the Council, submitted to the Council, on or before October 15, 2005, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Council prior to October 15, 2005.
- (4) For the 2006 budget, prior to December 15, 2005, the City Council computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) After the required public hearing, the City Council adopted the proposed budget by resolution prior to October 15, 2005. The ordinance which legally appropriates expenditures for the upcoming year was passed on or before the first Council meeting in November.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (6) After adoption of the budget ordinance, the City may make by ordinance the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) a reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the City Council may, by affirmative vote of five or more members, transfer part or all of any unexpended funds from one department, fund, or office to another.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2005 were collected in 2006 and taxes certified in 2006 will be collected in 2007. 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.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Water and Sewer Fund, Electric System Fund, Airport Operations Fund and Landfill Operations Fund. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at fiscal year end except for the Capital Projects Fund and the Acquisition and Improvement fund, which lapse upon project completion.

During the year, \$6,006,964 of supplemental appropriation ordinances were approved. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

The following funds had supplementary budget appropriations:

Fund	Original Appropriation	Supplemental Appropriation
General	13,118,465	13,232,211
Self Insurance	400,000	1,377,100
Capital Projects	1,613,269	4,674,599
Bus Tax	780,416	1,054,564
Acquisition and Improvements	3,223,498	3,627,723
Tourism	540,944	586,394
Conservation Trust	124,140	133,799
GID Improvement District No.1980	111,635	189,635
Emergency Services Equipment	158,000	198,000
Water and Sewer	3,421,494	3,437,894
Electric System	10,820,873	11,026,873
Airport Operations	171,504	205,524
Landfill Operations	1,734,564	2,481,450

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(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 City has reserved \$641,569 which is the approximate required reserve at December 31, 2006.

The City's voters approved a ballot question which will allow the City to collect, retain, and expend the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues from the date of January 1, 1993 and thereafter. The City may not increase tax rates or add new debt without voter approval.

The City'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.

C. Possible Violation of State Statutes

The following fund had expenditures in excess of appropriations:

The Tourism Fund, the Water and Sewer Fund, the Airport Operations Fund, Landfill Operations Fund expenditures exceeded appropriations by \$600, \$61,660, \$12,826 and \$109,530, respectively. This may be a violation of state statutes.

D. Budgetary Information

	Water and Sewer Fund	Electric System Fund
Excess (deficiency) of revenues over expenditures - budget basis	\$ 1,778,869	718,318
Gain on disposal of assets	(22,543)	-
Capital contributions	403,442	-
Debt service - Principal	175,000	250,000
Capital outlay	54,247	286,416
Total Adjustments	610,146	536,416
Net Income - GAAP Basis	\$ 2,389,015	1,254,734

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

Pursuant to its charter, the City has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the City may invest in federally insured banks, debt obligations of the U.S. Government, its agencies and instrumentalities, governmental mutual fund and pools including 2a7-like pools, and repurchase agreements subject to policy requirements.

The City's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). This FDIC insures the first \$100,000 of the City's deposits at each financial institution. Deposit balances over \$100,000 are collateralized as required by PDPA. The carrying amount of the City's demand deposit was \$2,424,672. Petty cash totaled \$6,782. At year end, the City had the following investments and maturities:

	Standard & Poors Rating	Carrying amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Petty cash	Not Rated	\$ 2,910	2,910	
Checking	Not Rated	668,775	668,775	
Savings and money market	Not Rated	4,440,475	4,440,475	
Investments:				
Certificates of Deposit	Not Rated	5,545,018	5,545,018	
United States Treasuries	Not Rated	8,007,753	6,533,553	1,474,200
Investment pools	AAAm	10,104,968	10,104,968	
		<u>\$ 28,769,899</u>		

The City also has \$987,465 invested with its pension fund trustee – FPPA. The City's holdings in investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The City has no regulatory oversight for the pools.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the City coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the City has limited its interest rate risk.

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

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk: The City 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 City funds must provide the City 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.

B. Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Acquisition and Improvement</u>	<u>Water and Sewer</u>	<u>Electric System</u>	<u>Non-major and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 1,927,587	244,518	489,035	-	-	611,700	3,272,840
Accounts	484,089	27,899	-	296,734	1,429,892	861,768	3,100,382
Interest	41,012	20,153	8,709	20,226	48,956	54,835	193,891
Other	-	-	-	42,116	-	-	42,116
Intergovernmental	65,096	-	3,600	-	-	28,366	97,062
Gross receivables	<u>2,517,784</u>	<u>292,570</u>	<u>501,344</u>	<u>359,076</u>	<u>1,478,848</u>	<u>1,556,669</u>	<u>6,706,291</u>
Less: allowance for uncollectible	<u>(52,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(25,000)</u>	<u>(2,000)</u>	<u>(80,500)</u>
Net receivables	<u>\$ 2,465,784</u>	<u>292,570</u>	<u>501,344</u>	<u>357,576</u>	<u>1,453,848</u>	<u>1,554,669</u>	<u>6,625,791</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 \$1,006,468 of deferred revenue for property taxes levied in 2006 but not available until 2007.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

The City had the following capital asset activity for the year:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,731,732	-	-	9,731,732
Construction in progress	2,495,509	8,702	-	2,504,211
Total capital assets, not being depreciated	<u>12,227,241</u>	<u>8,702</u>	<u>-</u>	<u>12,235,943</u>
Capital assets, being depreciated:				
Buildings	27,864,269	-	-	27,864,269
Other improvements	1,396,576	21,275	-	1,417,851
Machinery and equipment	1,959,232	108,800	(20,981)	2,047,051
Streets and trails	40,755,569	37,071	-	40,792,640
Vehicles	4,879,262	342,561	(79,995)	5,141,828
Total capital assets, being depreciated	<u>76,854,908</u>	<u>509,707</u>	<u>(100,976)</u>	<u>77,263,639</u>
Less accumulated depreciation for:				
Buildings	(3,609,913)	(1,056,185)	-	(4,666,098)
Other improvements	(220,693)	(54,059)	-	(274,752)
Machinery and equipment	(1,224,213)	(164,210)	7,348	(1,381,075)
Streets and trails	(14,844,236)	(1,350,821)	-	(16,195,057)
Vehicles	(3,250,546)	(473,168)	64,511	(3,659,203)
Total accumulated depreciation	<u>(23,149,601)</u>	<u>(3,098,443)</u>	<u>71,859</u>	<u>(26,176,185)</u>
Total capital assets, being depreciated, net	<u>53,705,307</u>	<u>(2,588,736)</u>	<u>(29,117)</u>	<u>51,087,454</u>
Governmental Activities - Capital Assets, Net	<u>\$ 65,932,548</u>	<u>(2,580,034)</u>	<u>(29,117)</u>	<u>63,323,397</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 104,641	-	-	104,641
Water rights	29,800	-	-	29,800
Construction in progress	889,159	561,015	(194,570)	1,255,604
Total capital assets, not being depreciated	<u>1,023,600</u>	<u>561,015</u>	<u>(194,570)</u>	<u>1,390,045</u>
Capital assets, being depreciated:				
Buildings and plant	37,911,285	383,156	(37,270)	38,257,171
Distribution and collection system	21,379,551	403,442	-	21,782,993
Machinery and equipment	2,506,207	223,647	(30,129)	2,699,725
Vehicles	1,527,834	24,659	(15,000)	1,537,493
Total capital assets, being depreciated	<u>63,324,877</u>	<u>1,034,904</u>	<u>(82,399)</u>	<u>64,277,382</u>
Less accumulated depreciation for:				
Buildings and plant	(5,350,999)	(252,403)	-	(5,603,402)
Distribution and collection system	(12,661,589)	(1,366,167)	10,988	(14,016,768)
Machinery and equipment	(1,202,176)	(221,508)	4,671	(1,419,013)
Vehicles	(1,196,258)	(99,364)	15,000	(1,280,622)
Total accumulated depreciation	<u>(20,411,022)</u>	<u>(1,939,442)</u>	<u>30,659</u>	<u>(22,319,805)</u>
Total capital assets, being depreciated, net	<u>42,913,855</u>	<u>(904,538)</u>	<u>(51,740)</u>	<u>41,957,577</u>
Business-type Activities - Capital Assets, Net	<u>\$ 43,937,455</u>	<u>(343,523)</u>	<u>(246,310)</u>	<u>43,347,622</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
Governmental Activities:		
General government	\$ -	270,875
Transportation	247,288	71,164
Public safety	70,926	433,346
Public works	63,536	1,551,280
Culture and recreation	136,659	771,778
Total Governmental Activities	<u>\$ 518,409</u>	<u>3,098,443</u>
Business-type Activities:		
Water and sewer	\$ 457,689	932,627
Electric	901,287	868,001
Airport	19,176	7,548
Landfill	217,767	131,266
Total Business-type Activities	<u>\$ 1,595,919</u>	<u>1,939,442</u>

The difference between fixed asset additions and capital outlay include contributed assets and projects initially capitalized and subsequently expensed.

D. Interfund Receivables, Payables, and Transfers

The City had the following interfund receivables or payables as of December 31, 2006:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 271,269	-
General Improvement District	28,366	-
Downtown Development	-	299,635
	<u>\$ 299,635</u>	<u>299,635</u>

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers (continued)

Transfers were as follows:

<u>Fund</u>	<u>Funds Transferred In</u>	<u>Funds Transferred (Out)</u>	<u>Reason</u>
General Fund Water and Sewer	\$ 141,900	141,900	Allocated organizational costs and franchise fees.
General Fund Electric Fund	506,188	506,188	Allocated organizational costs and franchise fees.
General Fund Conservation Trust Fund	7,746	7,746	2005 boat ramp fees.
Emergency Services Equipment and Replacement Fund General Fund	189,206	189,206	City share of capital improvement mill levy.
Acquisition and Improvement Fund Emergency Services Equipment and Replacement Fund	40,000	40,000	Reimbursement for offices at station 2.
Acquisition and Improvement Fund Landfill Fund	449,686	449,686	Community pool debt payment.
Water Sewer and Sanitation Fund Capital Projects Fund	1,790,400	1,790,400	Water and sewer infrastructure needs
Capital Projects Fund Acquisition and Improvement Fund	20,000	20,000	Cost share for Welcome to Glenwood signs
	<u>\$ 3,145,126</u>	<u>3,145,126</u>	

E. Governmental Funds Long-term Debt

1. Revenue and General Obligation Bonds

- (a) \$19,040,000 Sales and Use Tax Revenue Bonds dated February 15, 1999, bearing an effective interest rate of 4.5633%, payable April 1 and October 1 each year thereafter until maturity. Principal on this issue matures October 1 of each year through 2018.

Bonds of this issue maturing before October 1, 2009, are not redeemable prior to their respective maturity dates. Bonds of this issue maturing on or after October 1, 2009, are redeemable in whole or in part. The redemption price is equal to the principal amount thereof and accrued interest to the date of redemption, plus a premium ranging from 0% to 1% of the principal amount of the bonds.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt (continued)

1. Revenue and General Obligation Bonds (continued)

- (a) Bonds of this issue maturing on October 1, 2018, are subject to mandatory sinking fund requirements. The revenues derived from the 1.0% portion of the City's effective 3.45% sales and use tax are pledged for payment of bonds of this issue. This bond issue is MBIA insured.
- (b) \$4,999,017 Government Agency Bond dated May 1, 1999, issued to evidence the loan agreement of the same date with the Colorado Water Resources and Power Development Authority. The bond bears an effective interest yield of 3.77%, payable April 1 and October 1 from 1999 through 2018. Principal on this issue matures April 1 and October 1 of each year from 1999 through 2018.
- (c) \$2,298,217 Government Agency Bond dated September 15, 1998, issued to evidence the loan agreement of the same date with the Colorado Water Resources and Power Development Authority. The bond bears an effective interest yield of 4.454%, payable April 1 and October 1 from 1999 through 2012. Principal on this issue matures October 1 of each year from 1999 through 2012.
- (d) \$3,695,000 Limited Tax General Obligation Bonds dated March 15, 2001, bearing interest rates ranging from 4.0% to 5.05%. The revenues derived from an ad valorem mill levy imposed annually through December 31, 2020, upon all taxable property within the City are pledged for this bond issue. The issue is subject to mandatory sinking fund requirements. This bond issue is insured by Financial Security Assurance, Inc. The proceeds are to be used for the acquisition and construction of fire department buildings and equipment.

2. Land Lease Payable

On December 29, 2000, the City entered into an installment purchase agreement (\$1,000,000) for the purchase of land located within the City limits. Repayment terms include equal annual installments of \$99,631 over a period of eleven years. The annual interest rate in relation to this note is 8.33%.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Funds Long-term Debt

3. Capital Leases

The City has various capital leases relating to vehicles and office equipment. The leases are annually appropriable and the terms vary. The following lease payments are required:

Year	2006 Ford Expedition	(2) 2006 Ford Expeditions	2005 Ford Expedition	(2) 2005 Ford Explorers	2004 Dodge Dakota	2003 Dodge Durango	Total
2007	\$ 4,210	11,005	4,817	11,006	5,044	5,317	41,399
2008	4,210	11,005	4,817	-	5,044	-	25,076
2009	4,210	-	4,817	-	-	-	9,027
2010	4,210	-	-	-	-	-	4,210
Sub total	16,840	22,010	14,451	11,006	10,088	5,317	79,712
Less: interest	(1,726)	(1,402)	(1,062)	(417)	(561)	(201)	(5,369)
Total	\$ 15,114	20,608	13,389	10,589	9,527	5,116	74,343

4. 2002 SIB Loan

In 2002, the City entered into a loan agreement with the State Infrastructure Bank via the Colorado Department of Transportation to purchase property for possible Highway 82 relocation. The original principal balance was \$1,500,000 with annual payments of \$166,990. The loan has a stated interest rate of 2% and matures in 2012.

5. Pool Lease

In 2004, the City signed a lease agreement with Municipal Capital Markets Group, subsequently assigned to Alpine Bank, for funds to complete the municipal pool. The lease requires semi-annual payments of \$224,843 through 2009. The lease carries an interest rate of 4.375% and can be terminated through payment of the outstanding balance at a 103% premium.

6. Compensated Absences

The City has a policy for the accumulation of sick pay, vacation pay and compensatory time up to certain limits. Earned vacation pay accrues on a graduated scale from the date of employment but may not exceed 52 days. Sick pay may be accumulated to a maximum of 120 days; upon retirement, an employee's accrued sick leave may be converted to monetary payment at their current rate of pay for 100% of the amount accrued. In lieu of accruing and receiving additional sick leave, an employee who has accrued 120 days will be compensated as follows; in money at current salary or hourly rate for half of the accrued days in excess of the 120 days or in vacation leave at a ratio of 1 day for every 2 days sick leave. In lieu of overtime compensation, an employee may bank compensatory time at the rate of 1½ hours for every hour worked up to a maximum of 40 hours.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Governmental Fund Long-term Debt (continued)

5. Summary of Debt Service Requirements

The following is a summary of debt service requirements for governmental activities:

Year Ended December 31,	Sales and Use Tax Revenue Bonds	1998 Government Agency Bonds	1999 Government Agency Bonds	2001 Limited Tax General Obligation	Land Installment Agreement
2007	\$ 1,477,665	228,141	385,098	292,092	99,631
2008	1,477,665	222,745	384,834	290,893	99,631
2009	1,475,810	225,215	384,301	294,332	99,631
2010	1,476,593	223,601	385,081	292,193	99,631
2011	1,474,730	221,692	384,416	289,667	99,631
2012-2016	7,373,790	224,213	1,924,016	1,467,258	99,631
2017-2020	2,954,920	-	580,724	1,169,077	-
Total	17,711,173	1,345,607	4,428,470	4,095,512	597,786
Less: Interest	(4,361,173)	(188,913)	(1,100,293)	(1,170,512)	(141,765)
Total	\$ 13,350,000	1,156,694	3,328,177	2,925,000	456,021

Year Ended December 31,	SIB Loan	Capital Leases	Pool Lease	Grand Total
2007	\$ 166,990	41,399	449,686	\$ 3,140,702
2008	166,990	25,076	449,686	3,117,520
2009	166,990	9,027	224,843	2,880,149
2010	166,990	4,210	-	2,648,299
2011	166,990	-	-	2,637,126
2012-2016	166,990	-	-	11,255,898
2017-2020	-	-	-	4,704,721
Total	1,001,940	79,712	1,124,215	30,384,415
Less: Interest	(66,558)	(5,369)	(70,170)	(7,104,753)
Total	\$ 935,382	74,343	1,054,045	\$ 23,279,662

F. Enterprise Fund Long-term Debt

1. Revenue and General Obligation Refunding Bonds

(a) \$1,770,000 Water and Sewer Revenue Refunding Bonds - 2003 issue, bearing interest rates ranging from 2.00% to 3.25%, payable on June 1 and December 1 of each year through 2013. Principal matures year to year from 2003 to 2013. The bonds are revenue obligations of the City and are not general obligation bonds of the City. The bonds were issued to refinance the outstanding water and sewer bonds of the City. The bonds are not subject to prior redemption.

(b) \$2,845,000 of Electric System Revenue Bonds bearing interest between 4.0% and 4.5% depending on maturity. The bonds mature in 2011 and require annual payments of approximately \$330,000. The proceeds are to be used for construction of a maintenance facility and municipal operation center.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Enterprise Fund Long-term Debt (continued)

1. Revenue and General Obligation Refunding Bonds (continued)

<u>Year Ended December 31,</u>	<u>Water and Sewer Revenue Refunding Bonds Series 2003</u>	<u>Electric System Revenue Bonds</u>	<u>Total</u>
2007	\$ 208,725	321,041	529,766
2008	210,225	325,381	535,606
2009	206,175	323,969	530,144
2010	186,675	321,856	508,531
2011	186,725	323,950	510,675
2012-2016	382,425	-	382,425
Total	1,380,950	1,616,198	2,997,148
Less: Interest	(145,950)	(191,198)	(337,148)
Total	\$ 1,235,000	1,425,000	2,660,000

The following is a summary of changes in long-term debt for the year ended December 31, 2006:

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2006</u>
Governmental Activities:				
2001 Limited Tax General Obligation	\$ 3,075,000	-	(150,000)	2,925,000
1999 Sales and Use Tax Revenue Bonds	14,190,000	-	(840,000)	13,350,000
1999 Governmental Agency Bonds	3,568,411	-	(240,234)	3,328,177
1998 Governmental Agency Bonds	1,329,351	-	(172,657)	1,156,694
Colorado SIB Loan	1,080,757	-	(145,375)	935,382
Land Lease Payable	512,928	-	(56,907)	456,021
Pool Lease	1,444,750	-	(390,705)	1,054,045
Capital Leases	88,042	50,926	(64,625)	74,343
Compensated Absences	767,238	25,789	-	793,027
Business-type Activities:				
Water and Sewer Revenue Refunding Bonds, Series 2003	1,410,000	-	(175,000)	1,235,000
Electric Revenue Bonds	1,675,000	-	(250,000)	1,425,000
Landfill closure and post closure	530,504	-	-	530,504
Compensated Absences	336,752	35,289	-	372,041
Total	\$ 30,008,733	112,004	(2,485,503)	27,635,234

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Landfill Closure and Post-Closure Costs

State and federal laws and regulations require the City to perform certain closure and post-closure maintenance of the landfill site for thirty years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the amount of landfill used during the year. The estimated liability for landfill closure and postclosure care are based upon an estimate of the landfill used during the year. The estimated liability for landfill closure and postclosure costs is \$1,188,022 and \$580,325, respectively. As of December 31, 2006, the liability for closure and postclosure is \$407,888 and \$199,245. The December 31, 2006 liability is based upon the usage (filled) of the landfill and is shown in these financial statements as an accrued liability in the Landfill Fund. It is estimated that an additional \$1,161,214 will be recognized as closure and postclosure care expenses between the date of the balance sheet and 2027, the date the landfill is expected to be filled to capacity.

The estimated total current cost of the landfill closure and postclosure cost, \$607,133 is based upon the estimated amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2006.

The actual costs of closure and postclosure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to provide adequate financial resources to pay for all closure and postclosure care. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

H. Advance Refunding

The City has advance refunded several general obligation and revenue bonds. Sufficient U.S. government, state and local government securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has not been recorded on the financial statements. The amount of defeased bonds outstanding at December 31, 2006 cannot be readily determined.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Reserved Fund Balance

The City had the following reserves on the fund balance at December 31, 2006:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due from Downtown Development Authority	\$ 299,635	-
Police Seizures	64,470	-
Emergency Reserve	641,569	-
Prepaid expenses and inventory	18,964	-
Intersection improvement	25,000	-
Other projects	3,415,625	-
Housing and road fees	183,028	-
Water and sewer improvements	-	1,929,568
Debt service	-	460,530
	<u>\$ 4,648,291</u>	<u>2,390,098</u>

When expenditures/expenses meet the requirements to be used for restricted purposes, they are initially applied against restricted resources and subsequently applied against unrestricted resources.

J. Bond Issuance Costs

Bond issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Unamortized bond issuance costs at December 31, 2006, were \$80,603.

V. Other Information

A. Pension Plans

All City employees, except police and fire, participate in the Federal Social Security system for which the City has no liability except for amounts withheld and related statutory matching amounts. In addition, the City has established two contributory pension plans.

1. Contributory Pension Plan (IRS Section 401(k))

All full-time employees of the City are eligible to participate in the plan. Eligibility is after six months of employment with enrollment dates of the first day of each month. An employee must have six months of employment at the enrollment date. The City contributes 4% of the base pay of all eligible City employees. In addition, all eligible employees may contribute. Employee contributions are fully vested and City contributions become fully vested after five years. The non-vested contributions that are forfeited are allocated to the remaining plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$8,584,864 and current year payroll for employees covered under the plan was \$7,689,486. The City's contributions were \$479,988.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

A. Pension Plans (continued)

2. Contributory Pension Plan (IRS Section 401(a))

All City police and fire employees are eligible to participate in this plan, in lieu of Social Security benefits. Eligibility is at the date of employment. The employee and the City contribute 7 1/2% of compensation to this plan. Employee contributions are fully vested, and the City's contributions become fully vested after five years. If the employee does not become eligible for the benefits, the forfeitures are divided among the plan participants. The City has no liability under the plan beyond the requirement to make the aforementioned contributions. The plan is administered by Daily Access Concepts. Total payroll for the year was \$8,584,864 and current year payroll for employees covered under the plan was \$2,969,467. The City's contributions were \$222,710.

3. Volunteer Firemen's Pension Fund

Plan Description: The City, on behalf of its volunteer firemen, provides a defined benefit pension plan which is affiliated with the Colorado Fire and Police Pension Association ("FPPA"). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the plan. Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. The activity for the Firemen's Pension Trust Fund has been reported in these financial statements.

Funding Policy: The City contributed to the plan in 2006. There were no contributions from participants.

Annual Pension Costs: For the fiscal year ended December 31, 2006, the annual pension costs were \$85,235. Eligible firemen presently receive \$500 per month in pension benefits.

Actuarial Information: The Annual Required Contribution ("ARC") for the January 1, 2005, (the last available year) was determined by the FPPA actuary, or an actuarial firm designated by FPPA using the "entry age normal" cost method and is as of January 1, 2005. The significant actuarial assumptions used in the valuation as of January 1, 2005, were: (a) life expectancy of participants obtained from the 1983 Group Annuity Mortality Table loaded for fire and police experience; (b) retirement age assumption of age 50 with 20 years of service; (c) pension benefits at \$500 per month with an additional \$25 per year of service (between 10 and 20 years); and (d) investment return of 8% per annum net of operating expenses.

For the purpose of this actuarial study, plan assets were valued at fair value using quoted market prices. The study uses a level amortization period over a period of 20 years, up to a maximum of 40 years.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

A. Pension Plans (continued)

3. Volunteer Firemen's Pension Fund (continued)

Listed below is the required disclosure for the most recent actuarial valuation, prior evaluations are not available as the City joined the plan in 1997.

Actuarial valuation date	Net assets available for benefits (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (funding excess) (c)	Funded ratio (a)/(b)
1/1/1997	\$ 545,609	274,607	-271,002	199%
1/1/1999	687,733	393,630	-294,103	175%
1/1/2001	818,845	590,928	-227,917	139%
1/1/2003	772,828	636,148	-136,680	121%
1/1/2005	806,515	831,758	25,243	97%

B. Post-Employment Health Care Benefits

All City employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the City for premiums from the termination date of coverage and monthly thereafter. Retirees and their dependents can stay on the medical, dental and vision insurance until they are eligible for Medicare. The employee pays the total premiums for any elections. No cost to the City is recognized as employees reimburse 100% of their premium cost.

C. Cafeteria Plan

The City offers a cafeteria plan organized under IRS Sections 125 and 129. It allows employees to pay premiums for some insurances tax free, contribute to medical spending accounts and contribute to dependent care spending accounts. No cost to the City is recognized as the plan is a salary reduction plan.

D. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

E. Claims

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

City of Glenwood Springs, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

F. Risk Management

The City is exposed to various risks of loss related to worker's compensation, general liability and unemployment. The City has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The City is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The City is a member of the insurance pool described below to cover these risks.

G. Employee Health Benefit Plan

The City offers medical, dental, vision, life insurance, dependent life insurance, long and short term disability, and prepaid legal insurances for both employees and their dependents. The plan is not fully funded by the City, but is partially funded (\$400/month or cost of the Basic Medical Plan for family). Medical and life insurance are the only required coverage for employees - all other insurances are optional. The City's medical coverage is accounted for in an internal service fund and is partially self insured. The plan provides City coverage for all losses up to a maximum per individual employee of \$30,000. All individual losses in excess of \$30,000 and \$1,000,000 in the aggregate are covered by commercial stop-loss coverage. The City's liability may include unpaid claims that have been incurred but not reported (IBNR's). At December 31, 2006, the City was no longer self-insured.

Changes in the liability in the last two years are as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims, January 1	\$ -	168,833
Incurred claims (including IBNR's)	-	1,034,328
Claim payments	-	(1,062,212)
Unpaid claims, December 31	<u>\$ -</u>	<u>140,949</u>

H. Comparative Information

Certain balances in the comparative information for the fiscal year ended December 31, 2005 have been reclassified to conform to the presentation used for the year ended December 31, 2006.

REQUIRED SUPPLEMENTARY INFORMATION



City of Glenwood Springs, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	2006			Final Budget	2005
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property taxes	886,103	886,103	867,711	(18,392)	872,242
Specific ownership	97,000	97,000	88,003	(8,997)	89,958
Special assessment	33,000	33,000	34,856	1,856	34,052
General sales tax	5,638,792	5,638,792	6,041,329	402,537	4,902,250
Use tax	173,912	173,912	246,255	72,343	331,259
Franchise tax	166,000	166,000	201,147	35,147	166,249
Total Taxes	6,994,807	6,994,807	7,479,301	484,494	6,396,010
Permits and Licenses:					
Contractors licenses	30,000	30,000	25,218	(4,782)	32,952
Liquor licenses	10,998	10,998	15,208	4,210	16,472
Dog licenses	500	500	675	175	518
Building permits	181,500	181,500	199,229	17,729	201,892
Sales tax license	18,000	18,000	22,075	4,075	24,695
Total Permits and Licenses	240,998	240,998	262,405	21,407	276,529
Intergovernmental:					
Cigarette tax	100,000	100,000	103,599	3,599	93,022
County road and bridge	60,000	60,000	148,146	88,146	69,158
County sales tax	172,000	172,000	259,545	87,545	195,270
Highway use tax	244,056	244,056	264,746	20,690	232,998
Severance tax	5,000	5,000	41,806	36,806	10,531
Grants	332,575	332,575	291,563	(41,012)	323,782
Glenwood Springs Rural Fire District	341,544	341,544	341,544	-	351,693
Total Intergovernmental	1,255,175	1,255,175	1,450,949	195,774	1,276,454
Charges and Fees:					
Plan check and record fee	145,000	145,000	146,988	1,988	119,745
Ambulance	380,000	380,000	435,842	55,842	376,644
Cemetery fees	15,000	15,000	15,313	313	13,000
Police fines and court fees	164,400	164,400	176,279	11,879	160,767
Parking fees and fines	42,000	42,000	47,099	5,099	41,548
Fire impact fee	12,000	12,000	17,800	5,800	17,675
Impoundment fees	7,000	7,000	5,955	(1,045)	8,770
Recreation fees	1,138,000	1,138,000	1,101,356	(36,644)	1,085,001
Park and rafting fees	27,000	27,000	34,867	7,867	22,413
Airport road fees	-	-	2,000	2,000	5,000
Affordable housing fees	-	-	7,859	7,859	20,168
Total Charges and Fees	1,930,400	1,930,400	1,991,358	60,958	1,870,731
Other Revenues:					
Contributions	10,000	10,000	225	(9,775)	180
Interest	24,000	24,000	125,224	101,224	40,602
Police confiscated assets	1,000	1,000	13,176	12,176	11,028
Miscellaneous	35,000	35,000	30,439	(4,561)	36,902
Other lease revenue	112,000	112,000	140,242	28,242	113,675
Overhead reimbursement	1,360,864	1,360,864	1,390,573	29,709	1,020,640
Other reimbursements	210,000	435,000	463,354	28,354	310,401
Total Other Revenues	1,752,864	1,977,864	2,163,233	185,369	1,533,428
Total Revenues	12,174,244	12,399,244	13,347,246	948,002	11,353,152

(continued)

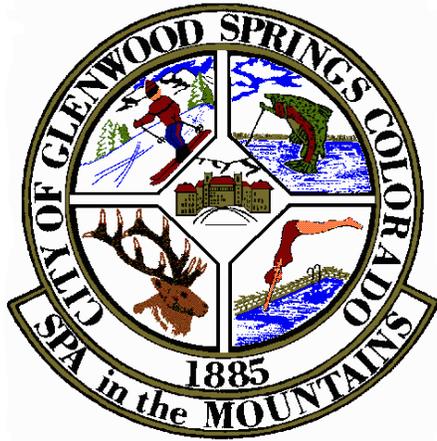
The accompanying notes are an integral part of these financial statements.

City of Glenwood Springs, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)
(Continued)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
General Government:					
Legislative	-	-	-	-	178,961
Administration	708,129	662,208	547,080	115,128	404,175
Personnel/purchasing	214,230	214,230	178,233	35,997	222,892
City Clerk and elections	402,691	508,691	503,179	5,512	339,625
Finance	712,777	712,777	649,250	63,527	575,847
Data processing	303,432	303,432	271,371	32,061	255,073
Judicial	183,104	183,104	152,788	30,316	142,507
Legal	280,962	280,962	258,747	22,215	258,377
Annexation costs and rebates	12,350	48,823	47,399	1,424	11,453
Total General Government	<u>2,817,675</u>	<u>2,914,227</u>	<u>2,608,047</u>	<u>306,180</u>	<u>2,388,910</u>
Public Safety:					
Police Department	3,023,898	3,023,898	2,850,486	173,412	2,961,251
Emergency services	2,037,920	2,037,920	2,189,111	(151,191)	1,947,414
Total Public Safety	<u>5,061,818</u>	<u>5,061,818</u>	<u>5,039,597</u>	<u>22,221</u>	<u>4,908,665</u>
Community Development:					
Administration/planning	381,069	381,069	333,165	47,904	353,622
Building inspector	292,774	292,774	210,412	82,362	198,324
Total Community Development	<u>673,843</u>	<u>673,843</u>	<u>543,577</u>	<u>130,266</u>	<u>551,946</u>
Public Works:					
Administration/engineering	415,012	426,660	422,579	4,081	366,146
Fleet maintenance	299,518	299,518	257,317	42,201	249,248
Streets, alleys, snow removal	871,022	876,568	844,074	32,494	786,118
Total Public Works	<u>1,585,552</u>	<u>1,602,746</u>	<u>1,523,970</u>	<u>78,776</u>	<u>1,401,512</u>
Culture and Recreation:					
Recreation	613,623	613,623	504,587	109,036	590,993
Community Center	1,130,322	1,130,322	1,326,062	(195,740)	1,354,670
Parks and cemetery	748,305	748,305	668,351	79,954	698,909
Total Culture and Recreation	<u>2,492,250</u>	<u>2,492,250</u>	<u>2,499,000</u>	<u>(6,750)</u>	<u>2,644,572</u>
Debt Service:					
Principal on bonded debt	150,000	150,000	150,000	-	145,000
Interest on bonded debt	143,093	143,093	143,093	-	148,893
Total Debt Service	<u>293,093</u>	<u>293,093</u>	<u>293,093</u>	<u>-</u>	<u>293,893</u>
Total Expenditures	<u>12,924,231</u>	<u>13,037,977</u>	<u>12,507,284</u>	<u>530,693</u>	<u>12,189,498</u>
Excess (Deficiency) of Revenues					
Over Expenditures	(749,987)	(638,733)	839,962	417,309	(836,346)
Other Financing Sources (Uses):					
Bond and lease financing proceeds	-	-	35,711	35,711	54,129
Transfers in	948,088	955,834	655,834	(300,000)	1,864,629
Transfers (out)	(194,234)	(194,234)	(189,206)	5,028	(192,161)
Total Other Financing Sources (Uses)	<u>753,854</u>	<u>761,600</u>	<u>502,339</u>	<u>(259,261)</u>	<u>1,726,597</u>
Excess (Deficiency) of Revenues and Other					
Financing Sources Over Expenditures					
and Other Financing (Uses)	3,867	122,867	1,342,301	158,048	890,251
Fund Balance - Beginning of Year	<u>1,624,917</u>	<u>1,624,917</u>	<u>2,841,647</u>	<u>1,216,730</u>	<u>1,951,396</u>
Fund Balance - End of Year	<u>1,628,784</u>	<u>1,747,784</u>	<u>4,183,948</u>	<u>2,436,164</u>	<u>2,841,647</u>

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

SUPPLEMENTARY INFORMATION



City of Glenwood Springs, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Sales tax	1,879,640	1,879,640	2,013,752	134,112	1,634,121
Use tax	57,972	57,972	82,084	24,112	110,422
Total Taxes	<u>1,937,612</u>	<u>1,937,612</u>	<u>2,095,836</u>	<u>158,224</u>	<u>1,744,543</u>
Fees and Charges:					
Park land fees	-	-	15,655	15,655	7,227
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>15,655</u>	<u>15,655</u>	<u>7,227</u>
Other:					
Interest	50,550	50,550	140,151	89,601	59,751
Other income	-	-	27,901	27,901	420
Total Other	<u>50,550</u>	<u>50,550</u>	<u>168,052</u>	<u>117,502</u>	<u>60,171</u>
Total Revenues	<u>1,988,162</u>	<u>1,988,162</u>	<u>2,279,543</u>	<u>291,381</u>	<u>1,811,941</u>
Expenditures:					
Public Works:					
Water projects	558,000	1,127,258	558,455	568,803	230,513
Work activities team	242,539	290,346	256,542	33,804	255,299
Sewer improvements	448,000	985,865	315,828	670,037	524,165
Other expenditures	132,710	248,710	134,780	113,930	163,870
Total Public Works	<u>1,381,249</u>	<u>2,652,179</u>	<u>1,265,605</u>	<u>1,386,574</u>	<u>1,173,847</u>
Debt Service:					
Principal on 1998 Government Agency Bond	172,657	172,657	172,657	-	159,895
Interest on 1998 Government Agency Bond	59,363	59,363	59,363	-	65,759
Total Debt Service	<u>232,020</u>	<u>232,020</u>	<u>232,020</u>	<u>-</u>	<u>225,654</u>
Total Expenditures	<u>1,613,269</u>	<u>2,884,199</u>	<u>1,497,625</u>	<u>1,386,574</u>	<u>1,399,501</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>374,893</u>	<u>(896,037)</u>	<u>781,918</u>	<u>1,677,955</u>	<u>412,440</u>
Other Financing Sources (Uses):					
Transfers in	-	20,000	20,000	-	538,300
Transfers (out)	-	(1,790,400)	(1,790,400)	-	(60,100)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,770,400)</u>	<u>(1,770,400)</u>	<u>-</u>	<u>478,200</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	374,893	(2,666,437)	(988,482)	1,677,955	890,640
Fund Balance - Beginning of Year	<u>1,965,217</u>	<u>1,965,217</u>	<u>3,321,783</u>	<u>1,356,566</u>	<u>2,431,143</u>
Fund Balance - End of Year	<u>2,340,110</u>	<u>(701,220)</u>	<u>2,333,301</u>	<u>3,034,521</u>	<u>3,321,783</u>

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

City of Glenwood Springs, Colorado
Acquisition and Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General sales tax	3,759,281	3,759,281	4,027,503	268,222	3,268,242
Use tax	115,944	115,944	164,168	48,224	220,844
Total Taxes	<u>3,875,225</u>	<u>3,875,225</u>	<u>4,191,671</u>	<u>316,446</u>	<u>3,489,086</u>
Intergovernmental:					
Grants	7,200	7,200	7,200	-	-
Other:					
Interest income	54,800	54,800	145,669	90,869	110,562
Donations	-	-	125,000	125,000	50,300
Other	-	-	15,300	15,300	-
Total Other	<u>54,800</u>	<u>54,800</u>	<u>285,969</u>	<u>231,169</u>	<u>160,862</u>
Total Revenues	<u>3,937,225</u>	<u>3,937,225</u>	<u>4,484,840</u>	<u>547,615</u>	<u>3,649,948</u>
Expenditures:					
General Government:					
General and administrative	400,147	398,714	335,325	63,389	62,000
Bond fees	40,142	40,142	40,142	-	40,142
Total General Government	<u>440,289</u>	<u>438,856</u>	<u>375,467</u>	<u>63,389</u>	<u>102,142</u>
Culture and Recreation:					
Frontier Historical Museum	10,607	10,607	10,888	(281)	10,939
River trail system	458,098	509,813	209,538	300,275	159,793
Swimming pool	-	-	-	-	283,977
Arts Center	-	-	1,192	(1,192)	-
Total Culture and Recreation	<u>468,705</u>	<u>520,420</u>	<u>221,618</u>	<u>298,802</u>	<u>454,709</u>
Public Works:					
Streets and sidewalks	21,000	114,326	39,699	74,627	5,540
Glenwood Meadows project	-	177,303	230,302	(52,999)	3,306,458
Other projects	23,368	86,682	206,047	(119,365)	5,868
Total Public works	<u>44,368</u>	<u>378,311</u>	<u>476,048</u>	<u>(97,737)</u>	<u>3,317,866</u>
Debt Service:					
Principal - 1999 Sales and use tax bonds	840,000	840,000	840,000	-	810,000
Interest - 1999 Sales and use tax bonds	635,425	635,425	635,425	-	666,205
Principal - 1999 Government agency bonds	240,234	240,234	240,234	-	234,835
Interest - 1999 Government agency bonds	104,791	104,791	104,791	-	110,657
Principal - Pool lease	390,705	390,705	390,705	-	374,157
Interest - Pool lease	58,981	58,981	58,981	-	75,529
Total Debt Service	<u>2,270,136</u>	<u>2,270,136</u>	<u>2,270,136</u>	<u>-</u>	<u>2,271,383</u>
Total Expenditures	<u>3,223,498</u>	<u>3,607,723</u>	<u>3,343,269</u>	<u>264,454</u>	<u>6,146,100</u>
Excess (Deficiency) of Revenues Over Expenditures	713,727	329,502	1,141,571	812,069	(2,496,152)
Other Financing Sources (Uses):					
Transfers in	-	489,686	489,686	-	773,686
Transfers (out)	-	(20,000)	(20,000)	-	(821,607)
Total Other Financing Sources (Uses)	<u>-</u>	<u>469,686</u>	<u>469,686</u>	<u>-</u>	<u>(47,921)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	713,727	799,188	1,611,257	812,069	(2,544,073)
Fund Balance - Beginning of Year	<u>2,313,697</u>	<u>2,313,697</u>	<u>2,249,968</u>	<u>(63,729)</u>	<u>4,794,041</u>
Fund Balance - End of Year	<u>3,027,424</u>	<u>3,112,885</u>	<u>3,861,225</u>	<u>748,340</u>	<u>2,249,968</u>

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

City of Glenwood Springs, Colorado
Combining Balance Sheets
Non-major Governmental Funds
For the Year Ended December 31, 2006

	<u>Special Revenue Funds</u>						<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Street</u>			<u>Conservation</u>	<u>Bus</u>	<u>Downtown</u>	<u>General</u>	<u>Emergency</u>	
	<u>Tourism</u>	<u>Maintenance and</u>	<u>V.A.L.E.</u>				<u>Trust</u>	<u>Tax</u>	
	<u>Fund</u>	<u>Construction Tax</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Authority</u>	<u>District</u>	<u>Equipment</u>	
		<u>Fund</u>					<u>No. 1980</u>	<u>Replacement</u>	
Assets:									
Cash and investments - Unrestricted	351,847	1,232,660	50,394	100,855	162,794	723,921	(6,474)	584,931	3,200,928
Taxes receivable	51,030	244,518	-	-	97,800	178,527	39,825	-	611,700
Accounts receivable	-	2,691	-	-	255,360	-	-	-	258,051
Due from other funds	-	-	-	-	-	-	28,366	-	28,366
Prepaid expenses	-	-	-	-	1,444	-	-	-	1,444
Total Assets	<u>402,877</u>	<u>1,479,869</u>	<u>50,394</u>	<u>100,855</u>	<u>517,398</u>	<u>902,448</u>	<u>61,717</u>	<u>584,931</u>	<u>4,100,489</u>
Liabilities and Fund Balance:									
Liabilities:									
Vouchers payable	1,693	77,316	-	5,167	136,513	-	11,288	-	231,977
Due to other funds	-	-	-	-	-	299,635	-	-	299,635
Deferred property taxes	-	-	-	-	-	178,527	39,536	-	218,063
Total Liabilities	<u>1,693</u>	<u>77,316</u>	<u>-</u>	<u>5,167</u>	<u>136,513</u>	<u>478,162</u>	<u>50,824</u>	<u>-</u>	<u>749,675</u>
Fund Balance:									
Reserved:									
Emergency	21,623	56,277	1,354	2,988	25,973	10,388	1,273	3,320	123,196
Other	-	25,000	-	-	-	-	28,365	-	53,365
Unreserved	379,561	1,321,276	49,040	92,700	354,912	413,898	(18,745)	581,611	3,174,253
Total Fund Balance	<u>401,184</u>	<u>1,402,553</u>	<u>50,394</u>	<u>95,688</u>	<u>380,885</u>	<u>424,286</u>	<u>10,893</u>	<u>584,931</u>	<u>3,350,814</u>
Total Liabilities and Fund Balance	<u>402,877</u>	<u>1,479,869</u>	<u>50,394</u>	<u>100,855</u>	<u>517,398</u>	<u>902,448</u>	<u>61,717</u>	<u>584,931</u>	<u>4,100,489</u>

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

City of Glenwood Springs, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2006

	Special Revenue Funds						Capital Projects Funds		Totals
	Street		V.A.L.E.	Conservation		Downtown	General	Emergency	
	Tourism	Maintenance and Construction Tax Fund		Trust	Bus Tax		Development	Improvement District No. 1980	
Revenues:									
Taxes	677,362	2,095,836	-	-	838,272	320,331	39,398	-	3,971,199
Intergovernmental	-	-	-	94,040	250,343	-	-	55,493	399,876
Charges for services	-	-	41,696	-	8,889	-	-	-	50,585
Interest income	6,753	36,947	2,940	5,553	12,586	25,940	3,036	25,634	119,389
Other	36,639	9,740	501	(1)	6,026	2	-	29,534	82,441
Total Revenues	<u>720,754</u>	<u>2,142,523</u>	<u>45,137</u>	<u>99,592</u>	<u>1,116,116</u>	<u>346,273</u>	<u>42,434</u>	<u>110,661</u>	<u>4,623,490</u>
Expenditures:									
General governmental	-	-	41,462	-	-	20,269	141,220	-	202,951
Transportation	-	1,152,665	-	-	1,029,330	-	-	-	2,181,995
Public Safety	-	-	17,050	-	-	-	-	63,518	80,568
Community and economic development	586,994	-	-	-	-	-	-	-	586,994
Culture and recreation	-	-	-	133,577	-	-	-	-	133,577
Debt Service:									
Principal	-	202,282	-	-	-	-	-	-	202,282
Interest	-	64,339	-	-	-	-	-	-	64,339
Total Expenditures	<u>586,994</u>	<u>1,419,286</u>	<u>58,512</u>	<u>133,577</u>	<u>1,029,330</u>	<u>20,269</u>	<u>141,220</u>	<u>63,518</u>	<u>3,452,706</u>
Excess (Deficiency) of Revenues Over Expenditures	133,760	723,237	(13,375)	(33,985)	86,786	326,004	(98,786)	47,143	1,170,784
Other Financing Sources (Uses):									
Transfers in	-	-	-	-	-	-	-	189,206	189,206
Transfers (out)	-	-	-	(7,746)	-	-	-	(40,000)	(47,746)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,206</u>	<u>141,460</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	133,760	723,237	(13,375)	(41,731)	86,786	326,004	(98,786)	196,349	1,312,244
Fund Balance - Beginning of Year	<u>267,424</u>	<u>679,316</u>	<u>63,769</u>	<u>137,419</u>	<u>294,099</u>	<u>98,282</u>	<u>109,679</u>	<u>388,582</u>	<u>2,038,570</u>
Fund Balance - End of Year	<u>401,184</u>	<u>1,402,553</u>	<u>50,394</u>	<u>95,688</u>	<u>380,885</u>	<u>424,286</u>	<u>10,893</u>	<u>584,931</u>	<u>3,350,814</u>

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

City of Glenwood Springs, Colorado
Tourism Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Accommodations tax	525,944	525,944	677,362	151,418	572,158
Other:					
Interest income	700	700	6,753	6,053	913
Other income	15,000	15,000	36,639	21,639	13,145
Total Revenues	<u>541,644</u>	<u>541,644</u>	<u>720,754</u>	<u>179,110</u>	<u>586,216</u>
Expenditures:					
Economic development:					
Salary - Marketing Director	45,000	47,500	47,083	417	41,750
Salary - IT/Design Director	-	-	-	-	32,750
Salary - Marketing/Administrative Secretary	34,000	34,000	34,000	-	19,500
Payroll taxes and benefits	14,220	14,670	14,746	(76)	19,200
Consulting services	14,000	14,000	13,764	236	
Visitor services	47,000	47,000	47,000	-	43,350
Central reservations/watts line	3,000	3,000	2,217	783	6,100
Public relations	21,050	21,050	24,489	(3,439)	24,890
Printing and distribution (brochures, postcards, etc.)	61,400	61,400	44,349	17,051	40,782
Database and internet marketing	81,174	81,174	32,337	48,837	21,313
Advertising and promotion	140,900	140,900	163,518	(22,618)	141,572
Travel and booth expenses	23,400	23,400	23,094	306	23,352
Research and tracking	15,000	52,500	77,022	(24,522)	8,498
Equipment	13,200	13,200	13,200	-	33,558
Special event	17,500	22,500	38,000	(15,500)	20,234
Other expenses	10,100	10,100	12,175	(2,075)	8,635
Total Expenditures	<u>540,944</u>	<u>586,394</u>	<u>586,994</u>	<u>(600)</u>	<u>485,484</u>
Excess (Deficiency) of Revenues Over Expenditures	700	(44,750)	133,760	178,510	100,732
Fund Balance - Beginning of Year	<u>167,351</u>	<u>167,351</u>	<u>267,424</u>	<u>100,073</u>	<u>166,692</u>
Fund Balance - End of Year	<u>168,051</u>	<u>122,601</u>	<u>401,184</u>	<u>278,583</u>	<u>267,424</u>

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

City of Glenwood Springs, Colorado
Street Maintenance and Construction Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	2006		2005	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
General sales tax	1,879,510	2,013,752	134,242	817,004
Use tax	46,376	82,084	35,708	55,207
Other:				
Miscellaneous income	-	9,740	9,740	1
Interest income	3,660	36,947	33,287	12,759
Total Revenues	1,929,546	2,142,523	212,977	884,971
Expenditures:				
Transportation:				
TDM contract	37,000	25,543	11,457	31,634
Transit program	4,756,927	968,875	3,788,052	543,063
Other expenses	426,073	158,247	267,826	12,587
Total Transportation	5,220,000	1,152,665	4,067,335	587,284
Debt Service:				
Principal payment	56,907	56,907	-	52,531
Interest payment	42,724	42,724	-	47,100
Principal payment - SIB loan	145,375	145,375	-	142,524
Interest payment - SIB loan	21,615	21,615	-	24,466
Total Expenditures	5,486,621	1,419,286	4,067,335	853,905
Excess (Deficiency) of Revenues Over Expenditures	(3,557,075)	723,237	4,280,312	31,066
Other Financing Sources (Uses):				
Bond Proceeds	3,500,000	-	3,500,000	-
Transfers (out)	-	-	-	(84,239)
Total Other Financing Sources (Uses)	3,500,000	-	3,500,000	(84,239)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(57,075)	723,237	7,780,312	(53,173)
Fund Balance - Beginning of Year	496,551	679,316	182,765	732,489
Fund Balance - End of Year	439,476	1,402,553	7,963,077	679,316

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

City of Glenwood Springs, Colorado
V.A.L.E. Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>		<u>Variance Positive (Negative)</u>	<u>2005</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Charges for services:				
Assessments	56,000	41,696	(14,304)	55,189
Other:				
Other income	-	501	501	-
Interest income	870	2,940	2,070	2,414
Total Revenues	<u>56,870</u>	<u>45,137</u>	<u>(11,733)</u>	<u>57,603</u>
Expenditures:				
General government:				
Victim/witness assistance	58,000	40,255	17,745	58,828
Professional fees	-	1,118	(1,118)	1,156
Office supplies	1,000	89	911	-
Capital outlay:				
Police equipment	25,000	17,050	7,950	10,819
Total Expenditures	<u>84,000</u>	<u>58,512</u>	<u>25,488</u>	<u>70,803</u>
Excess (Deficiency) of Revenues Over Expenditures	(27,130)	(13,375)	13,755	(13,200)
Fund Balance - Beginning of Year	<u>59,368</u>	<u>63,769</u>	<u>4,401</u>	<u>76,969</u>
Fund Balance - End of Year	<u><u>32,238</u></u>	<u><u>50,394</u></u>	<u><u>18,156</u></u>	<u><u>63,769</u></u>

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

City of Glenwood Springs, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental:					
Colorado Lottery	77,000	77,000	94,040	17,040	76,784
Other:					
Other income	15,600	15,600	(1)	(15,601)	7,746
Interest income	4,600	4,600	5,553	953	3,435
Grants	24,000	24,000	-	(24,000)	-
Total Other	<u>44,200</u>	<u>44,200</u>	<u>5,552</u>	<u>(38,648)</u>	<u>11,181</u>
Total Revenues	<u>121,200</u>	<u>121,200</u>	<u>99,592</u>	<u>(21,608)</u>	<u>87,965</u>
Expenditures:					
Culture and recreation:					
Park improvement and equipment	24,000	-	-	-	-
Skateboard ramp replacement	20,000	20,000	14,109	5,891	-
Park mowers	17,000	17,000	16,569	431	-
Open space master plan	50,000	50,000	55,560	(5,560)	-
Veltus Park improvements	-	-	-	-	3,800
Sopris sports complex	-	-	-	-	8,390
Bear proof trash cans	13,140	13,140	13,680	(540)	-
Brush Creek Lane playground equipment	-	28,638	4,638	24,000	24,156
Whitewater park	-	5,021	29,021	(24,000)	-
Total Expenditures	<u>124,140</u>	<u>133,799</u>	<u>133,577</u>	<u>222</u>	<u>36,346</u>
Other Financing Sources (Uses):					
Transfer in	-	-	-	-	88,000
Transfer (out)	-	(7,746)	(7,746)	-	(37,671)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,746)</u>	<u>(7,746)</u>	<u>-</u>	<u>50,329</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,940)	(20,345)	(41,731)	(21,386)	51,619
Fund Balance - Beginning of Year	<u>146,700</u>	<u>146,700</u>	<u>137,419</u>	<u>(9,281)</u>	<u>85,800</u>
Fund Balance - End of Year	<u>143,760</u>	<u>126,355</u>	<u>95,688</u>	<u>(30,667)</u>	<u>137,419</u>

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

City of Glenwood Springs, Colorado
Bus Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
General sales tax	751,831	751,831	805,441	53,610	653,626
Use tax	23,188	23,188	32,831	9,643	44,167
Grants and awards	315,000	315,000	250,343	(64,657)	162,233
Interest income	2,100	2,100	12,586	10,486	4,905
Advertising fees	5,000	5,000	7,830	2,830	6,088
Bus fares	-	-	1,059	1,059	7,617
Miscellaneous	-	-	6,026	6,026	17,612
Total Revenues	<u>1,097,119</u>	<u>1,097,119</u>	<u>1,116,116</u>	<u>18,997</u>	<u>896,248</u>
Expenditures:					
Transportation:					
Fixed labor	132,400	186,400	186,090	310	160,009
Direct labor	244,600	310,600	310,270	330	299,625
Employee bus pass	1,000	1,000	2,284	(1,284)	739
Transit operations plan	-	-	-	-	5,924
Direct mileage cost	162,900	169,395	163,887	5,508	174,684
Training	20,050	27,050	26,886	164	24,256
Capital costs	143,750	276,039	272,911	3,128	138,188
Other	75,716	84,080	67,002	17,078	2,511
Total Expenditures	<u>780,416</u>	<u>1,054,564</u>	<u>1,029,330</u>	<u>25,234</u>	<u>805,936</u>
Excess (Deficiency) of Revenues Over Expenditures	316,703	42,555	86,786	44,231	90,312
Other Financing Sources (Uses):					
Transfer in	-	-	-	-	88,000
Transfer (out)	-	-	-	-	(37,671)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,329</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	316,703	42,555	86,786	44,231	140,641
Fund Balance - Beginning of Year	<u>57,044</u>	<u>57,044</u>	<u>294,099</u>	<u>237,055</u>	<u>153,458</u>
Fund Balance - End of Year	<u>373,747</u>	<u>99,599</u>	<u>380,885</u>	<u>281,286</u>	<u>294,099</u>

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

City of Glenwood Springs, Colorado
Governmental Fund
Downtown Development Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>		<u>2005</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Property taxes	247,372	227,382	(19,990)	39,417
Sales taxes	-	92,949	92,949	8,168
Interest income	100	25,940	25,840	11,033
Other	-	2	2	-
Total Revenues	<u>247,472</u>	<u>346,273</u>	<u>98,801</u>	<u>58,618</u>
Expenditures:				
General Government:				
Other	<u>57,947</u>	<u>20,269</u>	<u>37,678</u>	<u>10,710</u>
Total Expenditures	<u>57,947</u>	<u>20,269</u>	<u>37,678</u>	<u>10,710</u>
Excess of Revenues Over Expenditures	189,525	326,004	136,479	47,908
Other Financing (Uses):				
Transfer (out)	<u>(250,000)</u>	-	<u>250,000</u>	-
Total Other Financing (Uses)	<u>(250,000)</u>	-	<u>250,000</u>	-
Excess of Revenues Over Expenditures and Other Financing (Uses)	(60,475)	326,004	386,479	47,908
Fund Balance - Beginning of Year	<u>-</u>	<u>98,282</u>	<u>98,282</u>	<u>50,374</u>
Fund Balance - End of Year	<u>(60,475)</u>	<u>424,286</u>	<u>484,761</u>	<u>98,282</u>

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

City of Glenwood Springs, Colorado
General Improvement District No. 1980
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property taxes	36,302	36,302	35,636	(666)	34,481
Specific ownership taxes	3,800	3,800	3,762	(38)	3,640
Total Taxes	40,102	40,102	39,398	(704)	38,121
Other:					
Interest income	2,020	2,020	3,036	1,016	2,445
Total Revenues	42,122	42,122	42,434	312	40,566
Expenditures:					
General Government:					
Miscellaneous and Treasurer's fees	726	726	716	10	694
Other	110,909	188,909	140,504	48,405	35,275
Total Expenditures	111,635	189,635	141,220	48,415	35,969
Excess (Deficiency) of Revenues Over Expenditures	(69,513)	(147,513)	(98,786)	48,727	4,597
Fund Balance - Beginning of Year	143,949	143,949	109,679	(34,270)	105,082
Fund Balance - End of Year	74,436	(3,564)	10,893	14,457	109,679

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

City of Glenwood Springs, Colorado
Emergency Services Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Rural Fire District contribution	55,766	55,766	55,493	(273)	56,397
Interest income	15,344	15,344	25,634	10,290	15,042
Other	100,000	100,000	29,534	(70,466)	295,026
Total Revenues	<u>171,110</u>	<u>171,110</u>	<u>110,661</u>	<u>(60,449)</u>	<u>366,465</u>
Expenditures:					
Public Safety:					
Equipment purchases	158,000	158,000	63,518	94,482	92,453
Total Expenditures	<u>158,000</u>	<u>158,000</u>	<u>63,518</u>	<u>94,482</u>	<u>92,453</u>
Excess of Revenues Over Expenditures	13,110	13,110	47,143	34,033	274,012
Other Financing Sources:					
Transfer in	194,234	194,234	189,206	(5,028)	192,161
Transfer (out)	-	(40,000)	(40,000)	(40,000)	(324,000)
Total Other Financing Sources	<u>194,234</u>	<u>154,234</u>	<u>149,206</u>	<u>(45,028)</u>	<u>(131,839)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	207,344	167,344	196,349	(10,995)	142,173
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>388,582</u>	<u>388,582</u>	<u>246,409</u>
Fund Balance - End of Year	<u>207,344</u>	<u>167,344</u>	<u>584,931</u>	<u>377,587</u>	<u>388,582</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Water and Sewer Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Charges and Fees:					
Water user fees	1,575,000	1,575,000	1,668,763	93,763	1,465,152
Sewer user fees	790,000	790,000	980,035	190,035	795,508
Water connection fees	3,300	3,300	1,320	(1,980)	5,877
Sewer connection fees	700	700	388	(312)	450
Meter sales	7,000	7,000	10,035	3,035	6,290
Other	10,000	10,000	86,515	76,515	11,692
Water improvement fees	176,000	176,000	332,680	156,680	202,797
Sewer improvement fees	69,000	69,000	178,694	109,694	148,040
Total Operating Revenues	<u>2,631,000</u>	<u>2,631,000</u>	<u>3,258,430</u>	<u>627,430</u>	<u>2,635,806</u>
Operating Expenses:					
Administration	454,790	466,790	448,840	17,950	486,234
Water plant operation	534,029	534,029	561,439	(27,410)	599,956
Water transmission and distribution	342,189	342,189	323,346	18,843	325,339
Wastewater plant operation	425,474	425,474	428,118	(2,644)	406,331
Wastewater collection and transmission	188,150	188,150	222,769	(34,619)	198,058
Customer service	152,332	156,732	154,529	2,203	155,261
Allocated costs	141,900	141,900	141,900	-	95,808
Depreciation	924,600	924,600	932,628	(8,028)	923,259
Capital outlay	26,000	26,000	54,247	(28,247)	189,713
Debt service - Principal	175,000	175,000	175,000	-	170,000
Total Operating Expenses	<u>3,364,464</u>	<u>3,380,864</u>	<u>3,442,816</u>	<u>(61,952)</u>	<u>3,549,959</u>
Operating Income (Loss) Budget Basis	<u>(733,464)</u>	<u>(749,864)</u>	<u>(184,386)</u>	<u>565,478</u>	<u>(914,153)</u>
Non-Operating Revenues (Expenses):					
Gain (loss) on disposition of assets	(3,000)	(3,000)	22,543	25,543	-
Investment income	99,650	99,650	204,050	104,400	104,219
Amortization of bond costs	(16,805)	(16,805)	(16,805)	-	(18,340)
Interest expense	(37,225)	(37,225)	(36,933)	292	(40,342)
Total Non-Operating Revenues (Expenses):	<u>42,620</u>	<u>42,620</u>	<u>172,855</u>	<u>130,235</u>	<u>45,537</u>
Transfers	<u>-</u>	<u>1,790,400</u>	<u>1,790,400</u>	<u>-</u>	<u>-</u>
Change in Net Assets - Budget Basis	<u>(690,844)</u>	<u>1,083,156</u>	<u>1,778,869</u>	<u>695,713</u>	<u>(868,616)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Gain on disposition of assets			(22,543)		-
Capital contributions			403,442		1,181,769
Debt service - Principal			175,000		170,000
Capital outlay			54,247		189,713
Total Adjustments			<u>610,146</u>		<u>1,541,482</u>
Net Income - GAAP Basis			<u>2,389,015</u>		<u>672,866</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Electric System Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Charges and fees:					
Commercial	5,709,142	5,709,142	6,533,717	824,575	5,968,141
Residential	2,498,492	2,498,492	2,655,050	156,558	2,461,436
Municipal	79,256	79,256	82,584	3,328	73,705
Security lights	17,580	17,580	15,975	(1,605)	16,797
Service connect fees	14,000	14,000	20,635	6,635	19,180
Other	151,000	151,000	257,045	106,045	248,108
Total Operating Revenues	<u>8,469,470</u>	<u>8,469,470</u>	<u>9,565,006</u>	<u>1,095,536</u>	<u>8,787,367</u>
Expenses:					
Purchased power	4,797,572	5,237,572	5,193,335	44,237	4,766,049
Maintenance - Distribution	1,690,646	1,536,646	1,352,689	183,957	1,265,728
Customer accounts	109,238	109,238	91,277	17,961	264,555
General and administrative	646,112	566,112	566,689	(577)	610,488
Allocated costs	253,094	253,094	253,094	-	134,044
Capital improvements	1,892,000	1,892,000	286,416	1,605,584	863,287
Depreciation	848,607	848,607	868,001	(19,394)	842,126
Debt service - Principal	250,000	250,000	250,000	-	250,000
Total Operating Expenses	<u>10,487,269</u>	<u>10,693,269</u>	<u>8,861,501</u>	<u>1,831,768</u>	<u>8,996,277</u>
Operating Income (Loss) Budget Basis	(2,017,799)	(2,223,799)	703,505	2,927,304	(208,910)
Non-Operating Revenues (Expenses):					
Gain on disposition of assets	-	-	6,484	6,484	7,000
Investment income	104,594	104,594	213,518	108,924	89,993
Amortization of bond costs	(5,468)	(5,468)	(5,469)	1	(6,237)
Interest expense	(75,042)	(75,042)	(71,856)	3,186	(81,082)
Total Non-Operating Revenues (Expenses):	<u>24,084</u>	<u>24,084</u>	<u>142,677</u>	<u>118,595</u>	<u>9,674</u>
Capital contributions	400,000	400,000	125,230	(274,770)	492,179
Transfers (out)	(253,094)	(253,094)	(253,094)	-	(489,239)
Change in Net Assets - Budget Basis	<u>(1,846,809)</u>	<u>(2,052,809)</u>	<u>718,318</u>	<u>2,771,129</u>	<u>(196,296)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Debt service - Principal			250,000		250,000
Capital outlay			286,416		863,287
Total Adjustments			<u>536,416</u>		<u>1,113,287</u>
Net Income - GAAP Basis			<u>1,254,734</u>		<u>916,991</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Airport Operations Fund
Schedule of Revenues and Expenses
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Rentals:					
Airport/land lease	20,000	20,000	20,143	143	20,543
Hanger lease	-	-	800	800	-
Charges and fees:					
Annual user fees	2,000	2,000	4,550	2,550	1,400
Long-term tie downs	10,000	10,000	8,641	(1,359)	10,855
Transient tie downs	1,000	1,000	834	(166)	1,016
Fuel sales	98,000	116,000	117,449	19,449	101,515
State fuel tax refund	1,000	1,000	1,604	604	1,396
Other income	-	5,000	5,086	5,086	5,483
Total Operating Revenues	<u>132,000</u>	<u>155,000</u>	<u>159,107</u>	<u>27,107</u>	<u>142,208</u>
Operating Expenses:					
Administration	31,749	31,749	28,947	2,802	19,154
Operations	104,594	124,594	119,663	(15,069)	98,517
Improvements	5,369	19,389	8,997	(3,628)	2,580
Capital Outlay	20,000	20,000	19,175	825	-
Depreciation	9,792	9,792	7,548	2,244	7,548
Total Expenses	<u>171,504</u>	<u>205,524</u>	<u>184,330</u>	<u>(12,826)</u>	<u>127,799</u>
Operating Income (Loss) Budget Basis	(39,504)	(50,524)	(25,223)	14,281	14,409
Non-Operating Revenues:					
Investment income	100	100	1,733	1,633	298
Intergovernmental awards	21,475	32,503	22,465	990	2,064
Total Non-Operating Revenues	<u>21,575</u>	<u>32,603</u>	<u>24,198</u>	<u>2,623</u>	<u>2,362</u>
Change in Net Assets	<u>(17,929)</u>	<u>(17,921)</u>	<u>(1,025)</u>	<u>16,904</u>	<u>16,771</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			19,175		-
Total Adjustments			<u>19,175</u>		<u>-</u>
Net Income - GAAP Basis			<u>18,150</u>		<u>16,771</u>

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

City of Glenwood Springs, Colorado
Enterprise Funds
Landfill Operations Fund
Schedule of Revenues and Expenses
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Operating Revenues:				
Disposal fees	2,353,500	3,153,500	3,478,730	325,230
Composting fees	350,000	350,000	492,874	142,874
Other Income	13,000	13,000	37,788	24,788
Total Operating Revenues	<u>2,716,500</u>	<u>3,516,500</u>	<u>4,009,392</u>	<u>492,892</u>
Operating Expenses:				
Personnel costs	320,845	320,845	290,859	29,986
Operating costs	357,601	481,601	692,241	(210,640)
Composting fees	600,000	600,000	568,587	31,413
Utilities	4,700	4,700	4,203	497
Insurance	83,824	83,824	83,306	518
Allocated costs	82,437	82,437	82,437	-
Landfill compliance costs	83,351	83,351	76,628	6,723
Depreciation	131,266	131,266	131,266	-
Capital outlay	70,540	243,740	211,767	31,973
Total Operating Expenses	<u>1,734,564</u>	<u>2,031,764</u>	<u>2,141,294</u>	<u>(109,530)</u>
Operating Income	981,936	1,484,736	1,868,098	383,362
Non-Operating Revenues (Expenses):				
Interest income	69,374	69,374	193,226	123,852
Gain on disposition of asset	-	-	800	800
Total Non-Operating Revenues	<u>69,374</u>	<u>69,374</u>	<u>194,026</u>	<u>124,652</u>
Transfer (out)	-	(449,686)	(449,686)	-
Change in Net Assets	<u>1,051,310</u>	<u>1,104,424</u>	<u>1,612,438</u>	<u>508,014</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay			211,767	-
Total Adjustments			<u>211,767</u>	<u>-</u>
Net Income - GAAP Basis			<u>1,824,205</u>	<u>478,039</u>

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

City of Glenwood Springs, Colorado
Internal Service Funds
Self Insurance Fund
Schedule of Revenues, Expenditures and Changes in Fund Net Assets
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Premiums	923,672	1,339,172	1,352,413	13,241	1,877,623
Interest income	1,000	8,000	8,076	76	763
Insurance reimbursement	-	400	992	592	264,353
Total Revenues	<u>924,672</u>	<u>1,347,572</u>	<u>1,361,481</u>	<u>13,909</u>	<u>2,142,739</u>
Expenses:					
General government:					
Claims administration	-	1,237,000	1,236,756	244	235,921
Claims	400,000	-	(3,013)	3,013	1,034,328
Insurance premiums	-	140,100	138,822	1,278	134,004
Other	-	-	-	-	40,000
Total Expenses	<u>400,000</u>	<u>1,377,100</u>	<u>1,372,565</u>	<u>4,535</u>	<u>1,444,253</u>
Operating Income (Loss)	524,672	(29,528)	(11,084)	18,444	698,486
Net Assets (Deficit) - Beginning of Year	<u>524,672</u>	<u>524,672</u>	<u>333,726</u>	<u>(190,946)</u>	<u>(364,760)</u>
Net Assets (Deficit) - End of Year	<u>1,049,344</u>	<u>495,144</u>	<u>322,642</u>	<u>(172,502)</u>	<u>333,726</u>

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Cathy Carney Scholarship Fund
Schedule of Changes in Fiduciary Net Assets
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>2005</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Additions:				
Interest income	20	32	12	48
Total Additions	<u>20</u>	<u>32</u>	<u>12</u>	<u>48</u>
Deductions				
Scholarships	500	-	500	500
Change in Net Assets	(480)	32	512	(452)
Net Assets - Beginning of Year	<u>1,157</u>	<u>1,190</u>	<u>33</u>	<u>1,642</u>
Net Asset - End of Year	<u><u>677</u></u>	<u><u>1,222</u></u>	<u><u>545</u></u>	<u><u>1,190</u></u>

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Cemetery Reserve Fund
Schedule of Changes in Fiduciary Net Assets
Budget (GAAP) Basis and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for December 31, 2005)

	<u>2006</u>			<u>2005</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Additions:				
Perpetual care fees	2,500	5,250	2,750	4,250
Interest income	350	373	23	364
Total Additions	<u>2,850</u>	<u>5,623</u>	<u>2,773</u>	<u>4,614</u>
Deductions:				
Cemetery maintenance	2,000	-	2,000	6,950
Capital Outlay	12,500	10,029	2,471	-
Total Deductions	<u>14,500</u>	<u>10,029</u>	<u>4,471</u>	<u>6,950</u>
Change in Net Assets	(11,650)	(4,406)	7,244	(2,336)
Net Assets - Beginning of Year	<u>15,614</u>	<u>12,628</u>	<u>(2,986)</u>	<u>14,964</u>
Net Assets - End of Year	<u><u>3,964</u></u>	<u><u>8,222</u></u>	<u><u>4,258</u></u>	<u><u>12,628</u></u>

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

City of Glenwood Springs, Colorado
Fiduciary Funds
Firemen's Pension Fund
Schedule of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2006
(With Comparative Totals For the Year Ended December 31, 2005)

	2006	2005
Additions:		
Pension contributions:		
State of Colorado	18,900	18,900
City of Glenwood Springs	21,000	21,000
Investment gain	127,104	78,139
Total Additions	167,004	118,039
Deductions:		
Pension payments	85,235	66,500
Total Deductions	85,235	66,500
Change in Net Assets	81,769	51,539
Net Assets - Beginning of Year	905,696	854,157
Net Assets - End of Year	987,465	905,696

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: City
		YEAR ENDING : December 2006
This Information From The Records Of (example - City of _ or County of _): City of Glenwood Springs	Prepared By: Phone:	Mike Harman (970)384-6422

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)	961,684
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,053,966
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	114,516
2. General fund appropriations	1,734,884	b. Snow and ice removal	141,382
3. Other local imposts (from page 2)	1,278,743	c. Other	0
4. Miscellaneous local receipts (from page 2)	135,647	d. Total (a. through c.)	255,898
5. Transfers from toll facilities		4. General administration & miscellaneous	105,644
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	988,901
a. Bonds - Original Issues		6. Total (1 through 5)	3,366,093
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	87,874
7. Total (1 through 6)	3,149,274	b. Redemption	116,164
B. Private Contributions		c. Total (a. + b.)	204,038
C. Receipts from State government (from page 2)	299,602	2. Notes:	
D. Receipts from Federal Government (from page 2)	121,255	a. Interest	0
E. Total receipts (A.7 + B + C + D)	3,570,131	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	204,038
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	3,570,131

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,990,510	0	117,742	1,872,768
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	3,570,131	3,570,131	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2006

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	135,647
1. Sales Taxes	1,165,721	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	25,019	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	88,003	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,278,743	h. Other	0
c. Total (a. + b.)	1,278,743	i. Total (a. through h.)	135,647
	(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	264,746	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	34,856	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal Mineral leasing	121,255
f. Total (a. through e.)	34,856	g. Total (a. through f.)	121,255
4. Total (1. + 2. + 3.f)	299,602	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	0	0
b. Engineering Costs	180,443	144,622	325,065
c. Construction:			
(1). New Facilities	0	2,422	2,422
(2). Capacity Improvements	0	149,063	149,063
(3). System Preservation	0	411,308	411,308
(4). System Enhancement & Operation	73,826	0	73,826
(5). Total Construction (1) + (2) + (3) + (4)	73,826	562,793	636,619
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	254,269	707,415	961,684
			(Carry forward to page 1)

Notes and Comments: