TOWN OF AVON, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Prepared by:
Department of Finance

Scott C. Wright, CPA, CPFO, Asst. Town Manager-Finance

TOWN OF AVON, COLORADO
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2010

TOWN COUNCIL

Rich Carroll, Mayor
Kristi Ferraro, Mayor Pro-Tem
Dave Dantas
Chris Evans
Todd Goulding
Amy Phillips
Albert D. Reynolds

MANAGEMENT

Larry Brooks, Town Manager
Scott Wright, Assistant Town Manager – Finance
Patty McKenny, Assistant Town Manager – Management Services
Sally Vecchio, Assistant Town Manager - Community Development
Justin Hildreth, Town Engineer
Robert Ticer, Police Chief
Jennifer Strehler, Director of Public Works and Transportation
Meryl Jacobs, Director of Recreation

INDEPENDENT AUDITORS

McMahan and Associates, LLC
Certified Public Accountants

TOWN OF AVON, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2010

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May 24, 2011

To the Honorable Mayor, Members of the Town Council
and Citizens of the Town of Avon:

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the Town of Avon for the fiscal year ended December 31, 2010.

This report consists of management's representations concerning the finances of the Town of Avon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Avon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Avon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Avon was incorporated in 1978 and is located in Eagle County, eight miles west of the Town of Vail and seventeen miles east of the Town of Eagle. The Town sits north of U.S. Highway 6, directly adjacent to the Beaver Creek Resort and is bisected by Interstate Highway 70 from east to west. The primary transportation route to and from Avon is I-70. Aviation services and transportation are available at the Eagle County Airport, 24 miles west of the Town. The Town provides bus transportation services within the Town and offers a high-speed gondola that provides direct access to Beaver Creek Resort. Avon is also served by the Eagle County Regional Transit Authority which provides bus service throughout Eagle County. Eagle County encompasses approximately 1,694 square miles and spans from the summit of Vail Pass to Glenwood Canyon. Approximately 80% of Eagle County's land is public – comprised of National Forests, wilderness areas, Bureau of Land Management properties, and state and local public lands.

The Town of Avon currently encompasses approximately 8¼ square miles. The 2010 Census reported a population of 6,447. This figure represents the permanent resident population. Total population increases significantly during the winter season.

The Town operates under the council/manager form of government. Policy-making and legislative authority are vested in the Town Council, which consists of a mayor and a six-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing a Town Manager, Town Attorney, Town Clerk and Municipal Judge. The Town Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with four council members elected in November, 2010, and the remaining three to be elected in November, 2012. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council but has no power to vote except in the case of a tie of the council members present and voting.

The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodations within the Town. The Town also collects a 2% real estate transfer tax on all sales of real property located within the Town. An important exception is within The Village at Avon Planned Unit Development where, in accordance with the Annexation and Development Agreement of October 13, 1998, and as subsequently amended, the Town does not currently collect these taxes. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

The Town provides a full range of municipal services including police protection; the construction and maintenance of parks, streets and roads, and infrastructure; recreational amenities and cultural activities and events; community planning and zoning; and general administrative services.

The annual budget serves as the foundation for the Town of Avon's financial planning and control. No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budget to actual comparison are provided in this report for all funds and are presented at a lower-than-required level of control to facilitate detailed financial analysis.

Budgetary comparisons for the Town's general fund and its major special revenue funds (Avon Urban Renewal Authority, Water Fund) are presented as required supplemental information in this report. Budget to actual comparisons for all other Town funds are included as other supplemental information in this report.

Factors Affecting Financial Condition

Recreation and Tourism. Year-round tourism and skiing-related businesses account for a significant portion of the employment and earned income of area residents. Skier visits at Vail and Beaver Creek account for almost 20% of the total skier visits in Colorado. In addition, Vail was ranked by *SKI Magazine* as the #2 ski resort in North America for the 2010-11 season, while Beaver Creek was ranked 4th.

In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including a 4th of July fireworks display; multiple sporting events, such as Colorado's annual Triple Bypass Bike Tour; and family-friendly activities like the Father's Day Fishing Derby. Avon's Whitewater Park, with three distinct water features, is also open all summer for boaters and spectators to enjoy. Several championship golf courses are located in Eagle County and Golf Digest has rated Eagle County as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking and rafting, and other recreational sports.

Current Initiatives

Despite the fiscal challenges due to the current economic recession, the Town worked hard in 2010 to continue to provide excellent service while positioning itself for long-term success. The initiatives discussed below reflect the Town's budgetary priorities in becoming a more multi-modal community, redeveloping the town center core, establishing sustainability programs and providing a pleasant and safe community for its residents.

Long-term Financial Planning.

In light of the current economic challenges the Town is facing, long-range planning has become paramount to good financial management. Long-range financial projections are updated annually by Town staff and consultants and are reviewed with management and the Avon Town Council and are integrated into the annual budget process.

2010 Certificates of Participation (COPs)

In November, the Town issued $3,680,000 in COPs in order to refinance existing Series 1998 COPs originally issued to construct the Town's fleet maintenance facility, and issued $3,000,000 in new proceeds to be used to provide matching funds for the Swift Gulch Transit/Public Works Facility Project discussed below.

State of Good Repair Grant

The Federal Transit Administration State of Good Repair program awarded $7.5 million to the Town of Avon in October 2010. The award money will go toward

work on the I-70 Regional Transportation Operations Facility, also known as the Swift Gulch Project. It will be used to transform the 25-acre town-owned parcel into a permanent regional transportation operations hub that can be shared with ECO Transit and other transit providers. The grant will allow for the refurbishment of Avon's existing transit maintenance, storage, and operations site plus construction of a new bus wash, re-fueling facility, indoor bus barn, office space, site utilities, and other essential infrastructure.

Fleet Maintenance Building Control Systems

The Fleet Maintenance building currently does not have a control system computer and software to operate the HVAC system. As a result, it is not possible to properly manage the HVAC system operations and adjust the controls. It is expected that repairing the system will provide energy savings and improved control of the building's HVAC needs.

USA Pro Cycling Challenge

In August, 2011, the Town of Avon will host one of the stages of the USA Pro Cycling Challenge. The USA Pro Cycling Challenge will be the most demanding bike race ever held on American soil, with racers experiencing breathless altitudes, day after day. The race is on the level of the Tour de France, bringing the high speeds, danger and adrenaline of professional biking to elevations over 2 miles high in some of the most picturesque terrain in the world.

The USA Pro Cycling Challenge is expected to be the largest spectator event in Colorado history and one of the largest sporting events to ever take place in the United States. For seven consecutive days, 128 of the world's top athletes will race across nearly 600 miles through the majestic Rockies, reaching higher altitudes than they've ever had to endure, more than two miles in elevation

The inaugural USA Pro Cycling Challenge will take place August 22-28, 2011, starting in Colorado Springs and traveling to Salida, Crested Butte/Mt. Crested Butte, Gunnison, Aspen, Vail, Avon, Steamboat Springs, Breckenridge and Golden, with the final finish in Denver.

Snowball Music Festival

On March 4-6, 2011 in Nottingham Park, against the snowy backdrop of one of the world's top-rated skiing and snowboarding destinations, the Town hosted the inaugural Snowball Music Festival. Combining the world's best musicians with the world's best snow conditions, the 2011 Snowball Music Festival was a one-of-a-kind music experience that married music and mountains. With three stages of world class musicians, the live music satisfied nearly 10,000 hungry music fans over the tree-day weekend.

Letter of Transmittal
Town of Avon, Colorado
May 24, 2011

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the nineteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the finance department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Due credit should also be given to the Mayor, Town Council, and Town Manager for their interest, support and leadership in planning and conducting the operations of the Town in a responsible and progressive manner.

Respectfully Submitted,

Scott C. Wright, CPA, CPFO
Assistant Town Manager - Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Avon

Colorado

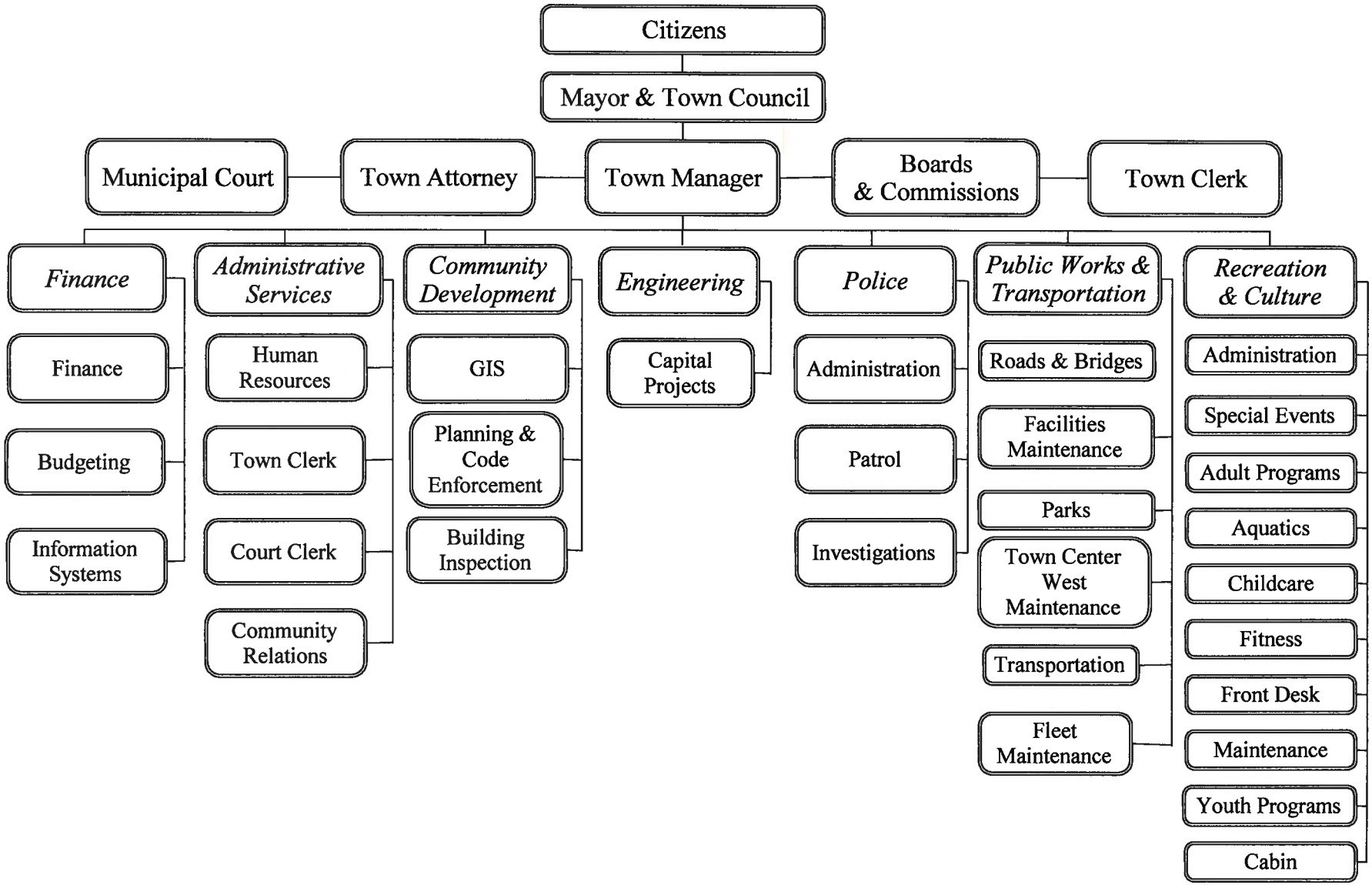
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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

President

Executive Director

Town of Avon
Organization Chart



McMAHAN AND ASSOCIATES, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

Town Council
Town of Avon, Colorado, Colorado

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 16 and 53 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Town Council
Town of Avon, Colorado

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements, individual non-major fund budgetary comparisons, and other miscellaneous schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the introductory section and statistical tables, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
May 18, 2011

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-x of this report.

Financial Highlights

- The assets of the Town of Avon exceeded its liabilities at the close of the most recent fiscal year by $59,520,260 (*net assets*). Of this amount, $17,294,247 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net assets increased by $2,967,702.
- As of the close of the current fiscal year, the Town of Avon's governmental funds reported combined ending fund balances of $16,059,393, an increase of $996,085 from the prior year. Approximately seventy-two percent (72%) of this total amount, $11,499,611 is *available for spending* at the Town's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was $3,589,651, or thirty-four percent (34%) of total general fund expenditures.
- The Town of Avon's bonded debt increased by a net $1,075,485 during the current fiscal year. Regular principal payments were made on bonded debt in the amount of $2,242,500. In addition, principal payments in the amount of $250,000 on a tax increment loan issued by the Avon Urban Renewal Authority in 2009 were made.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Avon's basic financial statements. The Town'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 required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the Town of Avon'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 Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town'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., earned but unused vacation leave).

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

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Town of Avon Finance Authority (Authority) which was incorporated in 1998 as a Colorado nonprofit corporation, with the sole purpose of facilitating Town financings, including capital leases. The Authority has a three-member board of directors who serve without compensation and have no private or proprietary interest in the Authority. The Authority is included in the Town's financial statements because the Town appoints the board members of the Authority and has financial accountability for the Authority. The Authority's accounting transactions have been blended with the Town's general fund and fleet maintenance fund. The Avon Urban Renewal Authority, also a legally separate entity, was established in August, 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages 17-19 of this report.

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

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

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

The Town of Avon maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Avon Urban Renewal

Authority fund, water fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the other five nonmajor governmental funds (Town Center West maintenance fund, community enhancement fund, affordable housing fund, facilities reserve fund, and Avon Metropolitan District debt service fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds. The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its transportation operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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 the transit fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages 24-27 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 on pages 28-52 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its general fund and major special revenue fund. Budgetary comparison statements have been provided for the general fund, Avon Urban Renewal Authority fund, and water fund to demonstrate compliance with these budgets and can be found on pages 53-55 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 57-89 of this report.

Government-wide Financial Analysis

NET ASSETS

	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	$22,346,137	$23,450,719	$1,557,230	$1,418,199	$ 23,903,367	$24,868,918
Restricted Assets	4,070,246	1,116,067	-	-	4,070,246	1,116,067
Capital Assets, net	50,274,859	48,486,278	5,451,019	5,742,866	55,725,878	54,229,144
Total Assets	76,691,242	73,053,064	7,008,249	7,161,065	83,699,491	80,214,129
Other Liabilities	5,305,288	5,798,610	141,720	190,678	5,447,008	5,989,288
Noncurrent Liabilities	15,238,818	14,579,273	3,493,405	3,093,010	18,732,223	17,672,283
Total Liabilities	20,544,106	20,377,883	3,635,125	3,283,688	24,179,231	23,661,571
Net Assets:						
Investment in Capital Assets, Net of Related Debt	35,651,654	34,458,411	2,014,577	2,729,412	37,666,231	37,187,823
Restricted	4,559,782	1,728,293	-	-	4,559,782	1,728,293
Unrestricted	15,935,700	16,488,477	1,358,547	1,147,965	17,294,247	17,636,442
Total Net Assets	$56,147,136	$52,675,181	$3,373,124	$3,877,377	$59,520,260	$56,552,558

The largest portion of the Town's net assets (63.3%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

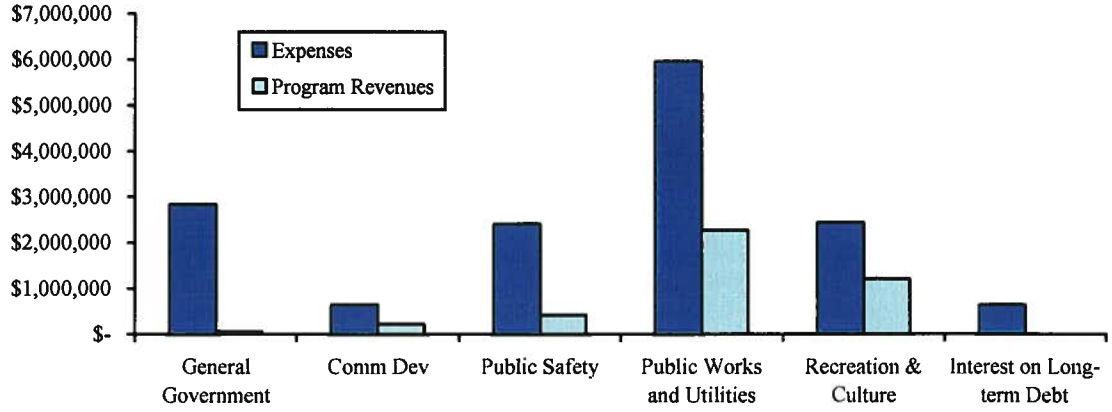
An additional portion of the Town's net assets (7.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($17,294,247) may be used to meet the Town's ongoing obligations to citizens and creditors.

CHANGE IN NET ASSETS

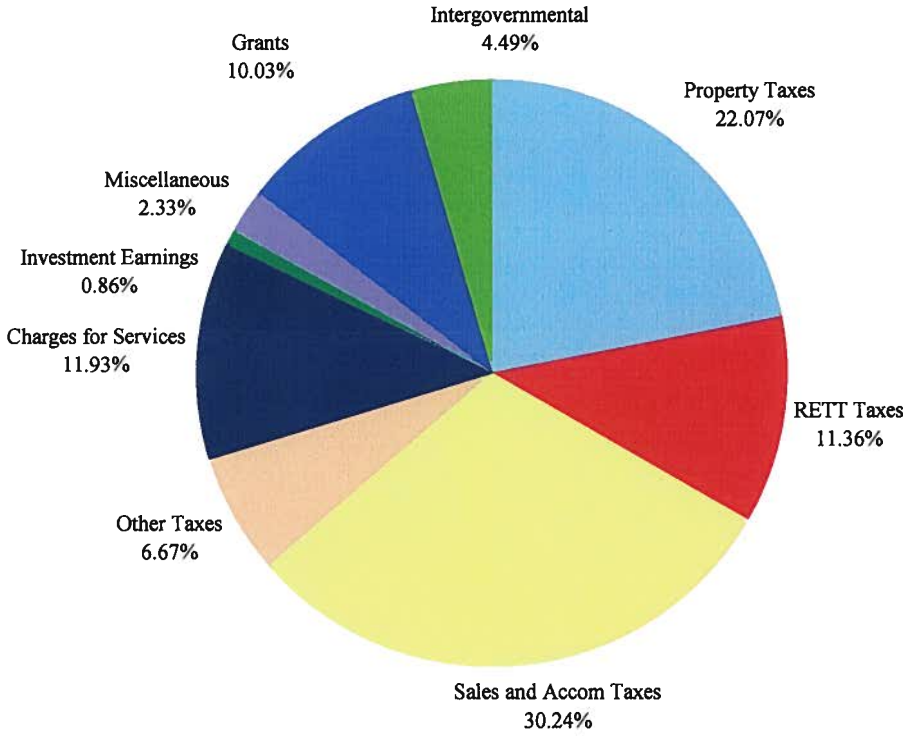
	Governmental Activities		Business-type Activities		Total Government	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues:						
Charges for Services	$ 2,267,826	$ 2,306,454	$ 2,081,674	$ 2,437,178	$ 4,349,500	$ 4,743,632
Operating Grants and Contributions	51,048	59,857	-	-	51,048	59,857
Capital Grants and Contributions	1,855,346	269,853	-	-	1,855,346	269,853
General Revenues:						
Taxes:						
Property Taxes	4,195,297	3,640,183	41,580	42,800	4,236,877	3,682,983
Real Estate Transfer Tax	2,159,525	1,761,980	-	-	2,159,525	1,761,980
Sales and Accommodation Taxes	5,748,325	5,651,085	-	-	5,748,325	5,651,085
Other Taxes	1,268,120	1,334,692	-	-	1,268,120	1,334,692
Unrestricted Investment Earnings	163,991	246,225	-	-	163,991	246,225
Intergovernmental	854,130	872,084	-	-	854,130	872,084
Miscellaneous	442,522	518,585	-	-	442,522	518,585
Gain (Loss) on Disposal of Capital Assets	-	4,335	-	(10,000)	-	(5,665)
Total Revenues	19,006,130	16,665,333	2,123,254	2,469,978	21,129,384	19,135,311
EXPENSES						
Program Activities:						
Governmental Activities:						
General Government	2,832,514	2,431,143	-	-	2,832,514	2,431,143
Community Development	644,968	1,286,956	-	-	644,968	1,286,956
Public Safety	2,409,115	2,608,604	-	-	2,409,115	2,608,604
Public Works and Utilities	5,948,003	6,302,284	-	-	5,948,003	6,302,284
Recreation and Culture	2,437,556	2,752,142	-	-	2,437,556	2,752,142
Interest on Long-term Debt	637,344	1,195,981	-	-	637,344	1,195,981
Business-type Activities:						
Transportation	-	-	1,175,818	1,475,763	1,175,818	1,475,763
Fleet Maintenance	-	-	2,076,364	2,325,339	2,076,364	2,325,339
Total Expenses	14,909,500	16,577,110	3,252,182	3,801,102	18,161,682	20,378,212
Excess (Deficiency) Before Contributions and Transfers	4,096,630	88,223	(1,128,928)	(1,331,124)	2,967,702	(1,242,901)
Contributions	907,500	-	(907,500)	-	-	-
Transfers	(1,532,175)	(1,295,000)	1,532,175	1,295,000	-	-
Increase (Decrease) in Net Assets	3,471,955	(1,206,777)	(504,253)	(36,124)	2,967,702	(1,242,901)
Net Assets, Beginning	52,675,181	53,881,958	3,877,377	3,913,501	56,552,558	57,795,459
Net Assets, Ending	$ 56,147,136	$ 52,675,181	$ 3,373,124	$ 3,877,377	$ 59,520,260	$ 56,552,558

Governmental Activities. Governmental activities increased the Town's net assets by $3,471,955 for 2010, accounting for 100% of the increase in the net assets of the Town. The key elements of this increase were: (1) an Energy and Mineral Impact Energy Assistant grant in the amount of $1,477,207 awarded to the Town by the Governor's Energy Office and administered by the Colorado Department of Local Affairs for the Town's Waste Heat Recovery project; (2) an overall increase in tax revenues of $983,327; and, (3) contributions from the Fleet Maintenance Fund in the form of debt defeasance in the amount of $907,500.

Expenses and Program Revenues – Governmental Activities

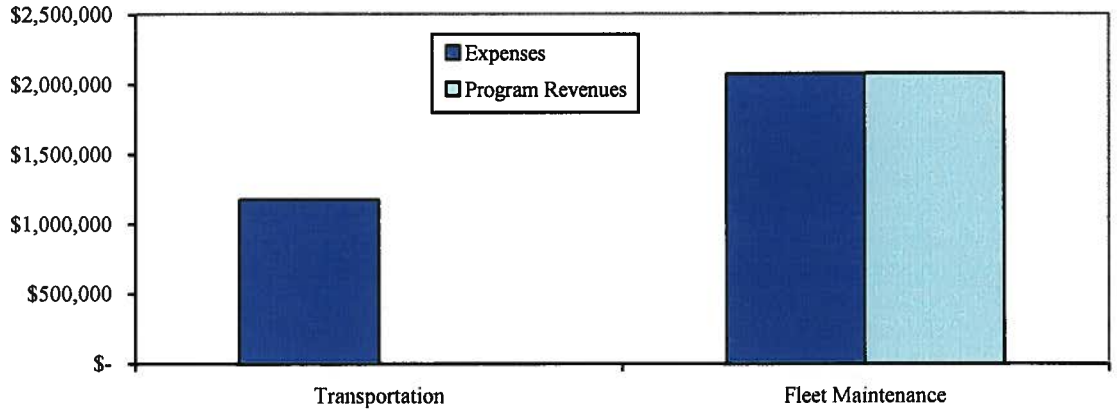


Revenues by Source – Governmental Activities

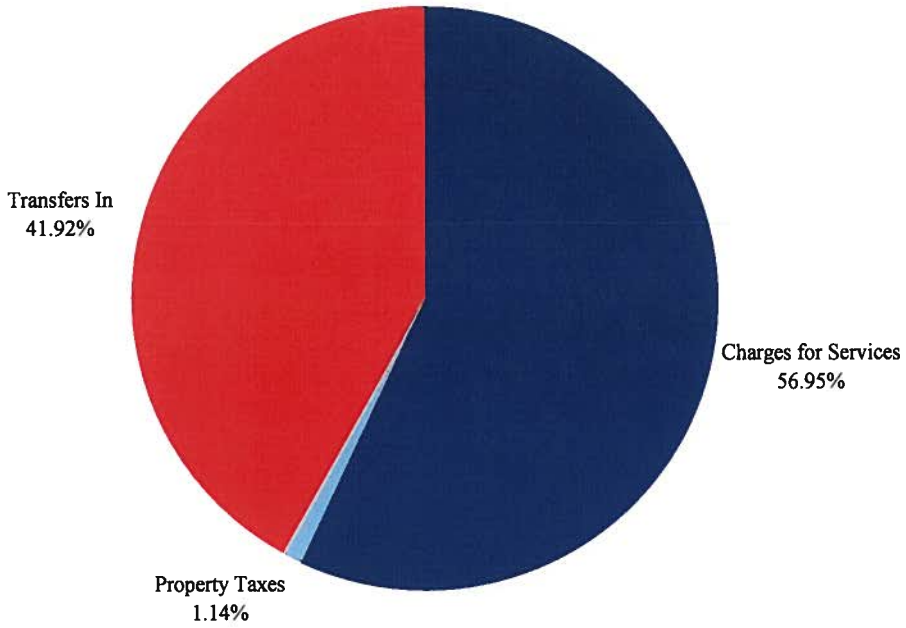


Business-type activities. Net assets of business-type activities decreased by $504,253 in 2010. The key element of this decrease was defeasance of debt in the Fleet Maintenance fund.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Town's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2010 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2010 Amount	Percent of Total	2009 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	$12,728,883	70.98%	$11,710,148	$ 1,018,735	8.70%
Licenses and Permits	215,635	1.20%	124,130	91,505	73.72%
Intergovernmental	2,760,524	15.39%	1,201,794	1,558,730	197.00%
Charges for Services	1,474,968	8.23%	1,706,803	(231,835)	(13.59%)
Fines and Forfeitures	147,057	.82%	129,530	17,527	13.53%
Investment Earnings	163,991	.91%	246,225	(82,234)	(33.4%)
Other Revenues	442,522	2.47%	469,688	(27,166)	(5.78%)
Total	$17,933,580	100.00%	$15,588,318	$ 2,345,262	

Tax collections increased a total of $1,018,735 due to an increase in sales and accommodations tax revenues of $82,650, an increase in real estate transfer taxes of $398,545, an increase in property tax revenues of $167,122, and an increase in tax increment property taxes $393,541.

Total assessed value of all property within the Town increased by $19,769,550 or 8.74%, net of tax-increment financing (TIF) district increments. New construction totaled $1,180,190. However none occurred within the TIF district. The general operating mill rate for the Town remained the same at 8.956 mills while the debt service mill rate dropped 0.184 mills to 2.252 mills. The debt service mill rate for the Avon Metropolitan District decreased 0.17 mills from 2.705 mills in 2009 to 2.535 mills in 2010.

The Town collects a 2% tax from all sales of real property within the Town except within The Village at Avon Planned Unit Development. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased 43%, from $1,761,980 in 2009 to $2,159,525 in 2010. Of this total, $1,277,769 was from sales of units at the Westin Riverfront Hotel and Spa, and timeshare sales at the recently opened Riverfront Villas right next door.

Licenses and permits increased $91,505 from their low in 2009 of $124,130. In 2009 the economic downturn dramatically impacted this source of revenues with the Town issuing building permits for the year at a total value of only $9.4 million. Permits for the current year ended December 31, 2010 saw a 133% increase in total value to $21.9 million.

Intergovernmental revenues increased in 2010 by $1,558,730 due to the award of a $1.5 million Energy and Mineral Impact Assistance grant by the Governor's Energy Office. As previously mentioned, the grant was awarded to the Town for the construction of a waste-heat recovery system which uses renewable sources and delivers heat to the Avon Recreation Center pool and will be used in the future to melt snow on sidewalks in Town Center.

Charges for services declined by $231,835 due primarily to nonpayment of municipal services billings to Traer Creek Metropolitan District of $149,948 and a decline in recreation charges of $64,938.

Investment earnings declined by $82,234 in 2010. Due to the continued efforts by the Federal Reserve to keep interest rates at historically low levels, a number of higher yielding securities held by the Town have matured and have had to be reinvested at lower yields.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2010 and the amount and percentage of increases and decreases in relation to the prior year.

Expenditures	2010 Amount	Percent of Total	2009 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	$ 2,560,405	13.75%	$ 3,138,391	$ (577,986)	(18.42%)
Community Development	598,692	3.21%	697,820	(99,128)	(14.21%)
Public Safety	2,354,235	12.64%	2,511,717	(157,482)	(6.27%)
Public Works and Utilities	3,224,695	17.32%	3,660,540	(435,845)	(11.91%)
Recreation and Culture	2,144,447	11.51%	2,375,945	(231,498)	(9.74%)
Capital Improvements	5,554,096	29.82%	2,746,286	2,807,810	102.24%
Debt Service:					
Principal	1,495,000	8.03%	26,416,250	(24,921,250)	(94.34%)
Interest	543,331	2.92%	824,535	(281,204)	(34.10%)
Fiscal Charges	70,657	0.38%	57,315	13,342	23.28%
Bond Issuance Costs	77,695	0.42%	160,000	(82,305)	(51.44%)
Total	$18,623,253	100.00%	$42,588,799	$16,917,842	

Capital improvement expenditures increased in 2010 by 2,807,810 or 102.24% due primarily to the completion of the waste heat recovery project in the amount of $4,280,421 for 2010. Significant capital improvement expenditures for 2010 are detailed under the capital assets discussion on page 13 of this report.

For the second year in row all operating departments reported decreases in expenditures generally related to budgetary reductions in order to address concerns about a slowdown in the economy and reductions in tax revenues. These overall reductions included the continued implementation of one-day-per-month employee furlough, workforce reductions of personnel, a 2% across-the-board salary reduction, continued cut-backs in capital outlay expenditures and other efforts to defer or delay expenditures.

Debt Service principal payments decreased significantly in 2010 due to the previous year's defeasance of the Avon Urban Renewal Authority's Series 2008 Tax Increment Adjustable Rate Revenue Bonds in the amount of $25 million. The bonds were defeased with the remainder of the unused bond proceeds of $17.8 million combined with proceeds from the Series 2009 Vectra Bank Variable Rate Refunding loan in the amount of $7.2 million.

The Town of Avon's governmental funds reported combined ending fund balances of $16,059,393 an increase of $996,085 from the prior year. Approximately 72% of this total amount ($11,499,611) constitutes *unreserved fund balance*, which is available for spending at the Town's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for spending because it has already been committed for debt service, or to be expended only in the instance of a "emergency" as defined by the Colorado constitution.

The general fund is the chief operating fund of the Town of Avon. At the end of the current fiscal year, unreserved fund balance of the general fund was $3,589,651, while total fund balance reached $4,093,301. As a measure of the general fund's liquidity, it can be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 33.8% of total fund expenditures, while total fund balance represents 38.6% of that same amount.

The fund balance of the general fund decreased by $335,829, or 7.6%, in 2010. This was an unfavorable variance of $1,069,038 over the increase of $733,209 reported in the final 2010 budget. The recognition of an allowance for doubtful accounts in the amount of $1,072,550 for unpaid invoices from Traer Creek Metropolitan District for municipal services and payments-in-lieu-of sales taxes for the year 2010 was the primary reason for this unfavorable variance.

The fund balance of the general fund represents approximately thirty-seven percent (37%) of 2011 revised general fund appropriations or the equivalent of approximately 4.5 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

The fund balance of the Avon Urban Renewal Authority increased by $193,902 in 2010 due primarily to a reduction in the interest rates on its Series 2009 Adjustable Rate Refunding Loan.

The fund balance of the Town's capital projects fund increased by a net $1,430,035 or 25.8%, in 2010. Proceeds in the amount of $3,310,000 were received from the issuance of Certificates of Participation. The proceeds will be used to provide matching funds for the Town's Swift Gulch Transit/Public Works facility which will be funded largely by federal grants.

The fund balance of the Town's debt service fund decreased by $141,835 during 2010 to a total balance of $502,885. This decrease is due to the defeasance of existing Certificates of Participation and the lower reserve requirements for the 2010 Certificates of Participation discussed above.

General Fund Budgetary Highlights

The Town's 2010 original general fund budget generally followed a continued recognition of difficult economic times and projected relatively flat revenues, while continuing to place an emphasis on its priorities in redevelopment, maintaining service levels, retaining personnel, prioritizing capital improvements, reducing its carbon footprint, and balancing the budget.

A number of budget changes are typically made throughout the year and at the Town's adoption of its final revised budget in November. For the most part these changes are very minor and the increases and decreases are offsetting. The net difference between the original budget and the final amended budget resulted in a decrease of $1,212,271 in appropriations and transfers-out for the 2010 budget year.

Actual revenues fell short of estimated revenues by a total of $1,413,626. Of this amount, $1,072,550 was due to the previously discussed non-payments Traer Creek Metropolitan District. In addition, tax revenues fell short of projections by $105,942, and investment earnings by $135,877. On the positive side, expenditures were under budget by a total of $344,757.

Capital Asset and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2010, amounts to $55,725,878 (net of accumulated depreciation). This investment in capital assets includes land, public art, buildings, infrastructure, and machinery and equipment (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was 2.7% (a 3.7% increase for governmental activities and a 5.1% decrease for business-type activities).

Major capital assets events during the current fiscal year included the following:

- Building improvements included lighting hardware improvements, building automation and motor control upgrades at the Avon Recreation Center. Office equipment additions included the implementation of a Voice Over Internet Protocol (VOIP) telephone system in all Town facilities. Computer replacements included two virtual host servers ($39,066), Cisco switches ($19,428), a firewall ($5,461), a laptop computer ($1,528) and four Toughbook laptop computers for the police department ($16,679). New machinery and equipment additions included a 53" Toro snowblower ($5,985). Fitness equipment replacements in the Avon Recreation Center totaled $25,159 including eleven spin bikes, a functional trainer, an abdominal machine and a Roman bench.
- Capital Project Fund expenditures totaled $5,554,096 in 2010. Capital projects completed during the year included Nottingham Park improvements and signs ($113,929), the Nottingham Park fishing pier ($131,235). Projects not yet completed at December 31st included the Avon Recreation Center roof repair, and final acceptance of the waste heat recovery system.

Town of Avon's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 8,838,724	$ 8,837,639	$ 130,384	$ 130,384	$ 8,969,108	$ 8,968,023
Public Art	1,361,400	1,361,400	-	-	1,361,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Constr. in Prog.	5,875,075	1,322,912	-	-	5,875,075	1,322,912
Buildings	7,992,670	8,407,236	4,003,329	4,146,883	11,995,999	12,554,119
Mach. & Equip.	1,746,501	2,006,676	1,317,306	1,465,599	3,063,807	3,472,275
Infrastructure	22,667,530	24,757,456	-	-	22,667,530	24,757,456
Total	$50,274,859	$48,486,278	$ 5,451,009	$ 5,742,866	$55,725,878	$54,229,144

Additional information on the Town of Avon's capital assets can be found in Note 4 on pages 39-40 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of $17,980,000. Of this amount, $2,805,000 comprises general

obligation debt secured by a pledge of the full faith and credit of the Town and payable from ad valorem taxes which may be levied against all taxable property within the Town. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total $6,680,000. The remainder of the Town's debt, $8,495,000, represents bonds and loans secured solely by specified revenue sources (i.e. revenue bonds).

Town of Avon's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
G. O. Bonds	$ 2,805,000	$ 3,670,000	$ -	$ -	$ 2,805,000	$ 3,670,000
Revenue Bonds	1,670,000	2,050,000	-	-	1,670,000	2,050,000
Certificates of Participation	3,310,000	997,500	3,370,000	2,992,500	6,680,000	3,990,000
Loans	6,825,000	7,075,000	-	-	6,825,000	7,075,000
Total	$14,610,000	$13,792,500	$ 3,370,000	$ 2,992,500	$17,980,000	$16,785,000

The Town of Avon's long-term debt increased by a net $1,195,000 during the current fiscal year. Regular principal payments were made on bonded debt in the amount of $1,495,000. Outstanding Series 1998 Certificates of Participation in the amount of $3,990,000 were refunded and new Certificates issued in the amount of $6,680,000.

Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or $15 million, whichever is greater. The current legal debt margin for the Town is $58,673,448, which is significantly greater than the Town's outstanding general obligation debt.

The Town's ratio of net bonded debt to actual taxable property value is 0.13%, which is the lowest in history and down from a high of 2.32% in 1997. In addition, the Town's net bonded debt per capita is $435, again the lowest in the Town's history.

Additional information on the Town's long-term debt can be found in Note 5 on pages 40-46 of this report.

Economic Factors and Next Year's Budget and Rates

The 2011 budget reflects the Town's recognition of continued difficult economic times by projecting relatively flat revenues, while continuing to place an emphasis on the Town's priorities in redeveloping the Town center core, maintaining service levels, retaining personnel, prioritizing its capital improvement projects, reducing its carbon footprint and balancing the budget.

State of Good Repair Grant

The Federal Transit Administration State of Good Repair program awarded $7.5 million to the Town of Avon in October 2010. The award money will go toward work on the I-70 Regional Transportation Operations Facility, also known as the Swift Gulch Project. It will be used to transform the 25-acre town-owned parcel into a permanent regional transportation operations

hub that can be shared with ECO Transit and other transit providers. The grant will allow for the refurbishment of Avon's existing transit maintenance, storage, and operations site plus construction of a new bus wash, re-fueling facility, indoor bus barn, office space, site utilities, and other essential infrastructure.

Traer Creek Metropolitan District and Traer Creek, LLC et al Legal Disputes

The Town reduced annual expenditures to address the approximate $1.1 million shortfall in revenues from the non-payment of municipal services and non-payment of sales tax shortfall invoices by Traer Creek Metropolitan District in order to avoid deficit spending. Until the Town receives payment of the municipal service invoices and sales tax shortfall invoices, the Town will not budget for the expenditure of these funds. The payment of municipal service invoices and sales tax shortfall invoices is the subject of pending litigation amongst the Town of Avon, Traer Creek Metropolitan District, and Traer Creek, LLC *et al.*

Personnel Summary

In response to the economic downturn that hit Avon in late 2008, the Town has reacted by implementing numerous cost savings programs in personnel. The following programs have resulted in substantial cost savings estimated at over $500,000 in 2010 and projected to be $560,000 in 2011:

- No payroll market adjustments in 2010 and none projected for 2011.
- 2% salary reduction implemented in May, 2010 and carried forward through the end of 2011.
- Furlough program implemented in May, 2009, continued to 2010, and carried forward through the end of 2011.
- Froze vacant positions in numerous departments.
- Workforce reductions

Financial Overview

- As adopted by the Town Council on November 23, 2010, the Town's total appropriations for 2011 equal $28,528,972. Total estimated revenues for 2011 are $26,621,676, and estimated ending fund balances are $16,464,627. Expenditures exceed revenues primarily due to the spend-down of fund balances in the water fund and capital projects fund.

- Taxes make up 55.31% of estimated operating revenues, with charges for services making up 19.44% and intergovernmental revenues 20.49%. Capital improvements and equipment replacement constitute the highest percentage of expenditures at 35.25%, with transportation and fleet maintenance expenditures at 12.94%, and public works and recreation making up 13.24% and 9.21%, respectively.

- General Fund revenues are estimated at $13,429,579 in 2011, with taxes making up the majority ($9,374,596; 72.16%) of operating revenues. Sales and accommodation tax collections represent 61.75% of total taxes, with general property taxes representing 23.46% and payments in-lieu-of sales tax 7.43%.

- Appropriations for general fund operating expenditures for 2011 total $10,957,467. Expenditures for public works make up the largest portion, equaling approximately 27.67% of general operating expenditures for 2011. Recreational expenditures make up an additional 21.23% of general operating expenditures and public safety 22.27%.

- Capital improvements spending in the Capital Projects Fund will total $8,601,278 in 2011. Major projects include: the first phase of the Swift Gulch Transit/Public Works Facilities Improvement Project totaling $4,935,485; $1,000,000 for Forest Service Land Acquisition; $800,000 for Metcalf Road Drainage improvements; and $750,000 for phases 1 and 2 of the Metcalf Bicycle Climbing Lane. In addition, a capital improvement project totaling $400,000 has been budgeted within the Avon Urban Renewal Authority for the next two years. In anticipation of the recently announced 2015 World Alpine Ski Championships, the Town will construct improvements in and around the Town Center West mall in order to host various events and activities during the championships.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Town Manager - Finance, Town of Avon, Colorado, P.O. Box 975, Avon, CO 81620.

Scott Wright, CPA, CPFO
Assistant Town Manager - Finance

TOWN OF AVON, COLORADO

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activites	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,459,029	$ 837,459	$ 4,296,488
Investments	9,743,935	-	9,743,935
Receivables	8,455,596	204,890	8,660,486
Internal Balances	100,000	(100,000)	-
Inventory	-	545,135	545,135
Deposits	17,483	-	17,483
Deferred Charges	7,710	-	7,710
Restricted Assets - Cash and Cash Equivalents	4,070,246	-	4,070,246
Other Assets	274,759	69,746	344,505
Notes Receivable	287,625	-	287,625
Capital Assets, net of accumulated depreciation:			
Nondepreciable	17,868,158	130,384	17,998,542
Depreciable	32,406,701	5,320,635	37,727,336
Total Assets	76,691,242	7,008,249	83,699,491
LIABILITIES			
Accounts Payable	503,691	55,849	559,540
Accrued Liabilities	88,173	34,042	122,215
Retainages Payable	376,466	-	376,466
Accrued Interest Payable	67,845	11,458	79,303
Deposits and Reserves	579,099	-	579,099
Deferred Taxes	3,681,298	40,371	3,721,669
Unearned Revenues	8,716	-	8,716
Noncurrent Liabilities:			
Due Within One Year	1,629,071	180,584	1,809,655
Due In More Than One Year	13,609,747	3,312,821	16,922,568
Total Liabilities	20,544,106	3,635,125	24,179,231
NET ASSETS			
Investment in Capital Assets, net of Related Debt	35,651,654	2,014,577	37,666,231
Restricted For:			
Debt Service	1,055,410	-	1,055,410
Capital Improvements	3,000,722	-	3,000,722
TABOR Emergency Reserve	503,650	-	503,650
Unrestricted	15,935,700	1,358,547	17,294,247
Total Net Assets	$ 56,147,136	$ 3,373,124	$ 59,520,260

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 2,832,514	$ 59,768	$ -	$ -
Community Development	644,968	216,263	-	-
Public Safety	2,409,115	376,440	43,311	-
Public Works and Utilities	5,948,003	407,391	2,308	1,855,346
Recreation and Culture	2,437,556	1,207,964	5,429	-
Interest and Fiscal Charges on Long-term Debt	637,344	-	-	-
Total Governmental Activities	14,909,500	2,267,826	51,048	1,855,346
Business-type Activities:				
Transportation	1,175,818	500	-	-
Fleet Maintenance	2,076,364	2,081,174	-	-
Total Business-type Activities	3,252,182	2,081,674	-	-
Total Primary Government	$ 18,161,682	$ 4,349,500	$ 51,048	$ 1,855,346
General Revenues:				
Property Taxes, Levied for General Purposes				
Property Taxes, Levied for Debt Service				
Real Estate Transfer Taxes				
Sales and Accommodation Taxes				
Other Taxes				
Unrestricted Investment Earnings				
Intergovernmental				
Miscellaneous				
Contributions				
Transfers				
Total General Revenues and Transfers				
Increase (Decrease) in Net Assets				
Net Assets - Beginning of Year				
Net Assets - End of Year				

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ (2,772,746)	$ -	$ (2,772,746)
(428,705)	-	(428,705)
(1,989,364)	-	(1,989,364)
(3,682,958)	-	(3,682,958)
(1,224,163)	-	(1,224,163)
(637,344)	-	(637,344)
(10,735,280)	-	(10,735,280)
-	(1,175,318)	(1,175,318)
-	4,810	4,810
-	(1,170,508)	(1,170,508)
(10,735,280)	(1,170,508)	(11,905,788)
3,160,710	41,580	3,202,290
1,034,587	-	1,034,587
2,159,525	-	2,159,525
5,748,325	-	5,748,325
1,268,120	-	1,268,120
163,991	-	163,991
854,130	-	854,130
442,522	-	442,522
907,500	(907,500)	-
(1,532,175)	1,532,175	-
14,207,235	666,255	14,873,490
3,471,955	(504,253)	2,967,702
52,675,181	3,877,377	56,552,558
$ 56,147,136	$ 3,373,124	$ 59,520,260

TOWN OF AVON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Avon Urban Renewal Fund	Water Fund	Debt Service Fund	Capital Projects Fund
ASSETS					
Cash and Cash Equivalents	$ -	$ 156,396	$ -	$ -	$ -
Investments	3,575,273	6,155	2,310,167	-	3,852,340
Receivables:					
- Interest	31,886	376	-	-	15,964
- Taxes	3,301,497	936,603	-	550,009	83,175
- Accounts	74,664	-	-	-	15,247
- Intergovernmental	122,299	-	12,354	1,022	564,089
- Employees	12,570	-	-	-	-
Due from Other Funds	103,000	-	-	-	-
Deposits	17,483	-	-	-	-
Deferred Charges	7,710	-	-	-	-
Notes Receivable	-	-	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	552,525	-	516,999	3,000,722
Total Assets	$ 7,246,382	$ 1,652,055	$ 2,322,521	$ 1,068,030	$ 7,531,537
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 282,407	$ 26,454	$ 1,008	$ 15,136	$ 185,614
Accrued Liabilities	88,173	-	-	-	-
Retainages Payable	-	-	-	-	376,466
Deposits and Reserves	579,099	-	-	-	-
Due to Other Funds	-	-	-	-	-
Deferred Taxes	2,194,686	936,603	-	550,009	-
Deferred or Unearned Revenues	8,716	-	-	-	-
Total Liabilities	3,153,081	963,057	1,008	565,145	562,080
Fund Balances:					
Reserved For:					
- Debt Service	-	552,525	-	502,885	-
- Capital Improvements	-	-	-	-	3,000,722
- TABOR Emergency Reserve	503,650	-	-	-	-
Unreserved, Designated for, Reported in:					
- Subsequent Year's Expenditures	-	27,245	892,024	-	764,260
Unreserved, Reported In:					
- General Fund	3,589,651	-	-	-	-
- Special Revenue Funds	-	109,228	1,429,489	-	-
- Capital Projects Funds	-	-	-	-	3,204,475
Total Fund Balances	4,093,301	688,998	2,321,513	502,885	6,969,457
Total Liabilities and Fund Balances	$ 7,246,382	$ 1,652,055	$ 2,322,521	$ 1,068,030	$ 7,531,537

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

Other Governmental Funds	Total
$ 1,420,431	$ 1,576,827
-	9,743,935
-	48,226
-	4,871,284
71,067	160,978
-	699,764
-	12,570
-	103,000
-	17,483
-	7,710
287,625	287,625
-	4,070,246
$ 1,779,123	$21,599,648
$ 5,259	$ 515,878
-	88,173
-	376,466
-	579,099
3,000	3,000
-	3,681,298
287,625	296,341
295,884	5,540,255
-	1,055,410
-	3,000,722
-	503,650
94,275	1,777,804
-	3,589,651
1,388,964	2,927,681
-	3,204,475
1,483,239	16,059,393
$ 1,779,123	$21,599,648

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total Governmental Fund Balances	$ 16,059,393
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet.	
- Capital assets	80,629,814
- Accumulated depreciation	(33,088,428)
	47,541,386
Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the fund balance sheet.	
- Bonds payable	(4,427,759)
- Capital lease obligations payable	(335,205)
- Loans payable	(6,825,000)
- Certificates of Participation payable	(3,310,000)
- Compensated absences payable	(340,854)
	(15,238,818)
Governmental funds report the effect of debt issuance costs when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the Statement of Activities.	274,759
Notes receivable are not available to pay for current period expenditures and have been deferred in the fund balance sheet.	287,625
Certain long-term receivables are not available to pay for current period expenditures and are not reported in the fund balance sheet.	2,662,774
Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(67,845)
The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Assets.	4,627,862
Net Assets of Governmental Activities	$ 56,147,136

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Avon Urban Renewal Fund	Water Fund	Debt Service Fund	Capital Projects Fund
Revenues					
Taxes	$ 8,556,334	$ 978,437	$ -	$ 549,154	$ 2,159,525
Licenses and Permits	215,635	-	-	-	-
Intergovernmental	905,178	-	-	-	1,855,346
Charges for Services	1,296,337	-	178,631	-	-
Fines and Forfeitures	147,057	-	-	-	-
Investment Earnings	89,123	7,368	-	1,332	66,168
Other Revenues	351,487	-	1,292	-	17,981
Total Revenues	11,561,151	985,805	179,923	550,486	4,099,020
Expenditures					
Current:					
General Government	2,553,279	7,126	-	-	-
Community Development	598,692	-	-	-	-
Public Safety	2,354,235	-	-	-	-
Public Works and Utilities	2,955,507	-	81,727	-	-
Recreation and Culture	2,144,447	-	-	-	-
Capital Improvements	-	-	-	-	5,554,096
Debt Service:					
Principal	-	250,000	-	790,000	-
Interest	-	267,415	-	261,531	-
Fiscal Charges	-	37,362	-	18,578	-
Bond Issuance Costs	-	-	-	-	77,695
Total Expenditures	10,606,160	561,903	81,727	1,070,109	5,631,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	954,991	423,902	98,196	(519,623)	(1,532,771)
Other Financing Sources (Uses)					
Transfers In	478,905	-	-	1,033,425	202,674
Transfers Out	(1,769,725)	(230,000)	(92,674)	(563,570)	(549,868)
Bond Proceeds	-	-	-	-	3,310,000
Payment to Refunding Escrow Agent	-	-	-	(92,067)	-
Total Other Financing Sources (Uses)	(1,290,820)	(230,000)	(92,674)	377,788	2,962,806
Net Change in Fund Balances	(335,829)	193,902	5,522	(141,835)	1,430,035
Fund Balances, Beginning of Year	4,429,130	495,096	2,315,991	644,720	5,539,422
Fund Balances, End of year	$ 4,093,301	$ 688,998	$ 2,321,513	$ 502,885	$ 6,969,457

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

Other Governmental Funds	Total
$ 485,433	$ 12,728,883
-	215,635
-	2,760,524
-	1,474,968
-	147,057
-	163,991
71,762	442,522
557,195	17,933,580
-	2,560,405
-	598,692
-	2,354,235
187,461	3,224,695
-	2,144,447
-	5,554,096
455,000	1,495,000
14,385	543,331
14,717	70,657
-	77,695
671,563	18,623,253
(114,368)	(689,673)
230,000	1,945,004
(271,342)	(3,477,179)
-	3,310,000
-	(92,067)
(41,342)	1,685,758
(155,710)	996,085
1,638,949	15,063,308
$ 1,483,239	$ 16,059,393

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balances - Total Governmental Funds	$ 996,085
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than the noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
- Capital outlay	4,813,147
- Depreciation	(2,730,462)
	2,082,685
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
- Change in compensated absences payable	(2,223)
- Change in accrued interest payable on outstanding bonds	2,407
- Amortization of deferred loss on refunding and bond premium	(7,985)
- Amortization of bond issuance costs	(15,711)
	(23,512)
Governmental funds report debt issuance costs as an expenditure in the year issued whereas these amounts are deferred and amortized over the life of the debt in the Statement of Activities	77,695
The issuance of bond proceeds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.	(3,310,000)
Revenues that are not available to pay for current period expenditures are not reported in the governmental funds.	1,072,550
Repayment of bond and lease principal are reported an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
- Capital lease principal payments	168,163
- Certificates of participation retirements	997,500
- Loan principal retirements	250,000
- Bond principal retirements	1,245,000
	2,660,663
The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The decrease in net assets of the internal service fund is included in governmental activities.	(84,211)
Change in Net Assets of Governmental Activities	$ 3,471,955

TOWN OF AVON, COLORADO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 727,881	$ 109,578	$ 837,459	$ 1,896,969
Receivables:				
- Taxes	40,371	-	40,371	-
- Accounts	-	6,280	6,280	-
- Intergovernmental	-	158,239	158,239	-
Inventory	-	545,135	545,135	-
Total Current Assets	768,252	819,232	1,587,484	1,896,969
Noncurrent Assets:				
Deferred Charges	-	69,746	69,746	-
Capital Assets:				
- Land	-	130,384	130,384	-
- Buildings	16,650	6,276,298	6,292,948	1,673,148
- Machinery and Equipment	2,506,538	273,698	2,780,236	5,162,715
- Accumulated Depreciation	(1,309,535)	(2,443,014)	(3,752,549)	(4,102,390)
Net Capital Assets \ Total Noncurrent Assets	1,213,653	4,307,112	5,520,765	2,733,473
Total Assets	1,981,905	5,126,344	7,108,249	4,630,442
LIABILITIES				
Current Liabilities:				
Accounts Payable	39,647	16,202	55,849	2,580
Accrued Liabilities	13,223	20,819	34,042	-
Accrued Interest Payable	-	11,458	11,458	-
Compensated Absenses Payable	21,899	35,064	56,963	-
Due to Other Funds	-	100,000	100,000	-
Deferred Taxes	40,371	-	40,371	-
Certificates of Participation - Current	-	115,000	115,000	-
Capital Leases Payable - Current	-	8,621	8,621	-
Total Current Liabilities	115,140	307,164	422,304	2,580
Noncurrent Liabilities:				
Certificates of Participation	-	3,312,821	3,312,821	-
Total Liabilities	115,140	3,619,985	3,735,125	2,580
NET ASSETS				
Investment in Capital Assets, net of Related Debt	1,213,653	800,924	2,014,577	2,733,473
Unrestricted	653,112	705,435	1,358,547	1,894,389
Total Net Assets	$ 1,866,765	$ 1,506,359	$ 3,373,124	$ 4,627,862

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	$ 500	$ 2,076,488	$ 2,076,988	$ 369,323
Other Operating Revenues	-	4,686	4,686	-
Total Operating Revenues	500	2,081,174	2,081,674	369,323
Operating Expenses:				
Cost of Operations	1,004,872	1,768,818	2,773,690	30,772
Depreciation and Amortization	170,946	158,843	329,789	561,645
Total Operating Expenses	1,175,818	1,927,661	3,103,479	592,417
Operating Income (Loss)	(1,175,318)	153,513	(1,021,805)	(223,094)
Nonoperating Revenues (Expenses):				
Taxes	41,580	-	41,580	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	(3,661)
Interest Expense	-	(148,703)	(148,703)	-
Total Nonoperating Revenues (Expenses)	41,580	(148,703)	(107,123)	(3,661)
Income (Loss) Before Contributions and Transfers	(1,133,738)	4,810	(1,128,928)	(226,755)
Capital Contributions and Transfers				
Contributed Capital	-	-	-	142,544
Contributions Out	-	(907,500)	(907,500)	-
Transfers In	1,085,000	723,570	1,808,570	-
Transfers Out	-	(276,395)	(276,395)	-
Total Capital Contributions and Transfers	1,085,000	(460,325)	624,675	142,544
Decrease in Net Assets	(48,738)	(455,515)	(504,253)	(84,211)
Total Net Assets, Beginning of Year	1,915,503	1,961,874	3,877,377	4,712,073
Total Net Assets, End of Year	$ 1,866,765	$ 1,506,359	$ 3,373,124	$ 4,627,862

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

TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	$ 500	$ 1,592,940	$ 1,593,440	$ -
Cash Received from Interfund Services Provided	-	570,952	570,952	369,323
Cash Payments to Suppliers	(406,108)	(1,022,678)	(1,428,786)	(98,333)
Cash Payments to Employees	(485,169)	(815,634)	(1,300,803)	-
Cash Payments for Interfund Services Used	(126,197)	-	(126,197)	-
Other Operating Revenues	-	4,686	4,686	-
Net Cash Provided by (Used in) Operating Activities	(1,016,974)	330,266	(686,708)	270,990
Cash Flows From Noncapital Financing Activities				
Taxes Received	41,580	-	41,580	-
Transfers Out to Other Funds	-	(276,395)	(276,395)	-
Transfers In from Other Funds	1,085,000	723,570	1,808,570	-
Net Cash Provided by Noncapital Financing Activities	1,126,580	447,175	1,573,755	-
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	-	(37,868)	(37,868)	(131,658)
Proceeds from Sales of Capital Assets	-	-	-	3,000
Proceeds from Refunding Bonds	-	3,419,913	3,419,913	-
Payments to Refunding Bond Escrow Agent	-	(3,891,733)	(3,891,733)	-
Payments for Bond Issuance Costs	-	(70,179)	(70,179)	-
Interest Paid on Long-term Debt	-	(149,645)	(149,645)	-
Principal Paid on Long-term Debt	-	(12,333)	(12,333)	-
Net Cash Used in Capital Financing Activities	-	(741,845)	(741,845)	(128,658)
Net Increase in Cash and Cash Equivalents	109,606	35,596	145,202	142,332
Cash and Cash Equivalents, Beginning of Year	618,275	73,982	692,257	1,754,637
Cash and Cash Equivalents, End of Year	$ 727,881	$ 109,578	$ 837,459	$ 1,896,969

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,175,318)	$ 153,513	$ (1,021,805)	$ (223,094)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	170,946	158,843	329,789	561,645
Change in Assets and Liabilities:				
Increase in Accounts Receivable	-	(6,280)	(6,280)	-
Decrease in Intergovernmental Receivable	-	93,684	93,684	-
Increase in Inventory	-	(11,480)	(11,480)	-
Increase (Decrease) in Accounts Payable	3,055	(43,262)	(40,207)	(67,561)
Decrease in Accrued Liabilities	(5,885)	(1,931)	(7,816)	-
Decrease in Compensated Absences Payable	(9,772)	(12,821)	(22,593)	-
Total Adjustments	158,344	176,753	335,097	494,084
Net Cash Provided by (Used in) Operating Activities	$ (1,016,974)	$ 330,266	$ (686,708)	$ 270,990
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Assumption of Noncurrent Liabilities from Governmental Activities	$ -	$ (907,500)	$ (907,500)	$ -
Contributions of Capital Assets from Governmental Activities	$ -	$ -	$ -	$ 142,544

The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town's Comprehensive Annual Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component units for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and so data from these units are combined with data of the Town.

The Town's blended component units are -

Town of Avon Finance Authority (Authority) – The Authority was incorporated in 1998 as a Colorado nonprofit corporation, with the sole purpose of facilitating Town financings, including capital leases. The Authority has a three-member board of directors who serve without compensation and have no private or proprietary interest in the Authority. The Authority's activities have been collapsed and blended into the Town's Debt Service and Fleet Maintenance funds. The Authority is included in the Town's financial statements because the Town appoints the board members and has financial accountability for the Authority. This component unit does not issue separate financial statements.

Avon Urban Renewal Authority (AURA) – The AURA is a body corporate duly organized and existing as an urban renewal authority established by the Town of Avon, Colorado pursuant to the Urban Renewal Law of the State of Colorado for the purpose of undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA. The

Mayor of the Town services as Chairman, the Mayor Pro-Tem serves as Vice Chairman, the Town Manager serves as the Executive Director and Secretary, the Finance Director serves as Treasurer, and the Town Clerk serves as the AURA Clerk. For financial reporting purposes, the AURA is blended into the Town's financial statements and is reported in a single special revenue fund as a blended component unit. A separate budget is adopted for the AURA, however separate financial statements of the AURA are not issued.

B. Government-wide and Fund Financial Statements

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 non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements. Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and

equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is 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 (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Water Fund* – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

- *Transit Fund* – This fund is used to account for the activities involved in operating the Town's transportation system. In addition to transportation routes within the Town of Avon, the Town contracts with other entities for management and operation of their transportation systems within Eagle County.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

E. Cash and Investments

The Town concentrates the cash resources of its various funds in order to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources in excess of current requirements is

invested in various interest-bearing securities and disclosed as part of the Town's investments.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government securities, agencies, bonds and other obligations of states and political subdivisions, corporate bonds, money market mutual funds, and local government investment pools. Investments are stated at fair value on the balance sheet except for money-market investments that have a remaining maturity at time of purchase of one year or less. Investment income is recognized when earned.

F. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

G. Restricted Assets

Debt Service Fund. Restricted assets in the amount of $516,999 are reported in the Debt Service Fund. This amount consists of a $508,820 required debt service reserve account and an additional $8,179 in a certificate account for the Series 2010 Certificates of Participation. Both of these accounts are held in the trust department of UMB.

Avon Urban Renewal Fund. Restricted assets in the amount of $552,525 are reported in the Avon Urban Renewal Fund. This amount consists of a restricted Vectra Bank certificate of deposit issued from the proceeds of a $7.2 million loan entered into by the Authority in May, 2009.

Capital Projects Fund. Restricted assets in the amount of $3,000,722 are reported in the Capital Projects Fund. This amount consists of net proceeds from the issuance of the aforementioned Certificates of Participation and are restricted for use as defined in the issuance documents.

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

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than $5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market

value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

The Town's infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, irrigation ditches, bike paths, and public parking.
The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Facilities	20-40 years
Infrastructure	20-30 years
Vehicles and Rolling Stock	7-15 years
Machinery and Equipment	7-10 years

I. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, issuance costs, and loss on refunding are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

J. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of

estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred revenue since they typically do not meet the availability criterion.

K. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town's policy is to not pay for accumulated sick leave when employees separate from service. The liability for compensated absences is recorded as a non-current liability in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

L. Fund Equity

In the fund financial statements, reserves are used to segregate portions of fund balance or net assets that are legally restricted for specific future uses or not available for appropriation. Designated fund balances represent tentative plans for future use of financial resources. The Town considers all unreserved fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

M. Statements of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

N. Debt Costs

Debt issuance costs in the amount of $406,522 (net of accumulated amortization of $62,017) are included in other assets. Unamortized premiums of $126,651 (net of accumulated amortization of $39,211), gain on refundings of $8,267 (net of accumulated amortization of $51), and loss on refundings (contra-liability) of $172,554 (net of accumulated amortization of $87,478) are reflected in noncurrent liabilities. Capitalized debt costs are amortized over the remaining lives of the related debt issues using the straight-line method, which approximates the effective interest method.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered

appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (i.e. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis.

The Town incurred expenditures in excess of appropriations for the year ended December 31, 2010, in the following funds: Avon Urban Renewal Authority - $18,007 Fleet Maintenance Fund - $29,047 and Debt Service Fund - $23,374. According to Colorado State Statute these may be violations of the Local Government Budget Law.

Note 3. Cash and Investments

Cash and investments as of December 31, 2010 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	$ 4,296,488
Investments	9,743,935
Restricted Assets - Cash and Cash Equivalents	4,070,246
Total	$ 18,110,669

Cash and investments as of December 31, 2010 consist of the following:

Cash on Hand	$ 6,175
Deposits With Financial Institutions	2,010,740
Investments	16,108,521
Total	$ 18,110,669

Investments Authorized by the Town of Avon Investment Policy

The table below identifies the **investment types** that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address **interest rate risk, credit risk,** and **concentration of credit risk.**

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Federal Instrumentality Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None
Money Market Funds	N/A	None	None
Time Certificates of Deposit	1 year	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day's notice.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

Investment Type		Weighted Average Maturity (in Years)
Treasury Notes	$ 501,972	1.45
Federal Instrumentality Securities:		
Federal Farm Credit Bank	2,178,774	0.93
Federal Home Loan Bank	1,822,421	4.43
Federal Home Loan Mortgage Corp.	992,386	1.68
Federal National Mortgage Assn.	4,248,382	0.91
Local Government Investment Pools	1,767,646	NA
Money Market Funds	750,435	NA

Held by Bond Trustee:		
Local Government Investment Pools	3,846,505	NA
Total	$16,108,521	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure, including U.S Treasury securities, securities of the Government National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

Presented below is the minimum rating, as required by the Town's investment policy, for other investments of the Town as of December 31, 2010.

Ratings Moody's/S&P/Fitch	Local Government Investment Pools	Money Market Funds
Aaa / AAAm / AAA/V-1+	$7,250,037	$750,435

Concentration of Credit Risk

With the exception of commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no investments in commercial paper at December 31, 2010.

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represent 5% or more of total Town investments are as follows:

Issuer	Investment Type	Reported Amount	% of Total Investments
Federal Farm Credit Bank	Federal Instrumentality Securities	$ 2,178,774	14.22%
Federal Home Loan Bank	Federal Instrumentality Securities	1,882,421	12.28%
Federal Home Loan Mortgage Corp.	Federal Instrumentality Securities	992,386	6.48%
Federal National Mortgage Assn.	Federal Instrumentality Securities	4,248,382	27.72%

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town's approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank's safekeeping services and to be eligible a financial institution must have an average Highline Banking Data Services Rating of 20 or better. The Town's depository bank, 1st Bank of Avon, had a rating of 72 as of December 31, 2010.

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts operate similarly to a money market fund and each share is equal in value to $1.00. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2010, the Town of Avon held investments in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust offers shares in two portfolios, Prime and Plus. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. Colotrust Plus may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

Note 4. Capital Assets

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 8,837,639	$ 1,085	$ -	$ 8,838,724
Public Art	1,361,400	-	-	1,361,400
Water Rights	1,792,959	-	-	1,792,959
Construction in Progress	1,322,912	4,812,453	(260,290)	5,875,075
Total Capital Assets, Not Being Depreciated	13,314,910	4,813,538	(260,290)	17,868,158
Capital Assets, Being Depreciated:				
Buildings	13,837,765	67,867	-	13,905,632
Machinery and Equipment	5,040,779	221,670	(99,734)	5,162,715
Infrastructure	50,284,009	245,164	-	50,529,173
Total Capital Assets, Being Depreciated	69,162,553	534,701	(99,734)	69,597,520
Less Accumulated Depreciation:				
Buildings	(5,430,529)	(482,433)	-	(5,912,962)
Machinery and Equipment	(3,034,103)	(474,584)	92,473	(3,416,214)
Infrastructure	(25,526,553)	(2,335,090)	-	(27,861,643)
Total Accumulated Depreciation	(33,991,185)	(3,292,107)	92,473	(37,190,819)
Total Capital Assets, Being Depreciated, Net	35,171,368	(2,757,406)	(7,261)	32,406,701
Governmental Activities Capital Assets, Net	$ 48,486,278	$ 2,056,132	$ (267,551)	$ 50,274,859
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 130,384	$ -	$ -	$ 130,384
Capital Assets, Being Depreciated:				
Buildings	6,292,948	-	-	6,292,948
Machinery and Equipment	2,742,368	37,868	-	2,780,236
Total Capital Assets, Being Depreciated	9,035,316	37,868	-	9,073,184
Less Accumulated Depreciation:				
Buildings and Facilities	(2,146,065)	(143,554)	-	(2,289,619)
Machinery and Equipment	(1,276,769)	(186,161)	-	(1,462,930)
Total Accumulated Depreciation	(3,422,834)	(329,715)	-	(3,752,549)
Total Capital Assets, Being Depreciated, Net	5,612,482	(291,847)	-	5,320,635
Business-type Activities Capital Assets, Net	$ 5,742,866	$ (291,847)	$ -	$ 5,451,019

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

Governmental Activities:	
General Government	$ 120,920
Public Safety	151,346
Public Works and Utilities, including depreciation of general infrastructure assets	2,667,239
Recreation and Culture	352,601
Total Depreciation Expense – Governmental Activities	$ 3,292,106
Business-type Activities:	
Transportation	$ 170,946
Fleet Maintenance	158,768
Total Depreciation Expense – Business-type Activities	$ 329,714

Note 5. Long-term Debt

General Obligation Bonds. The Town has issued general obligation bonds in order to provide funds for the acquisition and construction of major capital facilities and to refund outstanding general obligation bonds. These bonds are direct obligations and pledge the full faith and credit of the Town and are ultimately secured by the Town's general ad valorem tax collections.

General Obligation Bonds – Avon Metropolitan District. Effective May 31, 1998, the Avon Metropolitan District was dissolved pursuant to an Agreement for Dissolution adopted by both the Avon Metropolitan District and the Town of Avon and executed with the District Court of Eagle County. According to the Agreement, the District shall continue in existence for the sole purpose of securing payment in full of the principal and interest of existing indebtedness. A new debt service fund was created by the Town in order to account for the payment of principal and interest on the existing indebtedness, consisting of Series 1990 General Obligation Refunding Bonds. The Town Council was appointed to act as the District Board of Directors in order to set mill levies as necessary to pay the outstanding indebtedness. The Series 1990 bonds were subsequently refunded in 2001 by issuing Series 2001 Avon Metropolitan District General Obligation Refunding Bonds.

General obligation bonds currently outstanding at December 31, 2010, are as follows:

Purpose	Interest Rates	Amount
General Government - Refunding	3.00% - 4.00%	$ 2,805,000

Annual debt service requirements to maturity for general obligation bonds outstanding at December 31, 2010, are as follows:

Year Ending December 31	Governmental Activities Principal	Interest
2011	$ 425,000	$ 107,397
2012	445,000	90,398
2013	455,000	73,710
2014	475,000	58,012
2015	490,000	40,200
2016	515,000	20,600
Total	$ 2,805,000	$ 390,317

Revenue Bonds. The Town has issued bonds whereby the bonds are payable solely from and secured by an irrevocable first lien on the Town's sales tax revenues. These revenue bonds were issued to refund previously issued revenue bonds that were used for construction of a recreation center and for acquisition of land for a public works and transportation facility.

Revenue Bonds and Loans – Avon Urban Renewal Authority. Pursuant to the Urban Renewal Plan adopted for the Town Center West Urban Renewal Project Area (Project Area), generally known as Avon Town Center West, the Avon Urban Renewal Authority issued $25 million in Series 2008 Tax Increment Adjustable Rate Revenue Bonds (Series 2008 Bonds) in February, 2008 for the purpose of financing the cost of constructing traffic, street and pedestrian improvements. In 2009, the Avon Urban Renewal Authority entered into a Series 2009 Variable Rate Loan Agreement (Series 2009 Loan) in the amount of $7,200,000 with Vectra Bank for the purpose of refinancing the Authority's Series 2008 Tax Increment Adjustable Rate Revenue Bonds. Net proceeds from the Series 2009 Loan, along with unused proceeds and the reserve account balance from the Series 2008 bonds, were used to redeem the Series 2008 bonds.

The Series 2009 Loan is payable from property tax increment revenues that represent that portion of ad valorem property taxes produced by levies at the rates fixed each year by the various taxing jurisdictions within or overlapping the Project Area upon that portion of the assessed valuation of taxable property within the Project Area which is in excess of the Property Tax Base Amount. The Property Tax Base Amount is the amount certified by the County Assessor as the assessed value of taxable property within the Project Area prior to the adoption of the Urban Renewal Plan.

The Series 2009 Loan bears an initial interest rate of 4.25% and adjusts annually commencing on June 1, based upon the one-year LIBOR swap rate plus two percent (2%). The rate at December 31, 2010 was 3.20875%.

Revenue bonds and loans outstanding at December 31, 2010, are as follows:

Purpose	Interest Rates	Amount
General Government – Refunding	3.25% -4.55%	$ 1,670,000
General Government – Avon Urban Renewal Authority	Variable	6,825,000
Total		$ 8,495,000

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2010, are as follows:

Year Ending December 31	Avon Urban Renewal Authority Principal	Governmental Activities Principal	Governmental Activities Interest
2011	$ 260,000	$ 395,000	$ 75,985
2012	270,000	405,000	58,013
2013	280,000	870,000	59,833
2014	295,000	-	-
2015-2019	1,675,000	-	-
2020-2024	2,060,000	-	-
2025-2029	1,985,000	-	-
Total	$ 6,825,000	$ 1,670,000	$ 193,831

Certificates of Participation. In 1998, the Town of Avon Finance Authority issued Certificates of Participation in order to finance the cost of constructing a fleet maintenance facility. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, dated as of July 1, 1998, and entered into between the Authority as lessor, and the Town of Avon as lessee. In 1999, the fleet maintenance facility was completed and the proceeds from the Certificates that were used directly in the construction of the fleet maintenance facility in the amount of $5,141,250 (approximately 75%) were capitalized in the Fleet Maintenance Fund and are reported as Capital Leases Payable.

On November 16, 2010, the Town issued $6,680,000 of Series 2010 Certificates and Participation with interest rates of 2% to 5%. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of $3,990,000. The refunding resulted in an economic gain of $43,298 with a cash flow savings of $904,642. The remaining funds from the 2010 Certificates will be used to construct, install, equip and furnish capital improvements within the Town of Avon.

Certificates of Participation outstanding at December 31, 2010, are as follows:

Purpose	Interest Rates	Amount
General Government – Refunding and Capital	2.0% - 5.00%	$ 6,680,000

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2010, are as follows:

Year Ending December 31	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2011	$ 115,000	$ 136,231	$ 115,000	$ 138,757
2012	120,000	128,481	125,000	130,906
2013	125,000	126,081	125,000	128,406
2014	125,000	123,581	130,000	125,906
2015	130,000	119,831	135,000	122,006
2016-2020	720,000	535,669	725,000	545,619
2021-2025	875,000	378,000	890,000	386,000
2026-2030	1,100,000	153,000	1,125,000	156,375
Total	$ 3,310,000	$ 1,700,874	$ 3,370,000	$ 1,733,975

Capital Lease Obligations. The following leases are renewable on an annual basis, at the option of the Town, for consecutive one year periods. Upon final payment, title to the leased assets will pass to the Town.

- Lease obligation for equipment with a total cost of $169,556 and a book value net of accumulated depreciation at December 31, 2010 of $93,441. Due in five annual installments of $39,006 through December, 2011. Amortization is based on an interest rate of 4.20%. The Town may terminate the lease by paying the applicable purchase option price on any scheduled payment. Balance at December 31, 2010, is $37,434.
- Lease obligation for equipment with a total cost of $508,125 and a book value net of accumulated depreciation at December 31, 2010 of $360,406. Due in seven annual installments of $83,972 through December, 2014. Amortization is based on an interest rate of 3.78%. The Town may terminate the lease by paying the applicable purchase option price on any scheduled payment. Balance at December 31, 2010, is $306,395.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2010, are as follows:

Year Ending December 31	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2011	$ 101,202	$ 12,792	$ 8,621	$ 362
2012	75,126	8,845	-	-
2013	77,966	6,006	-	-
2014	80,913	3,058	-	-
Total	$ 335,207	$ 30,701	$ 8,621	$ 362

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
- General Obligation Bonds	$ 3,670,000	$ -	$ 865,000	$ 2,805,000	$ 425,000
- Revenue Bonds	2,050,000	-	380,000	1,670,000	395,000
- Certificates of Participation	997,500	3,310,000	997,500	3,310,000	115,000
	6,717,500	3,310,000	2,242,500	7,785,000	935,000
- Bond Premium	44,230	-	6,395	37,835	6,395
- Loss on Refunding	(99,456)	-	(14,380)	(85,076)	(14,380)
Total Bonds Payable	6,662,274	3,310,000	2,234,515	7,737,759	927,015
Loans Payable	7,075,000	-	250,000	6,825,000	260,000
Capitalized Leases Payable	503,368	-	168,163	335,205	101,202
Compensated Absences	338,631	516,423	514,200	340,854	340,854
Governmental Activity Long-term Liabilities	$14,579,273	$ 3,826,423	$ 3,166,878	$15,238,818	$ 1,629,071
Business-type Activities:					
Certificates of Participation	$ 2,992,500	$ 3,370,000	$ 2,992,500	$ 3,370,000	$ 115,000
Bond Premium	-	49,605	-	49,605	-
Loss on Refunding	-	8,216	-	8,216	-
Total Bonds Payable	2,992,500	3,427,821	2,992,500	3,427,821	115,000
Capitalized Leases Payable	20,954	-	12,333	8,621	8,621
Compensated Absences	79,556	93,777	116,370	56,963	56,963
Business-type Activity Long-term Liabilities	$ 3,093,010	$ 3,521,598	$ 3,121,203	$ 3,493,405	$ 180,584

Conduit Debt Obligations. The Town has sponsored the issuance of revenue bonds in prior years to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Neither the Town, the State of Colorado, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. Conduit debt obligations at December 31, 2010, are described as follows:

Eaglebend Affordable Housing Corporation. The Eaglebend Affordable Housing Corporation (Eaglebend) was formed on October 23, 1990, to help provide for affordable housing within the Town of Avon. Eaglebend operates exclusively on behalf and for the benefit of the Town to operate a 294 unit apartment project within the Town. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the bonds issued by Eaglebend.

On August 30, 2006, Eaglebend issued $18,495,000 of Multifamily Housing Project Revenue Refunding Bonds Series 2006A, Series 2006B, and Series C Subordinate Multifamily Housing Project Bonds in order to defease $17,455,000 of outstanding Series 1997A Eaglebend Affordable Housing Corporation Revenue Refunding Bonds, and $1,355,000 of outstanding Series 1997B&C Subordinate Eaglebend Affordable Housing Corporation Revenue Refunding Bonds. At December 31, 2010, there was $16,255,000 outstanding in Multifamily Housing Project Revenue Refunding Bonds, Series 2006A and Series 2006B.

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide for affordable housing within Eagle County. Dowd operates a 50 unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the bonds. The Town, however, is in no way obligated to pay the debt service on the bonds.

In 2003, the Town approved the issuance by Dowd of $9,520,000 in Series 2003 Refunding Revenue Bonds in order to defease the outstanding Series 1998A Revenue Bonds by placing the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. As of December 31, 2010, there was $8,685,000 outstanding in Series 2003 Refunding Revenue Bonds, and $1,600,000 outstanding in Series 1998 B&C Subordinate Revenue Bonds.

Buffalo Ridge I and II Apartment Project. The Buffalo Ridge I Apartment Project consists of 68 units composed of 2 and 3 bedroom units in four buildings located on the north side of Interstate 70 east of the Town of Avon municipal fleet maintenance facility. The owner of the Buffalo Ridge I Apartments is the Buffalo Ridge Affordable Housing Corporation. Multifamily housing project revenue bonds were issued by Buffalo Ridge Affordable Housing Corporation to finance this project. Pursuant to the plan of financing, this project will be transferred to the Town of Avon upon the repayment in full of the outstanding bonds. As of December 31, 2010, there was $9,705,000 outstanding in Buffalo Ridge Affordable Housing Corporation Multifamily Housing Project Revenue Bonds. The Town is in no way obligated to pay the debt service on the bonds.

The project above is part of a total development comprised of 244 units. The Buffalo Ridge II Apartment Project consists of approximately 176 units in eleven (11) three-story buildings. The Town of Avon issued multifamily housing revenue bonds dated May 1, 2002, in order to provide financing to Buffalo Ridge II, LLLP, a Colorado limited liability partnership formed for the principal purpose of owning the project. As of December 31, 2010, there was $11,000,000 outstanding in Series 2002A Multifamily Housing Project Revenue Bonds, and $3,955,000 outstanding in Series 2002B Taxable Multifamily Housing Project Revenue Bonds. The Town is in no way obligated to pay the debt service on the bonds.

Defeased Debt. In addition to the outstanding debt discussed above, other bonds previously issued by the Town and the Avon Metropolitan District (AMD) have been defeased (debt legally satisfied) by the issuance of refunding bonds. The detail of defeased bonds outstanding at December 31, 2010, is as follows:

Series 1994, Town of Avon Sales Tax Revenue Bonds	1,120,000
Series 1994B, Town of Avon Sales Tax Revenue Bonds	525,000
Series 1996B, Town of Avon General Obligation Bonds	2,790,000

Note 6. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan, and (2) the Town of Avon General Employee Money Purchase Pension Plan. These plans are administered by Wells Fargo Institutional Trust Group.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions.

During the year there were no differences between contribution requirements and contributions actually made by plan participants or the Town. Contributions made by plan members and the Town for the three years ended December 31, 2010, are as follows:

	2010	2009	2008
Employees	$592,179	$626,624	$618,678
Town	$592,179	$626,624	$618,678

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2010.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation, and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan. Contributions actually made by plan members and the Town for the three years ended December 31, 2010, are as follows:

	2010	2009	2008
Employees	$37,516	$40,495	$38,882
Town	$31,392	$33,966	$35,155

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments.

Note 7. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as "due to/from other funds". These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2010, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Main Street Maintenance Fund	$ 3,000
General Fund	Fleet Maintenance Fund	100,000
Total		$ 103,000

Interfund Transfers:

Fund	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 478,905	$ 1,769,725
Urban Renewal Fund	-	230,000
Water Fund	-	92,674
Debt Service Fund	1,033,425	563,570
Capital Projects Fund	202,674	549,868
Transit Enterprise Fund	1,085,000	-
Fleet Maintenance Fund	723,570	276,395
Nonmajor Governmental Funds:		
Town Center West Maintenance Fund	230,000	-
Community Enhancement Fund	-	109,000
Facilities Reserve Fund	-	100,000
Avon Metropolitan District	-	62,342
	3,753,574	3,753,574
Transfer In of Capital Assets:		
To Internal Service Fund	142,544	-
Total	$ 3,896,118	$ 3,753,574

In the fund financial statements, total transfers in of $3,896,118 are greater than total transfers out of $3,753,574 because of the treatment of transfers of capital assets to the internal service fund. During the year, capital assets purchased in 2010 related to governmental funds, with a book value of $142,544 were transferred to the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported a transfer in for the capital resources received. The transfer-out from the Avon Metropolitan District was the result of the close-out of the fund and transfer of the residual equity that remained after the final Avon Metropolitan District debt service payment was made on its outstanding bonds.

Note 8. Commitments and Contingencies

Litigation. The Town is currently involved in two pieces of litigation pending in Eagle County District Court involving The Village (at Avon) Project (the "Project"). The matters, captioned *Town of Avon v. Traer Creek Metropolitan District* and *Traer Creek LLC et al. v. Town of Avon et al.,* are proceeding on a consolidated basis under case number 2008CV0385. The Town seeks payment from the Traer Creek Metropolitan District for municipal services provided to the Project by the Town, certain sales tax indemnity

payments and an exaction payment. It seeks these same payments from Traer Creek LLC. The amount claimed is disputed, but exceeds $3 million with applicable interest. The Town has high confidence that it will receive a judgment against Traer Creek Metropolitan District. The collectability of the judgment is uncertain at this time. Traer Creek LLC and others have sued the Town for breach of the Annexation and Development Agreement governing the Project, and for alleged constitutional claims related to the Town's alleged improper processing of development applications. Traer Creek has alleged damages in excess of $50 million. The Town is vigorously defending these claims, and based on discovery conducted to date, the Town believes that both the legal claims and the alleged damages lack substantial justification. The Town has also countersued Traer Creek and others claiming various breaches of the Annexation and Development Agreement and related agreements.

Riverfront Subdivision and PUD Development Plan. In 2006, the Town approved a development agreement with the owner of a parcel of land formerly referred to as the Confluence for a mixed used development including the Westin Riverfront Resort & Spa. The agreement provides for the Town to rebate to the owner/developer a net amount of $1,557,000 in real estate transfer tax revenues received from the development toward certain public improvements and amenities. As of December 31, 2010, the Town has rebated the full amount to the developer.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2010 in the amount of $503,650.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to take action on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in

TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 9. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of $35,000 and aggregate total yearly claims in excess of $1,135,843. Settled benefit claims did not exceed the aggregate total yearly claims for 2010. As of December 31, 2010, the Town held reserves for future claims in the amount of $201,854.

The following represents the changes in the claims reserve for the Town for 2010 and 2009:

	2010	2009
Claims Reserve for Future Claims, Beginning of Year	$ 799,360	$ 965,088
Current Year Deposits for Estimated Claims	780,811	862,356
Excess Stop Loss Refunds for Specific (Individual) Claims	153,243	96,644
Claim Payments	(1,531,560)	(1,124,728)
Claims Reserve for Future Claims, End of Year	$ 201,854	$ 799,360

Note 10. Risk Management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self insurance pool created by intergovernmental agreement of 207 municipalities and 36 special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any

excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town's annual contribution to CIRSA amounted to $178,458 for 2010. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 11. Upper Eagle Regional Water Authority

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

Arrowhead Metropolitan District
Beaver Creek Metropolitan District
Berry Creek Metropolitan District
Eagle-Vail Metropolitan District
Edwards Metropolitan District
Town of Avon

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members.

The Authority was formed to make the best practicable use of the member's joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2010, the Authority had debt with maturities through the year 2039.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost.

During 2010, the Authority collected $147,964 in water surcharges for the Town.

Note 12. Major Taxpayers

For the year ended December 31, 2010 approximately 49% of the Town's sales tax revenues were received from the ten highest-paying companies.

Note 13. The Village at Avon Development and Annexation Agreement

On October 13, 1998, the Town entered into a an Annexation and Development Agreement ("Village Agreement") with the owners ("Village Owners") of approximately 1,790 acres of property on the east side of the town known as The Village at Avon ("the Village"). In the Village Agreement, the Town effectively agrees that it will waive all retail sales taxes, use taxes, real estate transfer taxes and accommodation taxes with respect to transactions within the Village, so long as comparable fees are imposed by a nonprofit public improvement company (the "PIC") formed by the Village Owners. The Village Agreement contemplates that such comparable fees will be imposed by the PIC and the proceeds of such fees will be used to pay debt service on bonds issued by Traer Creek Metropolitan District ("TCMD') to finance the construction of infrastructure within the Village. Upon payment in full of the bonds, the Village Agreement contemplates that the PIC and TCMD will be dissolved and the Town will cease the waiver of the various taxes mentioned above.

The Village Agreement further establishes an indemnification procedure. If, upon relocation of either Wal-Mart or City Market (both significant Town sales taxpayers) to a site within the Village, the Town experiences a decrease in net sales tax revenue, the Village Agreement provides that the Town is entitled to receive a fee in lieu of sales tax equal to the related net sales tax revenues in the twelve months prior to the relocation. This indemnification procedure began in July, 2003 when Wal-Mart relocated to the Village.

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 9,563,488	9,358,759	$ 8,556,334	$ (802,425)
Licenses and Permits	218,600	195,100	215,635	20,535
Intergovernmental	900,148	909,365	905,178	(4,187)
Charges for Services	1,998,825	1,791,097	1,296,337	(494,760)
Fines and Forfeitures	143,950	144,500	147,057	2,557
Investment Earnings	350,000	225,000	89,123	(135,877)
Other Revenues	376,000	350,956	351,487	531
Total Revenues	13,551,011	12,974,777	11,561,151	(1,413,626)
Expenditures				
Current:				
General Government	2,473,534	2,472,144	2,553,279	(81,135)
Community Development	672,111	613,605	598,692	14,913
Public Safety	2,564,147	2,416,578	2,354,235	62,343
Public Works	3,528,213	3,097,853	2,955,507	142,346
Recreation and Culture	2,580,331	2,350,737	2,144,447	206,290
Total Expenditures	11,818,336	10,950,917	10,606,160	344,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,732,675	2,023,860	954,991	(1,068,869)
Other Financing Sources (Uses)				
Transfers In	377,563	477,574	478,905	1,331
Transfers Out	(2,114,577)	(1,769,725)	(1,769,725)	-
Sale of Capital Assets	1,500	1,500	-	(1,500)
Total Other Financing Sources (Uses)	(1,735,514)	(1,290,651)	(1,290,820)	(169)
Net Change in Fund Balances	(2,839)	733,209	(335,829)	(1,069,038)
Fund Balances, Beginning of Year	6,256,272	4,429,130	4,429,130	-
Fund Balances, End of year	$ 6,253,433	$ 5,162,339	$ 4,093,301	$ (1,069,038)

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION
AVON URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 945,366	$ 945,366	$ 978,437	$ 33,071
Investment Earnings	13,813	10,000	7,368	(2,632)
Total Revenues	959,179	955,366	985,805	30,439
Expenditures				
Current:				
General Government	5,550	4,550	7,126	(2,576)
Debt Service:				
Principal	250,000	250,000	250,000	-
Interest	300,688	261,250	267,415	(6,165)
Fiscal Charges	9,453	28,096	37,362	(9,266)
Total Expenditures	565,691	543,896	561,903	(18,007)
Excess (Deficiency) of Revenues Over (Under) Expenditures	393,488	411,470	423,902	12,432
Other Financing Sources (Uses)				
Transfers Out:				
Town Center West Maintenance Fund	(230,000)	(230,000)	(230,000)	-
Net Change in Fund Balances	163,488	181,470	193,902	12,432
Fund Balances, Beginning of Year	508,070	486,637	495,096	8,459
Fund Balances, End of year	$ 671,558	$ 668,107	$ 688,998	$ 20,891

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTAL INFORMATION
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	$ 165,000	$ 157,810	$ 178,631	$ 20,821
Other Revenues	-	-	1,292	1,292
Total Revenues	165,000	157,810	179,923	22,113
Expenditures				
Current:				
Public Works and Utilities	105,884	125,944	81,727	44,217
Total Expenditures	105,884	125,944	81,727	44,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,116	31,866	98,196	66,330
Other Financing Sources (Uses)				
Transfers Out:				
General Fund	-	(50,000)	(50,000)	-
Capital Projects Fund	(425,000)	(239,320)	(42,674)	196,646
Total Other Financing Sources (Uses)	(425,000)	(289,320)	(92,674)	196,646
Net Change in Fund Balances	(365,884)	(257,454)	5,522	262,976
Fund Balances, Beginning of Year	2,155,173	2,315,991	2,315,991	-
Fund Balances, End of year	$ 1,789,289	$ 2,058,537	$ 2,321,513	$ 262,976

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2010

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (i.e. the department of public works).

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Main Street Maintenance Fund – This fund is used to account for revenues collected from various public and private sources that are specifically restricted to the maintenance of Town Center West.

Community Enhancement Fund – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

Affordable Housing Fund – This fund is used to accumulate and account for resources received and restricted for use in the Town's affordable housing program.

Facilities Reserve Fund – This fund is used to account for the accumulation of resources for the future repair and replacement of major components of Town facilities.

Debt Service Funds

Debt service funds are used for the accumulation of resources and payment of bond principal and interest from government resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Avon Metropolitan District Debt Service Fund – This fund is used to account for the accumulation of resources and payment of principal and interest on the District's general obligation bonds. In 1998 the District was dissolved and remains in existence only for this purpose. The Town Council of the Town of Avon was appointed to act as the District Board of Directors for setting mill levies as necessary until the indebtedness is paid in full.

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue			
	Town Center West Maintenance Fund	Community Enhancement Fund	Affordable Housing Fund	Facilities Reserve Fund
ASSETS				
Cash and Cash Equivalents	$ 103,787	$ 250,018	$ 653,375	$ 413,251
Receivables:				
- Accounts	-	71,067	-	-
Notes Receivable	-	-	287,625	-
Total Assets	$ 103,787	$ 321,085	$ 941,000	$ 413,251
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 5,259	$ -	$ -	$ -
Due to Other Funds	3,000	-	-	-
Deferred Revenues	-	-	287,625	-
Total Liabilities	8,259	-	287,625	-
Fund Balances:				
Unreserved:				
Designated for Subsequent Year's Expenditures	2,575	90,000	1,700	-
Unreserved, Undesignated	92,953	231,085	651,675	413,251
Total Fund Balances	95,528	321,085	653,375	413,251
Total Liabilities and Fund Balances	$ 103,787	$ 321,085	$ 941,000	$ 413,251

Avon Metropolitan District Debt Service Fund	Total Nonmajor Governmental Funds
$ -	$ 1,420,431
-	71,067
-	287,625
$ -	$ 1,779,123
$ -	$ 5,259
-	3,000
-	287,625
-	295,884
-	94,275
-	1,388,964
-	1,483,239
$ -	$ 1,779,123

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue			
	Town Center West Maintenance Fund	Community Enhancement Fund	Affordable Housing Fund	Facilities Reserve Fund
Revenues				
Taxes:				
Property Taxes	$ -	$ -	$ -	$ -
Other Revenues	695	71,067	-	-
Total Revenues	695	71,067	-	-
Expenditures				
Current:				
Public Works and Utilities	187,461	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
Total Expenditures	187,461	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,766)	71,067	-	-
Other Financing Sources (Uses)				
Transfers In:				
Avon Urban Renewal Authority	230,000	-	-	-
Transfers Out:				
General Fund	-	(49,000)	-	-
Capital Projects Fund	-	-	-	(100,000)
Fleet Maintenance Fund	-	(60,000)	-	-
Total Other Financing Sources (Uses)	230,000	(109,000)	-	(100,000)
Net Change in Fund Balances	43,234	(37,933)	-	(100,000)
Fund Balances, Beginning of Year	52,294	359,018	653,375	513,251
Fund Balances, End of year	$ 95,528	$ 321,085	$ 653,375	$ 413,251

Debt Service Avon Metropolitan District Debt Service	Total Nonmajor Governmental Funds
$ 485,433	$ 485,433
-	71,762
485,433	557,195
-	187,461
455,000	455,000
14,385	14,385
14,717	14,717
484,102	671,563
1,331	(114,368)
-	230,000
(62,342)	(111,342)
-	(100,000)
-	(60,000)
(62,342)	(41,342)
(61,011)	(155,710)
61,011	1,638,949
$ -	$ 1,483,239

TOWN OF AVON, COLORADO

TOWN CENTER WEST MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ -	$ -	$ 695	$ 695
Total Revenues	-	-	695	695
Expenditures				
Current:				
Public Works and Utilities	227,395	202,994	187,461	15,533
Total Expenditures	227,395	202,994	187,461	15,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(227,395)	(202,994)	(186,766)	16,228
Other Financing Sources (Uses):				
Transfers In:				
Avon Urban Renewal Authority	230,000	230,000	230,000	-
Net Change in Fund Balances	2,605	27,006	43,234	16,228
Fund Balances, Beginning of Year	54,235	52,294	52,294	-
Fund Balances, End of year	$ 56,840	$ 79,300	$ 95,528	$ 16,228

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other Revenues	$ 65,000	$ 70,000	$ 71,067	$ 1,067
Total Revenues	65,000	70,000	71,067	1,067
Expenditures				
Current:				
Public Works and Utilities	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,000	70,000	71,067	1,067
Other Financing Sources (Uses):				
Transfers Out:				
General Fund	(60,000)	(49,000)	(49,000)	-
Capital Projects Fund	(220,000)	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	(280,000)	(109,000)	(109,000)	-
Net Change in Fund Balances	(215,000)	(39,000)	(37,933)	1,067
Fund Balances, Beginning of Year	353,882	359,018	359,018	-
Fund Balances, End of year	$ 138,882	$ 320,018	$ 321,085	$ 1,067

TOWN OF AVON, COLORADO

AFFORDABLE HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
General Government	1,700	1,700	-	1,700
Total Expenditures	1,700	1,700	-	1,700
Net Change in Fund Balances	(1,700)	(1,700)	-	1,700
Fund Balances, Beginning of Year	651,675	653,375	653,375	-
Fund Balances, End of year	$ 649,975	$ 651,675	$ 653,375	$ 1,700

TOWN OF AVON, COLORADO

FACILITIES RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
Public Works and Utilities	37,333	-	-	-
Total Expenditures	37,333	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,333)	-	-	-
Other Financing Sources (Uses):				
Transfers In:				
General Fund	77,702	-	-	-
Transfers Out:				
Capital Projects Fund	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(22,298)	(100,000)	(100,000)	-
Net Change in Fund Balances	(59,631)	(100,000)	(100,000)	-
Fund Balances, Beginning of Year	513,251	513,251	513,251	-
Fund Balances, End of year	$ 453,620	$ 413,251	$ 413,251	$ -

TOWN OF AVON, COLORADO

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Property Taxes	$ 548,300	$ 548,300	$ 549,154	$ 854
Investment Earnings	11,000	7,000	1,332	(5,668)
Total Revenues	559,300	555,300	550,486	(4,814)
Expenditures				
Debt Service:				
Principal	880,000	790,000	790,000	-
Interest	263,598	238,798	261,531	(22,733)
Fiscal Charges	17,577	17,577	18,578	(1,001)
Total Expenditures	1,161,175	1,046,375	1,070,109	(23,734)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(601,875)	(491,075)	(519,623)	(28,548)
Other Financing Sources (Uses)				
Transfers In:				
General Fund	601,875	524,725	524,725	-
Capital Projects Fund	-	232,305	232,305	-
Fleet Maintenance Fund	-	276,395	276,395	-
Transfers Out:				
Fleet Maintenance Fund	-	(563,570)	(563,570)	-
Payment to Refunding Escrow Agent	-	(114,800)	(92,067)	22,733
Total Other Financing Sources (Uses)	601,875	355,055	377,788	22,733
Net Change in Fund Balances	-	(136,020)	(141,835)	(5,815)
Fund Balances, Beginning of Year	636,499	644,720	644,720	-
Fund Balances, End of year	$ 636,499	$ 508,700	$ 502,885	$ (5,815)

TOWN OF AVON, COLORADO

AVON METROPOLITAN DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Property Taxes	$ 484,208	$ 484,208	$ 485,433	$ 1,225
Total Revenues	484,208	484,208	485,433	1,225
Expenditures				
Debt Service:				
Principal	455,000	455,000	455,000	-
Interest	14,385	14,385	14,385	-
Fiscal Charges	14,823	14,823	14,717	106
Total Expenditures	484,208	484,208	484,102	106
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,331	1,331
Other Financing Sources (Uses)				
Transfers Out:				
General Fund	-	(61,011)	(62,342)	(1,331)
Net Change in Fund Balances	-	(61,011)	(61,011)	-
Fund Balances, Beginning of Year	62,981	61,011	61,011	-
Fund Balances, End of year	$ 62,981	$ -	$ -	$ -

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Real Estate Transfer Tax	$ 2,091,798	$ 1,950,000	$ 2,159,525	$ 209,525
Intergovernmental	1,500,400	1,767,608	1,855,346	87,738
Investment Earnings	80,104	80,104	66,168	(13,936)
Other Revenues	1,500	1,500	17,981	16,481
Total Revenues	3,673,802	3,799,212	4,099,020	299,808
Expenditures				
Capital Projects:				
Facilities	675,000	975,278	464,129	511,149
Land and Land Improvements	360,000	392,001	232,162	159,839
Roads and Streets	200,000	501,665	306,799	194,866
Utilities	3,794,206	4,357,505	4,280,421	77,084
Water Fund Projects	425,000	239,320	42,674	196,646
Strategic Planning	25,000	99,370	17,605	81,765
Communications and Technology	125,000	125,000	110,817	14,183
Other	25,000	25,000	25,675	(675)
Rebates & Capital Contributions	-	75,928	73,814	2,114
Debt Service	-	77,695	77,695	-
Total Expenditures	5,629,206	6,868,762	5,631,791	1,236,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,955,404)	(3,069,550)	(1,532,771)	1,536,779
Other Financing Sources (Uses)				
Transfers In:				
Water Fund	425,000	239,320	42,674	196,646
Community Enhancement Fund	220,000	60,000	60,000	-
Facilities Reserve Fund	100,000	100,000	100,000	-
Transfers Out:				
General Fund	(317,563)	(317,563)	(317,563)	-
Debt Service Fund	-	(232,305)	(232,305)	-
Bond Proceeds	-	3,310,000	3,310,000	-
Total Other Financing Sources (Uses)	427,437	3,159,452	2,962,806	196,646
Net Change in Fund Balances	(1,527,967)	89,902	1,430,035	1,733,425
Fund Balances, Beginning of Year	3,474,167	5,539,422	5,539,422	-
Fund Balances, End of Year	$ 1,946,200	$ 5,629,324	$ 6,969,457	$ 1,733,425

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges: or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

Transit Fund – This fund is used to account for the activities involved in operating the Town's transportation system. In addition to transportation routes within the Town of Avon, the Town contracts with other entities for management and operation of their transportation systems within Eagle County.

Fleet Maintenance Fund – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third party governmental entities.

TOWN OF AVON, COLORADO

TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 40,364	$ 40,364	$ 41,580	$ 1,216
Intergovernmental	293,600	-	-	-
Charges for Services	-	-	500	500
Total Revenues	333,964	40,364	42,080	1,716
Expenditures:				
Administration	136,324	130,402	125,590	4,812
Operations	1,988,694	991,056	879,282	111,774
Total Expenditures	2,125,018	1,121,458	1,004,872	116,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,791,054)	(1,081,094)	(962,792)	118,302
Other Financing Sources (Uses):				
Transfers In:				
General Fund	1,350,000	1,085,000	1,085,000	-
Net Change in Fund Balances	(441,054)	3,906	122,208	118,302
Fund Balances, Beginning of Year	471,888	530,904	530,904	-
Fund Balances, End of Year	$ 30,834	$ 534,810	$ 653,112	$ 118,302

Fund Balances at December 31, 2010, is computed as follows:

Current Assets	$ 768,252
Less: Current Liabilities	(115,140)
Fund Balances - December 31, 2010	$ 653,112

RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS) TO CHANGE IN NET ASSETS (GAAP BASIS)

Net Change in Fund Balances (Budgetary Basis)	$ 122,208
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Depreciation	(170,946)
Total Adjustments	(170,946)
Change in Net Assets (GAAP Basis)	$ (48,738)

TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services:				
Fleet Maintenance Charges	$ 2,388,727	$ 1,793,930	$ 1,932,058	$ 138,128
Wash Bay Charges	107,561	91,159	86,062	(5,097)
Fuel Mark-up	105,284	65,000	58,368	(6,632)
Other Revenues	-	2,000	4,686	2,686
Total Revenues	2,601,572	1,952,089	2,081,174	129,085
Expenditures:				
Fleet Maintenance	2,522,953	1,936,179	1,995,574	(59,395)
Washbay	109,595	72,675	42,327	30,348
Total Expenditures	2,632,548	2,008,854	2,037,901	(29,047)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,976)	(56,765)	43,273	100,038
Other Financing Sources (Uses):				
Transfers In:				
General Fund	85,000	160,000	160,000	-
Debt Service Fund	-	563,570	563,570	
Transfers Out:				
Debt Service Fund	-	(276,395)	(276,395)	-
Refunding Bond Proceeds	-	3,419,913	3,419,913	-
Payment to Refunding Bond Escrow Agent	-	(3,966,133)	(3,891,733)	74,400
Total Other Financing Sources (Uses)	85,000	(99,045)	(24,645)	74,400
Net Change in Fund Balances	54,024	(155,810)	18,628	174,438
Fund Balances, Beginning of Year	675,239	617,061	617,061	-
Fund Balances, End of Year	$ 729,263	$ 461,251	$ 635,689	$ 174,438

Fund Balances at December 31, 2010, is computed as follows:

Current Assets	$ 819,232
Less: Current Liabilities	(307,164)
Add: Current Portion of Certificates of Participation	115,000
Add: Current Portion of Capital Leases Payable	8,621
Fund Balances - December 31, 2010	$ 635,689

RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS) TO CHANGE IN NET ASSETS (GAAP BASIS)

Net Change in Fund Balances (Budgetary Basis)	$ 18,628
Adjustments to Reconcile Budgetary Basis to GAAP Basis	
Principal Paid on Capital Leases	12,333
Capitalization of Fixed Assets	37,868
Bond Issuance Costs	70,179
Refunding Bond Proceeds	(3,419,913)
Payment to Refunding Bond Escrow Agent	3,891,733
Contributions Out	(907,500)
Depreciation and Amortization	(158,843)
Total Adjustments	(474,143)
Change in Net Assets (GAAP Basis)	$ (455,515)

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INTERNAL SERVICE FUNDS

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

Equipment Replacement Fund – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services:				
Equipment Replacement Charges	$ 369,319	$ 369,319	$ 369,323	$ 4
Total Revenues	369,319	369,319	369,323	4
Expenditures:				
Capital Outlay:				
Fleet and Heavy Equipment	206,100	-	-	-
Recreation Center Equipment & Improvements	112,717	79,606	71,251	8,355
Computer and Office Equipment	92,798	92,798	91,179	1,619
Total Expenditures	411,615	172,404	162,430	9,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,296)	196,915	206,893	9,978
Other Financing Sources (Uses):				
Sales of Capital Assets	15,000	3,000	3,000	-
Net Change in Fund Balances	(27,296)	199,915	209,893	9,978
Fund Balances, Beginning of Year	1,520,917	1,684,496	1,684,496	-
Fund Balances, End of Year	$ 1,493,621	$ 1,884,411	$ 1,894,389	$ 9,978

Fund Balances at December 31, 2010, is computed as follows:

Current Assets	$ 1,896,969
Less: Current Liabilities	(2,580)
Fund Balances - December 31, 2010	$ 1,894,389

RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS) TO CHANGE IN NET ASSETS (GAAP BASIS)

Net Change in Fund Balances (Budgetary Basis)	$ 209,893
Basis to GAAP Basis	
Capitalization of Fixed Assets	131,658
Book Value of Capital Assets Disposed	(6,661)
Transfers In of Non-financial Resources	142,544
Depreciation	(561,645)
Total Adjustments	(294,104)
Change in Net Assets (GAAP Basis)	$ (84,211)

MISCELLANEOUS SCHEDULES

TOWN OF AVON, COLORADO

DEBT SCHEDULE
DECEMBER 31, 2010

Purpose	Schedule of Indebtedness					Payments Due In 2011	
	Date Issued	Interest Rate/Yield	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
General Obligation Bonds:							
Series 2004:							
General Obligation Bonds	12/14/04	3.00% - 4.00%	12/1/16	3,460,000	2,805,000	425,000	107,397
Detached 'B' Interest Certificates	12/14/04	2.38% - 3.25%	12/1/09	215,000	-	-	-
Less: Original Issue Discount	12/14/04	N/A	12/1/09	(18,827)	-	-	-
Net General Obligation Bonds				3,656,173	2,805,000	425,000	107,397
Revenue Bonds:							
Series 1999, Revenue Refunding Bonds	1/15/99	3.25% - 4.55%	9/15/14	5,580,000	1,670,000	395,000	75,985
Total Revenue Bonds				5,580,000	1,670,000	395,000	75,985
Certificates of Participation:							
Series 2010, Certificates of Participation	11/1/10	2.00% - 3.25%	12/1/18	6,680,000	6,680,000	230,000	274,987
Total Certificates of Participation				6,680,000	6,680,000	230,000	274,987
Loans							
Series 2009 Avon URA Tax Increment							
Adjustable Rate Revenue Refunding Loan	5/28/09	Variable	12/1/28	7,200,000	6,825,000	260,000	258,164
Total Loans				7,200,000	6,825,000	260,000	258,164
Capital Lease Obligations							
Master Lease-Purchase, Wells Fargo	12/14/06	4.20%	12/14/11	172,676	37,433	37,433	1,572
Master Lease-Purchase, Comerica Leasing	12/11/07	3.78%	12/20/14	508,125	306,395	72,390	11,582
Total Capital Lease Obligations				680,801	343,828	109,823	13,154
Total Long-term Debt				$ 23,796,974	$ 18,323,828	$ 1,419,823	$ 729,687

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Government:				
Legislative:				
Mayor and Town Council	$ 122,693	$ 117,375	$ 116,019	$ 1,356
Boards and Commissions	15,805	15,805	11,907	3,898
Town Attorney	250,000	350,000	522,497	(172,497)
Town Clerk	89,196	98,942	92,565	6,377
Total Legislative	477,694	582,122	742,988	(160,866)
Judicial:				
Municipal Court	126,649	120,949	115,903	5,046
Executive:				
Town Manager	227,673	229,140	230,445	(1,305)
Human Resources	201,309	201,108	199,404	1,704
Community Relations	189,339	156,677	143,051	13,626
Total Executive	618,321	586,925	572,900	14,025
Finance Department				
Finance	654,839	613,571	579,030	34,541
Information Systems	284,461	273,170	247,096	26,074
Total Finance Department	939,300	886,741	826,126	60,615
Nondepartmental	311,570	295,407	295,362	45
Total General Government	2,473,534	2,472,144	2,553,279	(81,135)
Community Development:				
Administration	179,116	165,009	159,340	5,669
Planning	345,609	327,834	320,065	7,769
Building Inspection	147,386	120,762	119,287	1,475
Total Community Development	672,111	613,605	598,692	14,913

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Public Safety:				
Police:				
Administration	$ 472,217	$ 492,207	$ 497,319	$ (5,112)
Patrol	1,978,741	1,826,244	1,771,121	55,123
Investigations	113,189	98,127	85,795	12,332
Total Public Safety	2,564,147	2,416,578	2,354,235	62,343
Public Works:				
Administration	142,345	106,900	100,470	6,430
Engineering	403,621	345,383	326,129	19,254
Roads and Streets	1,677,889	1,459,145	1,438,210	20,935
Facilities Maintenance	492,689	409,696	367,382	42,314
Parks	811,669	776,729	723,316	53,413
Total Public Works	3,528,213	3,097,853	2,955,507	142,346
Recreation and Culture:				
Special Events	358,076	323,336	286,784	36,552
Administration	376,844	363,190	361,636	1,554
Adult Programs	36,196	34,578	31,212	3,366
Aquatics	438,227	406,751	371,934	34,817
Child Care	53,843	43,431	38,512	4,919
Fitness	122,935	106,061	103,451	2,610
Front Desk	257,700	202,526	183,868	18,658
Maintenance	750,169	694,596	604,071	90,525
Youth Programs	129,100	127,452	122,713	4,739
Cabin	57,241	48,816	40,266	8,550
Total Recreation and Culture	2,580,331	2,350,737	2,144,447	206,290
TOTAL OPERATING EXPENDITURES	$ 11,818,336	$ 10,950,917	$ 10,606,160	$ 344,757

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Taxes:				
General Property Tax	$ 2,196,915	$ 2,202,404	$ 2,176,817	$ (25,587)
General Property Tax - Delinquent Collections	50	50	780	730
General Property Tax - Interest and Penalties	5,000	1,000	4,676	3,676
Specific Ownership Tax	160,000	120,000	117,354	(2,646)
Sales Tax	5,274,195	5,164,965	5,105,953	(59,012)
Utility Tax	150,000	160,000	146,852	(13,148)
Accommodations Tax	677,738	623,857	627,782	3,925
Penalties and Interest	25,000	15,000	14,590	(410)
Sales Tax Audit Assessments	20,000	-	-	-
Payments In-Lieu-Of Sales Tax	654,590	696,483	-	(696,483)
Franchise Fees	400,000	375,000	361,530	(13,470)
Total Taxes	9,563,488	9,358,759	8,556,334	(802,425)
Licenses and Permits:				
Liquor Licenses	8,000	7,000	7,574	574
Business Licenses	22,000	20,000	20,175	175
Contractor's Licenses	13,500	10,500	9,860	(640)
Building Permits	150,000	140,000	151,751	11,751
Road Cut Permits	25,000	17,500	26,275	8,775
Other Licenses and Permits	100	100	-	(100)
Total Licenses and Permits	218,600	195,100	215,635	20,535
Intergovernmental:				
Federal:				
Other Federal Grants	-	26,901	26,698	(203)
State:				
Other State Grants	-	1,900	8,325	6,425
Local Government/Other Agency				
Eagle County - Trail Safety & Repair	-	2,308	2,308	-
Eagle County - Brightstart Grant	3,149	5,969	5,429	(540)
Eagle River Youth Coalition	-	8,288	8,288	
State/County Shared Revenue:				
Conservation Trust	70,000	60,000	58,340	(1,660)
Motor Vehicle Registration	23,000	23,000	22,294	(706)
Highway User's Tax	184,999	184,999	190,429	5,430
Cigarette Tax	54,000	50,000	47,365	(2,635)
County Sales Tax	360,000	350,000	330,253	(19,747)
Road & Bridge Fund	200,000	193,000	203,151	10,151
State Severance Tax	5,000	3,000	2,298	(702)
Total Intergovernmental	900,148	909,365	905,178	(4,187)

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Charges for Services:				
General Government:				
Sale of Map and Publications	$ 250	$ 100	$ 40	$ (60)
Photocopying Charges	750	300	237	(63)
License Hearing Fees	100	100	135	35
Other Fees and Charges	2,500	1,250	2,254	1,004
Plan Check Fees	80,000	26,000	41,159	15,159
Subdivision Review Fees	5,000	1,000	1,810	810
Design Review Fees	25,000	7,500	7,250	(250)
Animal Control Fees	2,000	2,000	1,125	(875)
Abatement Services	30,000	5,500	2,538	(2,962)
Impact Fee Administrative Fees	1,500	500	1,895	1,395
Police Reports	2,500	2,500	740	(1,760)
Off-duty Police Employment	20,000	6,975	8,042	1,067
Fingerprinting Fees	4,000	4,000	4,136	136
VIN Inspection Fees	15,000	15,000	12,055	(2,945)
False Alarm Fees	5,000	5,000	2,325	(2,675)
National Night Out	500	500	550	50
DUI Reimbursement	3,000	3,000	2,082	(918)
Village at (Avon) Municipal Service Charges	506,448	506,448	-	(506,448)
Subtotal: General Government	703,548	587,673	88,373	(499,300)
Recreation Center:				
Admission Fees	900,000	810,000	811,838	1,838
Program Fees	42,182	42,182	37,582	(4,600)
Rentals	2,000	10,000	9,380	(620)
Merchandise Sales	13,000	13,000	10,075	(2,925)
Childcare	9,000	9,000	9,607	607
Other Recreation Center Services	18,000	18,000	15,330	(2,670)
Fitness Program Revenues	30,000	30,000	31,346	1,346
Locker Rental	-	-	250	250
Other Recreation:				
Adult Program Revenues	12,441	14,467	17,858	3,391
Cabin Equipment Rentals	30,000	40,000	38,668	(1,332)
Athletic Field Rentals	6,700	8,315	7,559	(756)
Cabin Concessions	5,500	5,500	5,079	(421)
Youth Program Revenues	144,454	120,000	130,626	10,626
Sponsorships	63,000	67,660	68,535	875
Event Fees	19,000	15,300	14,231	(1,069)
Subtotal: Recreation	1,295,277	1,203,424	1,207,964	4,540
Total Charges for Services	1,998,825	1,791,097	1,296,337	(494,760)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010 (CONTINUED)

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Fines and Forfeitures:				
Court Fines - Traffic	$ 75,000	$ 80,000	$ 96,313	$ 16,313
Court Fines - Criminal	40,000	30,000	19,730	(10,270)
Court Fines - Parking	9,000	18,000	15,113	(2,887)
Court Fines - General	3,750	-	-	-
Court Costs	5,750	5,750	5,818	68
Jury Fees	150	150	-	(150)
Bond Forfeitures	300	2,000	800	(1,200)
Miscellaneous Court Revenues	1,000	100	-	(100)
Police Training Surcharge	9,000	8,500	9,283	783
Total Fines and Forfeitures	143,950	144,500	147,057	2,557
Investment Earnings	350,000	225,000	89,123	(135,877)
Miscellaneous Revenues:				
Recreational Amenity Fees	175,000	175,000	180,755	5,755
Bond Issuance Fee	11,000	10,956	10,906	(50)
Lease of Town-owned Property	50,000	40,000	40,252	252
Miscellaneous Nonclassified Revenues	140,000	125,000	119,574	(5,426)
Total Miscellaneous Revenues	376,000	350,956	351,487	531
TOTAL REVENUES	$ 13,551,011	$ 12,974,777	$ 11,561,151	$ (1,413,626)

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TOWN OF AVON, COLORADO

SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2010

Project Description	Actual Amounts Prior Years	Actual Amounts Current Year	Actual Amounts Total	Total Project Budget	Variance with Budget - Positive (Negative)
CAPITAL IMPROVEMENT PROJECTS					
Facilities:					
General Government Facilities:					
Town Hall Contol System	$ -	$ 82,681	$ 82,681	$ 125,000	$ 42,319
Transit / PW Facilities Improvement Project:					
Final Design	-	-	-	1,000,000	1,000,000
Recreation Ctr. CMU Block Deterioration Mitig.	-	91,465	91,465	125,000	33,535
Recreation Ctr. Vapor Barrier Repair	99,722	174	99,896	125,000	25,104
Recreation Ctr. Roof Repair	-	289,809	289,809	400,000	110,191
Land and Land Improvements:					
Forest Service Land Acquisition	28,796	-	28,796	1,150,000	1,121,204
Nottingham Park Trail Maintenance & Signage	60,623	53,306	113,929	200,000	86,071
Nottingham Park Stage	392	36,941	37,333	200,000	162,667
Nottingham Park Fishing Pier	-	131,235	131,235	200,000	68,765
Whitewater Park Repair	-	10,680	10,680	10,680	-
I-70 Noise Reduction Design	-	2,470	2,470	20,000	17,530
Roads and Streets:					
Streetscape:					
Lighting Study and Conversion	683,356	21,001	704,357	1,013,176	308,819
Annual Street Improvements:					
2010 Paving/Road Improvements	-	283,328	283,328	394,512	111,184
Utilities:					
Waste Heat Recovery Project:					
System Design	166,241	498,655	664,896	690,000	25,104
Constuction	-	3,781,766	3,781,766	3,563,746	(218,020)
Water Fund Projects:					
Nottingham-Puder Ditch Restoration	180,300	34	180,334	250,621	70,287
W. Beaver Creek Blvd. Drainage / I-70 to RR	42,022	-	42,022	385,000	342,978
Metcalf Road Drainage	53,117	32,531	85,648	1,053,966	968,318
Drainage Masterplan	-	10,035	10,035	166,320	156,285
Nottingham Lake Spillway Replacement	97,794	74	97,868	50,000	(47,868)
Water Rights Acquisition	8,430	-	8,430	NA	NA

Project Description	Actual Amounts Prior Years	Actual Amounts Current Year	Actual Amounts Total	Total Project Budget	Variance with Budget - Positive (Negative)
CAPITAL IMPROVEMENT PROJECTS					
Strategic Planning:					
Planning and Consulting:					
2010 General Planning and Consulting	-	-	-	25,000	25,000
Unified Land Use Code Revision	175,630	17,605	193,235	250,000	56,765
Communications and Technology:					
VOIP	-	110,817	110,817	125,000	14,183
Other:					
Abatement Lot 41, Block 4 Wildridge	-	14,751	14,751	-	(14,751)
2010 Historic Preservation	-	10,924	10,924	25,000	14,076
Developer Rebates and Capital Contributions					
Capital Contributions:					
Westin Riverfront Resort	2,489,622	73,379	2,563,001	2,563,000	(1)
Westin Riverfront Resort - Interest	249,326	435	249,761	251,876	2,115
Total Capital Improvement Projects	$ 4,335,371	$ 5,554,096	$ 9,889,467	$ 14,362,897	$ 4,481,860

Financial Planning 02/01

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Avon
	YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of _): Town of Avon	Prepared By: Valerie Barry Phone: 970-748-4044

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,388,536
3. Other local imposts (from page 2)	117,354
4. Miscellaneous local receipts (from page 2)	304,328
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	-
b. Bonds - Refunding Issues	33,952
c. Notes	
d. Total (a. + b. + c.)	33,952
7. Total (1 through 6)	2,844,170
B. Private Contributions	
C. Receipts from State government (from page 2)	212,723
D. Receipts from Federal Government (from page 2)	-
E. Total receipts (A.7 + B + C + D)	3,056,893

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	-
2. Maintenance:	1,327,861
3. Road and street services:	
a. Traffic control operations	62,780
b. Snow and ice removal	423,773
c. Other	
d. Total (a. through c.)	486,552
4. General administration & miscellaneous	25,118
5. Highway law enforcement and safety	265,668
6. Total (1 through 5)	2,105,200
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	122,874
b. Redemption	410,000
c. Total (a. + b.)	532,874
2. Notes:	
a. Interest	216,458
b. Redemption	202,361
c. Total (a. + b.)	418,819
3. Total (1.c + 2.c)	951,693
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	3,056,893

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,260,153	75,594	455,153	2,880,594
1. Bonds (Refunding Portion)		75,594	45,153	
B. Notes (Total)	5,726,819	-	202,361	5,524,458

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
-	3,056,893	3,056,893		0

Notes and Comments:

A bond refunding issue in 2004 was never recorded in this report under Debt Status. I have corrected the 2010 opening debt balance to reflect the correct amount according to the Town's CAFR at year end 12/31/09.

Proceeds from sale of bonds: Colotrust Acct Balance $3,000,234 X .0113165 (highway portion) = $33,952

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2010

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	117,354	g. Other Misc. Receipts	
6. Total (1. through 5.)	117,354	h. Other Real Estate Xfer Tax	304,328
c. Total (a. + b.)	117,354	i. Total (a. through h.)	304,328
	(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	190,429	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	22,294	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	22,294	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	212,723	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	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

CIP Exenditures	304,328	Debt Svc Expense	951,693
CIP Revenues (RETT)	304,328	GF Expense	1,800,872
		Specific Ownership	(117,354)
		HUTF	(190,429)
		Motor Veh Reg	(22,294)
		Bond Proceeds	(33,952)
			2,388,536

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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STATISTICAL SECTION

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

Financial Trends (Pages 92-101) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Pages 102-105) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages 106-109) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages 110-112) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages 113-115) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF AVON, COLORADO

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS (1)

	Fiscal Year			
	2003	2004	2005	2006
Governmental Activities				
Investment in Capital Assets, Net of Related Debt	$ 9,599,212	$ 12,206,057	$ 23,123,596	$ 23,801,715
Restricted For:				
Debt Service	847,163	635,342	88,136	129,581
TABOR Emergency Reserve	384,946	384,678	472,201	567,512
Capital Improvement Projects	-	-	-	-
Unrestricted	9,889,514	12,529,657	15,063,082	18,928,339
Total Governmental Activities Net Assets	$ 20,720,835	$ 25,755,734	$ 38,747,015	$ 43,427,147
Business-type Activities				
Investment in Capital Assets, Net of Related Debt	$ 1,609,885	$ 1,941,513	$ 2,039,744	$ 1,884,063
Unrestricted	64,450	254,907	471,481	861,582
Total Business-type Activities Net Assets	$ 1,674,335	$ 2,196,420	$ 2,511,225	$ 2,745,645
Primary Government				
Investment in Capital Assets, Net of Related Debt	$ 11,209,097	$ 14,147,570	$ 25,163,340	$ 25,685,778
Restricted	1,232,109	1,020,020	560,337	697,093
Unrestricted	9,953,964	12,784,564	15,534,563	19,789,921
Total Primary Government Net Assets	$ 22,395,170	$ 27,952,154	$ 41,258,240	$ 46,172,792

Source: Town of Avon Finance Department

(1) GASB Statement No. 34 was effective for fiscal years beginning after June 15, 2002. Therefore only the last eight fiscal years of information for this statistical table are available.

Fiscal Year			
2007	2008	2009	2010
$ 30,782,567	$ 16,344,236	$ 34,458,411	$ 35,651,654
151,575	4,962,675	1,258,256	1,055,410
618,739	566,949	470,037	503,650
-	14,762,243	-	3,000,722
18,905,443	17,245,855	16,488,477	15,935,700
$ 50,458,324	$ 53,881,958	$ 52,675,181	$ 56,147,136
$ 2,651,190	$ 2,855,688	$ 2,729,412	$ 2,154,069
883,782	1,057,813	1,147,965	1,219,055
$ 3,534,972	$ 3,913,501	$ 3,877,377	$ 3,373,124
$ 33,433,757	$ 19,199,924	$ 37,187,823	$ 37,805,723
770,314	20,291,867	1,728,293	4,559,782
19,789,225	18,303,668	17,636,442	17,154,755
$ 53,993,296	$ 57,795,459	$ 56,552,558	$ 59,520,260

TOWN OF AVON, COLORADO

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS (1)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General Government	$ 1,730,580	$ 1,646,483	$ 1,873,292	$ 2,234,335
Community Development	683,160	727,955	935,419	1,392,669
Public Safety	1,569,552	1,610,667	1,637,769	1,853,452
Public Works and Utilities	2,819,107	3,105,233	4,925,854	5,975,905
Recreation and Culture	2,117,520	2,094,440	2,208,149	2,313,164
Interest and Fiscal Charges on Long-term Debt	758,737	705,452	606,188	552,492
Total Governmental Activity Expenses	9,678,656	9,890,230	12,186,671	14,322,017
Business-type Activities:				
Transportation	1,677,058	1,680,756	1,855,183	2,187,410
Housing	298,467	313,633	-	-
Fleet Maintenance	1,517,564	1,755,478	1,942,338	1,989,005
Total Business-type Activity Expenses	3,493,089	3,749,867	3,797,521	4,176,415
Total Primary Government Expenses	$ 13,171,745	$ 13,640,097	$ 15,984,192	$ 18,498,432
Program Revenues				
Governmental Activities:				
Charges for Services	$ 2,857,329	$ 2,505,400	$ 2,750,881	$ 4,150,236
Operating Grants and Contributions	124,200	19,258	10,283	52,538
Capital Grants and Contributions	-	177,854	-	1,662,000
Total Governmental Activity Program Revenues	2,981,529	2,702,512	2,761,164	5,864,774
Business-type Activities:				
Charges for Services	2,319,273	2,647,377	2,921,794	3,190,835
Capital Grants and Contributions	-	117,966	195,532	-
Total Business-type Activity Program Revenues	2,319,273	2,765,343	3,117,326	3,190,835
Total Primary Government Program Revenues	$ 5,300,802	$ 5,467,855	$ 5,878,490	$ 9,055,609
Net (Expense) Revenue				
Governmental Activities	$ (6,697,127)	$ (7,187,718)	$ (9,425,507)	$ (8,457,243)
Business-type Activities	(1,173,816)	(984,524)	(680,195)	(985,580)
Total Primary Government Net Expense	$ (7,870,943)	$ (8,172,242)	$ (10,105,702)	$ (9,442,823)

Fiscal Year			
2007	2008	2009	2010
$ 2,936,738	$ 3,082,524	$ 2,431,143	$ 2,832,514
1,132,260	2,212,996	1,286,956	644,968
2,157,400	4,458,553	2,608,604	2,409,115
4,958,488	5,024,946	6,302,284	5,948,003
2,604,528	2,572,347	2,752,142	2,437,556
495,734	1,225,348	1,195,981	637,344
14,285,148	18,576,714	16,577,110	14,909,500
2,321,139	2,224,427	1,475,763	1,175,818
-	-	-	-
2,362,400	2,424,791	2,325,339	2,076,364
4,683,539	4,649,218	3,801,102	3,252,182
$ 18,968,687	$ 23,225,932	$ 20,378,212	$ 18,161,682
$ 3,751,666	$ 3,248,745	$ 2,306,454	$ 2,267,826
74,078	21,573	59,857	51,048
2,301,778	3,458,199	269,853	1,855,346
6,127,522	6,728,517	2,636,164	4,174,220
3,313,517	3,084,123	2,437,178	2,081,674
684,349	310,624	-	-
3,997,866	3,394,747	2,437,178	2,081,674
$ 10,125,388	$ 10,123,264	$ 5,073,342	$ 6,255,894
$ (8,157,626)	$ (11,848,197)	$ (13,940,946)	$ (10,735,280)
(685,673)	(1,254,471)	(1,363,924)	(1,170,508)
$ (8,843,299)	$ (13,102,668)	$ (15,304,870)	$ (11,905,788)

TOWN OF AVON, COLORADO

CHANGES IN NET ASSETS (CONTINUED)
LAST EIGHT FISCAL YEARS (1)

	Fiscal Year			
	2003	2004	2005	2006
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	$ 2,542,791	$ 2,697,086	$ 2,763,432	$ 2,765,362
Real Estate Transfer Taxes	2,224,452	2,338,060	3,254,490	3,039,518
Sales and Accommodation Taxes	4,593,196	4,797,825	5,590,224	5,873,857
Other Taxes	555,798	444,491	480,665	716,685
Unrestricted Investment Earnings	161,588	198,574	446,097	826,004
Intergovernmental	596,707	662,845	737,940	852,938
Miscellaneous	480,293	447,659	977,457	283,011
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
Contributions		-	-	-
Transfers	(850,000)	(907,087)	(995,000)	(1,220,000)
Total Governmental Activities	10,304,825	10,679,453	13,255,305	13,137,375
Business-type Activities:				
Property Taxes		-	-	-
Gain (Loss) on Disposal of Capital Assets		-	-	-
Contributions		-	-	-
Transfers	850,000	907,087	995,000	1,220,000
Total Business-type Activities	850,000	907,087	995,000	1,220,000
Total Primary Government	$ 11,154,825	$ 11,586,540	$ 14,250,305	$ 14,357,375
Change in Net Assets				
Governmental Activities	$ 3,607,698	$ 3,491,735	$ 3,829,798	$ 4,680,132
Business-type Activities	(323,816)	(77,437)	314,805	234,420
Total Primary Government	$ 3,283,882	$ 3,414,298	$ 4,144,603	$ 4,914,552

Source: Town of Avon Finance Department

(1) GASB Statement No. 34 was effective for fiscal years beginning after June 15, 2002. Therefore only the last eight fiscal years of information for this statistical table are available.

Fiscal Year			
2007	2008	2009	2010
$ 2,766,725	$ 3,340,475	$ 3,640,183	$ 4,195,297
2,540,943	3,093,021	1,761,980	2,159,525
6,518,299	6,841,114	5,651,085	5,748,325
656,702	710,624	1,334,692	1,268,120
1,356,013	1,496,801	246,225	163,991
1,080,075	890,750	872,084	854,130
1,745,046	532,046	518,585	442,522
-	-	4,335	-
-	-	-	907,500
(1,475,000)	(1,633,000)	(1,295,000)	(1,532,175)
15,188,803	15,271,831	12,734,169	14,207,235
-	-	42,800	41,580
-	-	(10,000)	-
-	-	-	(907,500)
1,475,000	1,633,000	1,295,000	1,532,175
1,475,000	1,633,000	1,327,800	666,255
$ 16,663,803	$ 16,904,831	$ 14,061,969	$ 14,873,490
$ 7,031,177	$ 3,423,634	$ (1,206,777)	$ 3,471,955
789,327	378,529	(36,124)	(504,253)
$ 7,820,504	$ 3,802,163	$ (1,242,901)	$ 2,967,702

TOWN OF AVON, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2001	2002	2003	2004
Revenues				
Taxes	$ 9,937,542	$ 9,420,818	$ 9,870,673	$ 10,239,779
Licenses and Permits	192,672	571,557	186,948	236,867
Intergovernmental	1,009,532	1,647,548	920,907	882,103
Charges for Services	2,026,770	1,754,118	2,564,384	2,153,941
Fines and Forfeitures	60,486	44,603	56,866	58,757
Special Assessments	53,407	47,854	45,564	37,683
Investment Earnings	471,315	192,010	161,588	198,574
Other Revenues	985,834	920,975	942,087	2,896,383
Total Revenues	14,737,558	14,599,483	14,749,017	16,704,087
Expenditures				
Current:				
General Government and Housing	2,166,837	1,986,382	1,652,538	1,576,203
Community Development	605,560	480,411	416,569	477,045
Public Safety	1,662,108	1,561,029	1,557,109	1,652,782
Public Works and Utilities	2,604,511	2,590,299	2,781,036	2,574,772
Recreation and Culture	2,080,409	1,931,794	1,939,224	1,943,124
Capital Improvements	2,435,739	4,807,404	1,916,329	913,297
Debt Service:				
Principal	1,603,287	1,459,133	1,435,000	3,540,000
Interest	1,148,614	1,125,017	1,062,916	940,228
Fiscal Charges	47,112	37,719	39,584	52,195
Bond Issuance Costs	104,549	-	-	98,648
Total Expenditures	14,458,726	15,979,188	12,800,305	13,768,294
Excess (Defieiency) of Revenues Over (Under) Expenditures	278,832	(1,379,705)	1,948,712	2,935,793
Other Financing Sources (Uses)				
Transfers In	1,004,246	1,260,694	2,019,381	1,063,480
Transfers Out	(2,064,246)	(2,043,195)	(2,869,381)	(1,970,567)
Proceeds from Borrowing	-	-	339,000	75,864
Proceeds from Refunding	3,964,113	-	-	3,732,911
Payments to Escrow Agent	(3,851,327)	-	-	(3,632,554)
Sales of Capital Assets	1,840	2,362	378	1,410
Total Other Financing Sources (Uses)	(945,374)	(780,139)	(510,622)	(729,456)
Net Change in Fund Balances	$ (666,542)	$ (2,159,844)	$ 1,438,090	$ 2,206,337
Debt Service as a Percentage of Noncapital Expenditures	24.15%	23.47%	23.31%	36.03%

Source: Town of Avon Finance Department

Fiscal Year					
2005	2006	2007	2008	2009	2010
$ 12,057,347	$ 12,395,422	$ 12,482,669	$ 13,985,234	$ 11,710,148	$ 12,728,883
249,032	827,890	419,292	245,793	124,130	215,635
984,333	2,523,356	3,455,931	1,178,614	1,201,794	2,760,524
2,388,948	3,004,306	3,244,484	2,584,856	1,706,803	1,474,968
53,448	73,854	84,290	131,525	129,530	147,057
31,464	-	-	-	-	-
446,097	826,004	1,356,013	1,496,801	246,225	163,991
804,332	573,414	1,750,580	498,973	469,688	442,522
17,015,001	20,224,246	22,793,259	20,121,796	15,588,318	17,933,580
1,742,961	2,127,325	2,871,963	3,038,856	3,138,391	2,560,405
532,290	912,855	902,634	823,902	697,820	598,692
1,667,280	1,879,582	2,203,803	2,628,330	2,511,717	2,354,235
2,748,931	2,819,023	3,424,566	3,725,749	3,660,540	3,224,695
2,024,614	2,168,903	2,483,910	2,579,779	2,375,945	2,144,447
2,758,137	4,245,404	7,786,590	9,979,969	2,746,286	5,554,096
1,297,500	1,296,250	1,348,750	1,407,500	26,416,250	1,495,000
555,343	504,122	448,474	1,048,416	824,535	543,331
35,762	36,179	33,074	157,722	57,315	70,657
-	-	-	280,734	160,000	77,695
13,362,818	15,989,643	21,503,764	25,670,957	42,588,799	18,623,253
3,652,183	4,234,603	1,289,495	(5,549,161)	(27,000,481)	(689,673)
1,540,361	2,601,594	927,637	1,337,667	1,810,032	1,945,004
(2,535,361)	(3,821,594)	(2,402,637)	(2,970,667)	(3,105,032)	(3,477,179)
74,403	130,621	170,156	25,000,000	7,200,000	3,310,000
-	-	-	-	-	-
-	-	-	-	-	(92,067)
1,001	1,504	-	-	-	-
(919,596)	(1,087,875)	(1,304,844)	23,367,000	5,905,000	1,685,758
$ 2,732,587	$ 3,146,728	$ (15,349)	$ 17,817,839	$ (21,095,481)	$ 996,085
17.81%	15.64%	13.34%	18.45%	68.92%	16.73%

TOWN OF AVON, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year				
	2001	2002	2003	2004	2005
General Fund					
Reserved	$ 381,173	$ 380,049	$ 384,946	$ 384,678	$ 472,201
Unreserved	3,342,232	3,104,799	3,375,366	3,999,194	5,301,416
Total General Fund	3,723,405	3,484,848	3,760,312	4,383,872	5,773,617
All Other Governmental Funds					
Reserved	885,105	834,743	847,163	635,342	650,636
Unreserved, Reported In:					
Special Revenue Funds	2,490,503	2,023,079	1,550,979	1,331,621	1,327,522
Capital Projects Fund	3,893,388	2,489,887	4,112,193	6,126,149	7,457,796
Total All Other Governmental Funds	$ 7,268,996	$ 5,347,709	$ 6,510,335	$ 8,093,112	$ 9,435,954

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 567,512	$ 618,739	$ 566,949	$ 470,037	$ 503,650
Unreserved	6,340,441	6,676,687	5,835,283	3,959,093	3,589,651
Total General Fund	6,907,953	7,295,426	6,402,232	4,429,130	4,093,301
All Other Governmental Funds					
Reserved	692,081	714,075	19,778,653	1,258,256	4,056,132
Unreserved, Reported In:					
Special Revenue Funds	3,024,746	3,637,574	4,276,739	6,296,784	4,705,485
Capital Projects Fund	7,731,519	6,693,875	5,701,165	3,079,138	3,204,475
Total All Other Governmental Funds	$ 11,448,346	$ 11,045,524	$ 29,756,557	$ 10,634,178	$ 11,966,092

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Year	Property Tax				(1)
	General	Specific Ownership	Penalties & Interest	Delinquent Taxes	Sales Tax
2001	$ 2,425,991	$ 189,666	$ 5,419	$ 514	$ 4,902,010
2002	2,505,746	162,683	4,453	60	4,699,935
2003	2,537,783	147,760	5,008	-	4,593,196
2004	2,534,887	158,257	3,676	266	4,797,825
2005	2,593,082	165,810	3,986	554	5,246,245
2006	2,745,820	179,560	3,791	15,753	5,484,458
2007	2,762,486	171,976	4,126	113	6,083,115
2008	3,335,594	160,180	4,766	115	6,311,439
2009	3,608,547	132,059	12,663	18,973	5,104,620
2010	4,187,345	117,354	6,566	1,387	5,120,543

Year	Utility Tax	Franchise Tax	(2) Accom. Tax	Real Estate Transfer Tax	Total
2001	$ 112,666	$ 242,334	$ -	$ 2,058,942	$ 9,937,542
2002	107,129	225,866	-	1,714,946	9,420,818
2003	116,981	245,493	-	2,224,452	9,870,673
2004	117,711	289,097	-	2,338,060	10,239,779
2005	124,945	324,256	343,979	3,254,490	12,057,347
2006	129,537	361,779	435,206	3,039,518	12,395,422
2007	121,462	343,528	454,920	2,540,943	12,482,669
2008	153,842	396,602	529,675	3,093,021	13,985,234
2009	129,118	371,192	570,996	1,761,980	11,710,148
2010	146,852	361,530	627,782	2,159,525	12,728,883

Source: Town of Avon Finance Department

(1) Includes Payments In-Lieu-Of Sales Tax beginning in 2003.
(2) From 1998 to 2004 the Town's accommodations taxes were accounted for in the Transit Enterprise fund.

TOWN OF AVON, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2000	2001	$ 20,814,730	$ 52,400,440	$ 45,746,620	$ 1,310,010	$ 120,271,800
2001	2002	22,499,340	63,257,860	51,363,470	2,199,270	139,319,940
2002	2003	20,470,660	67,986,410	53,710,780	2,335,760	144,503,610
2003	2004	23,859,850	60,523,900	58,730,200	2,659,120	145,773,070
2004	2005	24,076,670	63,669,310	64,454,400	744,600	152,944,980
2005	2006	24,665,930	72,486,190	70,880,090	874,430	168,906,640
2006	2007	22,385,870	74,772,170	72,119,390	2,018,740	171,296,170
2007	2008	25,836,770	110,306,220	88,205,160	2,153,460	226,501,610
2008	2009	22,764,190	120,861,970	90,753,760	2,030,920	236,410,840
2009	2010	23,830,510	138,215,140	98,306,000	3,079,680	263,431,330

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2000	2001	$ -	$ 120,271,800	15.488	$ 746,742,920	16.11%
2001	2002	-	139,319,940	14.606	928,319,150	15.01%
2002	2003	-	144,503,610	14.234	978,914,070	14.76%
2003	2004	-	145,773,070	14.111	1,026,692,120	14.20%
2004	2005	-	152,944,980	13.781	1,070,116,330	14.29%
2005	2006	-	168,906,640	13.339	1,202,381,510	14.05%
2006	2007	-	171,296,170	13.287	1,232,738,120	13.90%
2007	2008	2,257,820	224,243,790	12.271	1,746,859,870	12.97%
2008	2009	10,266,600	226,144,240	11.392	1,880,466,430	12.57%
2009	2010	17,517,540	245,913,790	11.208	2,125,079,840	12.40%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per $1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Town of Avon										
- General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
- General Obligation Debt Service	6.532	5.650	5.278	5.155	4.825	4.383	4.331	3.315	2.436	2.252
- General Improvement District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.396	9.396
Counties										
- Eagle County	7.079	6.999	6.999	6.999	8.499	8.499	8.499	8.499	8.499	8.499
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Eagle County School District RE-50J	22.312	21.655	21.981	21.120	21.120	19.595	23.050	20.051	20.414	19.402
Metropolitan Districts										
Avon Metropolitan District	4.857	3.607	3.478	3.619	3.479	3.283	3.281	3.281	2.705	2.535
Avon Station Metropoitan District	0.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
Confluence Metropolitan District	0.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	0.000
Mountain Vista Metropolitan District	0.000	45.000	45.000	45.000	45.000	45.000	33.000	33.000	25.000	25.000
Village Metropolitan District	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000
Other Special Districts										
Eagle River Fire Protection District	3.800	3.800	3.800	3.800	3.800	3.800	3.800	5.550	5.550	5.550
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Eagle River Water and Sanitation Distict	1.135	0.970	1.300	1.335	1.330	1.214	1.111	0.826	0.826	0.795
Colorado River Water Conservancy District	0.283	0.253	0.255	0.255	0.252	0.230	0.221	0.191	0.199	0.166
Eagle County Health Services District	0.842	0.748	2.011	2.005	2.013	2.010	2.006	2.019	2.055	1.780

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per $1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town of Avon Assessed Value
Riverfront Village Hotel, LLC	$ 10,980,010	1	4.17%	$ -	NA	0.00%
Points of Colorado	8,368,800	2	3.18%	2,016,380	6	1.45%
Traer Creek-WMT LLC	7,508,370	3	2.85%	-	NA	0.00%
Traer Creek-L2 LLC	5,412,970	4	2.05%	-	NA	0.00%
Avon Partners II, LLC	5,398,100	5	2.05%	3,786,620	2	2.72%
Chapel Square Ventures LP	5,296,510	6	2.01%	6,110,010	1	4.39%
Traer Creek-HD LLC	5,081,380	7	1.93%	-	NA	0.00%
CSC Land LLC	4,295,830	8	1.63%	-	NA	0.00%
Avon Wynfield LLC	2,957,460	9	1.12%	2,059,000	5	1.48%
ARI Mountain Center LLC	2,870,840	10	1.09%	-	NA	0.00%
Traer Creek-RP LLC	2,414,760	11	0.92%	-	NA	0.00%
Riverview Park Assoc, Inc	2,204,950	12	0.84%	1,986,490	7	1.43%
Dillon Real Estate Co, Inc	2,174,780	13	0.83%	1,544,910	9	1.11%
Christie Lodge Assoc LTD	2,063,870	14	0.78%	1,405,720	10	1.01%
East Avon-Hudson LLC	1,560,930	15	0.59%	-	NA	0.00%
Vail Corp dba Vail Associates Inc	-	NA	0.00%	2,459,470	3	1.77%
Mountain Star, LLC	-	NA	0.00%	2,251,690	4	1.62%
ATS Joint Venture	-	NA	0.00%	1,547,120	8	1.11%
Declark Brothers LLC	-	NA	0.00%	1,362,210	11	0.98%
Total Assessed Value of the Fifteen Largest Taxpayers	68,589,560		26.04%	26,529,620		19.04%
Total Gross Assessed Value of Other Taxpayers	194,841,770		73.96%	112,790,320		80.96%
Total Gross Assessed Value of All Taxpayers	$ 263,431,330		100.00%	$ 139,319,940		100.00%

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2000	2001	$ 2,430,796	$ 2,425,991	99.80%	$ 514	$ 2,426,505	99.82%
2001	2002	2,522,027	2,505,746	99.35%	60	2,505,806	99.36%
2002	2003	2,548,453	2,537,783	99.58%	-	2,537,783	99.58%
2003	2004	2,549,757	2,534,887	99.42%	266	2,535,153	99.43%
2004	2005	2,595,743	2,593,082	99.90%	554	2,593,636	99.92%
2005	2006	2,741,233	2,745,820	100.17%	15,753	2,761,573	100.74%
2006	2007	2,763,603	2,762,486	99.96%	114	2,762,600	99.96%
2007	2008	3,243,214	3,205,612	98.84%	115	3,205,727	98.84%
2008	2009	3,110,763	3,060,762	98.39%	21,861	3,082,623	99.10%
2009	2010	3,285,710	3,208,908	97.66%	1,387	3,210,295	97.70%

Source: Town of Avon Finance Department

Notes: (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.
(2) Information on outstanding delinquent taxes is not available.

TOWN OF AVON, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities: General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2001	$ 10,219,023	$ 195,000	$ 4,655,000	$ 1,592,500	$ -	$ 279,857
2002	9,480,000	140,000	4,360,000	1,530,000	-	172,307
2003	8,725,000	100,000	4,065,000	1,462,500	-	439,169
2004	8,136,173	50,000	3,760,000	1,393,750	-	397,148
2005	7,282,075	-	3,440,000	1,321,250	-	380,007
2006	6,393,774	-	3,110,000	1,245,000	-	427,307
2007	5,466,798	-	2,770,000	1,166,250	-	820,870
2008	4,496,127	-	27,420,000	1,083,750	-	665,176
2009	3,670,000	-	2,050,000	997,500	7,075,000	503,368
2010	2,805,000	-	1,670,000	3,310,000	6,825,000	335,205

Fiscal Year	Business-Type Activities: Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2001	$ 7,052,500	$ 161,751	$ 24,155,631	1.44%	$ 3,968
2002	6,790,000	113,548	22,585,855	1.34%	3,705
2003	6,512,500	75,376	21,379,545	1.22%	3,173
2004	4,181,250	15,959	17,934,280	0.93%	2,645
2005	3,963,750	19,023	16,406,105	0.78%	2,427
2006	3,735,000	54,549	14,965,630	0.63%	2,208
2007	3,498,750	44,243	13,766,911	0.51%	2,013
2008	3,251,250	32,822	36,949,125	1.39%	5,340
2009	2,992,500	20,954	17,309,323	0.69%	2,576
2010	3,370,000	8,621	18,323,826	0.73%	2,842

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2010

Name of Governmental Entity	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Town of Avon	Amount Applicable to Town of Avon
Direct:			
Town of Avon	$ 2,805,000	100.00%	$ 2,805,000
Overlapping:			
Eagle County School District RE-50J	162,424,000	8.22%	13,351,253
Eagle-Vail Metropolitan District	6,820,000	16.14%	1,100,407
Eagle River Water and Sanitation District	7,058,032	10.39%	733,330
Subtotal - Overlapping	176,302,032		15,184,989
Total	$ 179,107,032		$ 17,989,989

Source: Various Governmental Entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geogrphic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town.

TOWN OF AVON, COLORADO

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2001	2002	2003	2004
General Bonded Debt Outstanding General Obligation Bonds	$ 6,695,000	$ 6,305,000	$ 5,895,000	$ 5,666,173
Actual Taxable Property Value	$ 746,742,920	$ 928,319,150	$ 978,914,070	$1,026,692,120
Net Assessed Value	$ 120,271,800	$ 139,319,940	$ 144,503,610	$ 145,773,070
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.90%	0.68%	0.60%	0.55%
Town of Avon Population	6,088	6,096	6,737	6,780
Per Capita	$ 1,100	$ 1,034	$ 875	$ 836
Legal Debt Limit	$ 30,067,950	$ 34,829,985	$ 36,125,903	$ 36,443,268
Total Debt Applicable to Limit	(6,695,000)	(6,305,000)	(5,895,000)	(5,666,173)
Legal Debt Margin	$ 23,372,950	$ 28,524,985	$ 30,230,903	$ 30,777,095
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	22.27%	18.10%	16.32%	15.55%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year					
2005	2006	2007	2008	2009	2010
$ 5,182,075	$ 4,678,774	$ 4,151,798	$ 3,601,127	$ 3,215,000	$ 2,805,000
$1,070,116,330	$1,202,381,510	$1,232,738,120	$1,746,859,870	$1,880,466,430	$2,125,079,840
$ 152,944,980	$ 168,906,640	$ 171,296,170	$ 224,243,790	$ 226,144,240	$ 61,423,940
0.48%	0.39%	0.34%	0.21%	0.17%	0.13%
6,759	6,778	6,838	6,919	6,720	6,447
$ 767	$ 690	$ 607	$ 520	$ 478	$ 435
$ 38,236,245	$ 42,226,660	$ 42,824,043	$ 56,060,948	$ 56,536,060	$ 61,478,448
(5,182,075)	(4,678,774)	(4,151,798)	(3,601,127)	(3,215,000)	(2,805,000)
$ 33,054,170	$ 37,547,886	$ 38,672,245	$ 52,459,821	$ 53,321,060	$ 58,673,448
13.55%	11.08%	9.70%	6.42%	5.69%	4.56%

TOWN OF AVON, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In $1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2001	6,088	43,027	$ 1,721,073	$ 38,733	31.70	5,295	181.3	3.00%
2002	6,096	45,067	1,811,543	38,060	32.30	5,373	184.8	4.70%
2003	6,737	46,978	1,876,622	39,816	32.90	5,368	186.8	3.40%
2004	6,780	47,955	2,031,522	41,773	33.50	5,061	187.0	4.40%
2005	6,759	48,820	2,218,906	44,220	34.20	5,376	190.9	3.30%
2006	6,778	50,612	2,502,442	46,985	34.70	5,885	197.7	3.40%
2007	6,838	52,517	2,676,538	47,511	35.20	5,405	202.0	3.10%
2008	6,919	53,898	2,740,563	49,635	35.70	5,445	209.9	3.60%
2009	6,720	55,269	2,511,100	45,430	36.30	6,249	208.5	7.30%
2010	6,447	52,197	2,533,900	44,709	36.60	6,181	212.4	8.80%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS
CURRENT YEAR (1)

Employer	2010 Employees	2010 Rank
Wal-Mart	261	1
Westin Riverfront Resort & Spa	230	2
Restaurant Avondale	127	3
Home Depot	110	4
City Market	108	5
Town of Avon	96	6
Eagle River Water & Sanitation	94	7
Sheraton Mountain Vista	83	8
Christie Lodge	78	9
Finnegan's	63	10

Sources: Various Town of Avon businesses, Department of Labor

(1) Employment data from 2001 is not available.

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION
LAST TEN FISCAL YEARS

Year	Total Permits Issued	Commercial Construction Square Footage	Commercial Construction Value	Residential Construction No. of Units	Residential Construction Value	Total Building Construction Value
2001	277	3,480	$ 157,156	21	$ 15,883,271	$ 16,040,427
2002	154	401,304	38,830,606	289	20,490,119	59,320,725
2003	131	97,959	3,615,219	20	7,796,720	11,411,939
2004	121	140,059	3,818,000	20	12,417,897	16,235,897
2005	140	-	250,000	19	15,052,119	15,302,119
2006	146	26,639	114,860,200	12	13,980,955	128,841,155
2007	166	19,242	25,248,538	93	10,970,648	36,219,186
2008	145	11,416	2,525,749	15	11,165,780	13,691,529
2009	91	-	725,000	3	8,683,371	9,408,371
2010	112	16,517	8,653,636	7	13,295,641	21,949,277

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31				
	2001	2002	2003	2004	2005
General Government					
Administration	6.75	6.00	5.00	5.00	5.00
Finance	5.50	6.00	6.00	6.00	6.00
Community Development	9.00	6.00	6.00	7.00	7.00
Police	19.00	18.00	17.00	17.00	17.00
Public Works & Engineering	21.00	24.00	22.50	22.00	20.90
Transportation	22.75	13.00	8.50	10.00	10.00
Fleet Maintenance	12.00	10.00	10.00	10.00	10.10
Recreation	20.00	20.00	18.00	17.00	17.00
Total	116.00	103.00	93.00	94.00	93.00

	2006	2007	2008	2009	2010
General Government					
Administration	5.00	5.00	5.75	5.75	5.75
Finance	6.00	7.00	7.00	7.00	8.00
Community Development	8.00	9.00	8.75	6.75	6.75
Police	18.00	19.00	21.00	22.00	22.00
Public Works & Engineering	21.90	25.90	26.90	25.65	22.40
Transportation	13.00	13.00	14.00	8.00	4.50
Fleet Maintenance	11.10	12.10	12.10	13.10	13.10
Recreation	17.00	18.00	19.00	16.00	14.00
Total	100.00	109.00	114.50	104.25	96.50

Source: Town of Avon Budget

TOWN OF AVON, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year			
	2001	2002	2003	2004
Town of Avon Facilities and Services:				
Miles of Streets	19.18	18.62	22.34	22.34
Number of Street Lights	272	386	465	465
Culture and Recreation:				
Miles of Bike/Pedestrian Paths	0.00	0.00	5.00	5.48
Parks / Lakes	2/1	3/1	3/1	4/1
Park Acreage	668	668	668	671
Tennis / Volleyball / Basketball Courts	2 / 3 / 2	4 / 3 / 2	4 / 3 / 3	4 / 3 / 3
Recreation Centers	1	1	1	1
Softball / Soccer Fields	1 / 0	1 / 2	1 / 2	1 / 2
Police Protection:				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	19	18	17	17
Number of Patrol Units	13	12	11	11
Number of Law Violations:				
General Ordinance Violations	314	220	273	303
Traffic Violations	162	230	375	230
Parking Violations	536	361	204	201
Facilities and Services Not Included in the Reporting Entity:				
Libraries:				
Number of Libraries / Volumes	1 / 38,000	1 / 43,289	1 / 72,107	1 / 73,329
Water System:				
Miles of Water Mains	15.68	23.16	24.99	24.99
Number of Service Connections	2,786	2,916	3,358	3,376
Daily Average Consumption in Gallons	750,000	756,137	713,058	779,263
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD	10MGD	10MGD
Sanitary Sewer System:				
Miles of Sanitary Sewers	28.11	28.11	33.44	33.44
Number of Treatment Plants	1	1	1	1
Number of Service Connections	2,916	2,916	3,489	3,507
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD	4.3MGD	4.3MGD
Education:				
Number of Elementary Schools / Instructors	1 / 30	1 / 35	1 / 30	1 / 30
Fire Protection:				
Number of Stations	4	6	6	8
Number of Fire Personnel and Officers	28	28	44	45
Number of Calls Answered	2,141	2,200	2,144	2,272
Number of Inspections Conducted	62	146	280	168

Fiscal Year					
2005	2006	2007	2008	2009	2010
23.11	23.04	23.04	23.73	23.73	23.73
465	408	408	433	433	454
5.48	5.60	5.60	5.60	5.60	5.60
4/1	5/1	5/1	5/1	5/1	5/1
671	672	672	672	672	672
4 / 3 / 3	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3
1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	1 / 2	1 / 2
1	1	1	1	1	1
17	18	16	18	21	20
11	12	12	14	13	15
284	278	333	267	168	157
309	566	243	351	287	831
286	245	6	3	13	379
1 / 77,966	1 / 78,021	1 / 85,378	1 / 76,228	1 / 79,560	1 / 80,054
24.99	24.99	24.99	24.99	24.99	24.99
3,409	3,462	3,675	3,761	3,787	3,802
790,945	842,234	778,373	943,787	687,693	672,789
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.44	33.44
1	1	1	1	1	1
3,536	3,546	3,801	3,821	3,913	3,916
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 23	1 / 32	1 / 53	1 / 27	1 / 23	1 / 23
8	8	9	9	9	9
44	44	51	56	47	56
2,364	2,572	2,469	2,855	2,262	2,167
215	385	494	565	397	141

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