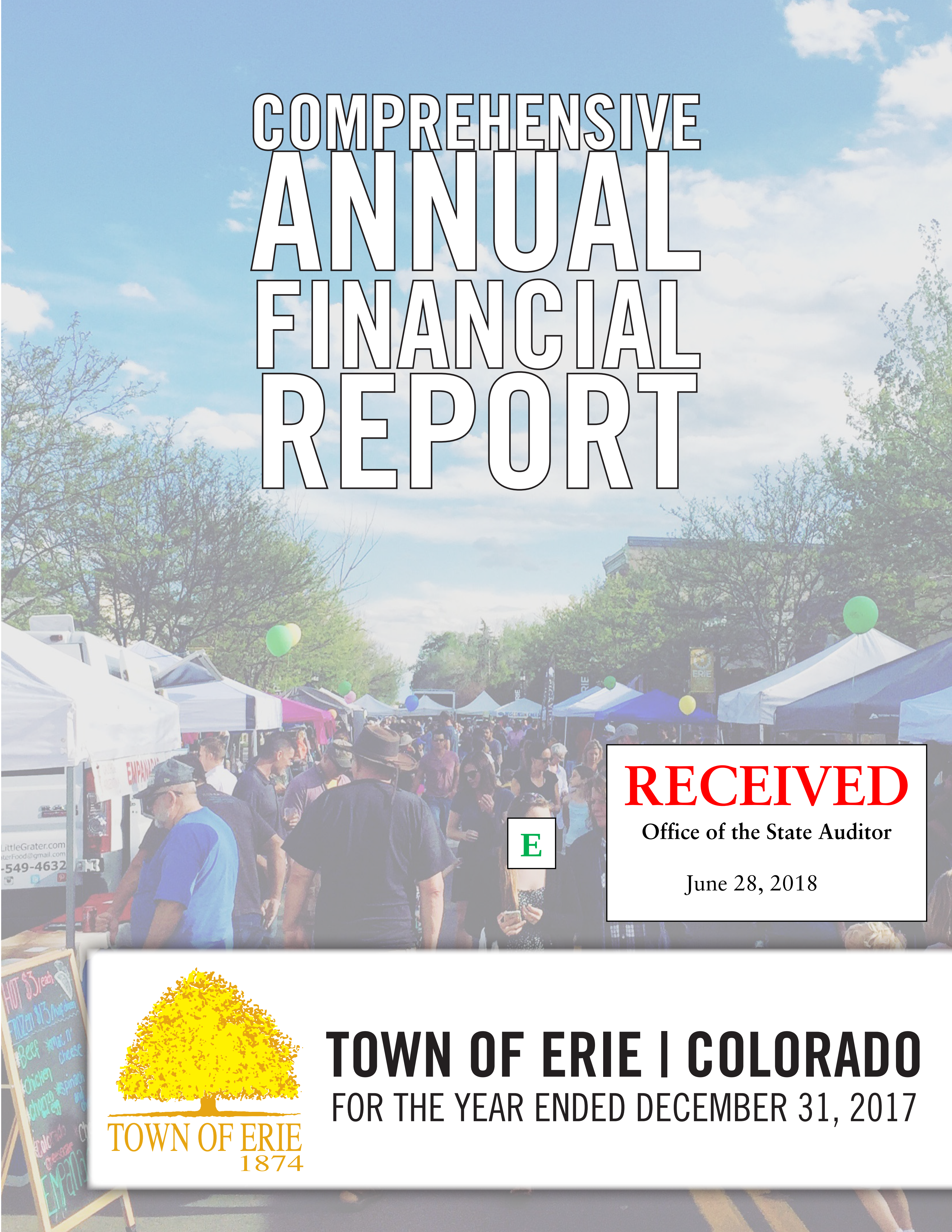

COMPREHENSIVE ANNUAL FINANCIAL REPORT

RECEIVED
Office of the State Auditor
June 28, 2018

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TOWN OF ERIE
1874

TOWN OF ERIE | COLORADO

FOR THE YEAR ENDED DECEMBER 31, 2017

About the cover: The Erie Farmers Market is held in Historic Downtown Erie on Thursday evenings from May - September. This dynamic and inviting market emphasizes the importance of shopping locally which benefits our Colorado farms, the environment, the community and the economy.

Town of Erie, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2017

Prepared by the Finance Department:

Steve Felten, CPA – Finance Director
Christine M. Morrison – Deputy Finance Director

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Town of Erie, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2017

Table of Contents

Introductory Section

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TOWN OF ERIE
1874

May 21, 2018

To the Honorable Mayor, Members of the Board of Trustees, and Residents of the Town of Erie:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue this comprehensive annual financial report of the Town of Erie (the Town) for the fiscal year ended December 31, 2017.

This report is management's representation concerning the Town's finances. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, Town management has established a comprehensive internal control framework 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's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are 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.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2017, 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 Erie's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented at the beginning of the financial section of this report.

GAAP requires that management provide Management's Discussion and Analysis (MD&A), a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal should be read in conjunction with the MD&A. It is designed to complement the MD&A. The MD&A follows the independent auditors' report.

Profile of the Town

Erie was platted on January 25, 1871, and incorporated as the Town of Erie on November 16, 1874. It is the second oldest municipality in Weld County. Founded as a rural coal mining town, Erie is now located on the northern fringe of the Denver-Boulder Metropolitan Area. The estimated population of the Town at December 31, 2017, is approximately 26,250, with a planning area that includes 48 square miles in Boulder and Weld Counties. The Town levies property tax on real properties located within its boundaries, has a municipal sales and use tax, and is empowered by state statute to extend its corporate limits by annexation. Annexation occurs periodically when deemed appropriate by the governing Board and voters.

The Town has operated under the Trustee-Administrator form of government since its first meeting on November 16, 1874, as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the Board) consisting of the mayor and six trustees. The Town's board is responsible for passing ordinances, adopting the budget, appointing committees, and appointing the town administrator, clerk, treasurer, and attorney. The town administrator is responsible for carrying out the goals, policies, and ordinances of the Board, for overseeing the day-to-day operations of the Town, and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The mayor is elected for a two-year term and three trustees are elected for four-year terms at each biennial election. The mayor and trustees are elected at-large.

The Town provides a full range of services, including administration and finance; planning and building; police protection; public works, engineering, and street maintenance; and parks, trails, open space, and recreational activities. The Town also offers business-type services from its water, sewer, and storm drainage utilities; and the municipal airport. In addition, although it is a separate legal entity, the Town has established the Town of Erie Urban Renewal Authority.

Other traditional municipal services such as fire protection and library services are provided to Erie's citizens by outside special districts not affiliated with the Town. Other utility services, such as electricity, gas, and trash services, are provided by private companies not affiliated with the Town. Since these organizations are not affiliated with the Town, their financial information is not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments submit requests for appropriation to the finance director. The finance director and Town administrator use these requests to begin developing a proposed budget. The budget is presented to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town's fiscal year ends on December 31. The appropriated budget is prepared by fund (e.g., general), department (e.g., police), and division (e.g., patrol). Department heads may transfer appropriations within a department. Transfers of appropriations between departments and funds, and appropriations increasing the budget, require Board of Trustee approval.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund and the urban renewal authority, budgetary comparisons are presented on pages 40 and 41, as part of the basic financial statements for the governmental funds. For all other governmental funds, these comparisons are presented in the nonmajor governmental funds subsection of this report, which begins on page 88. Budgetary comparisons for the proprietary funds begin on page 105.

Factors Affecting Financial Condition

A government's finances are related to the local and national economies. For example, a downturn in the local economy may reduce the government's revenues as well as increase the demand for services from its citizens. The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective.

Local Economy

Until the mid-1990's the Town experienced very slow population growth. But since 2000 the Town's population has quadrupled, reflecting growth in single-family residential homes. Residential construction activity continued to show strength in 2017, with 487 single family and townhome permits issued compared to 465 in 2016. To support that growth, the Town assesses permit, impact, and tap fees and uses this revenue to pay for improvements such as parks, recreation facilities, and transportation infrastructure. In addition, these fees are used to develop water resources and water, wastewater, and storm drainage infrastructure.

Town sales tax revenues are a key source of funding for services provided to the Town's residents and businesses. The Town expects that sales tax revenues will continue to grow as residential and commercial development occurs in and around the community. The opening of a King Soopers on Highway 7 in the last quarter of 2016, significantly increased the Town's sales tax revenues. The Town continues to work on increasing the number of businesses throughout the community, including initiatives to enhance Historic Downtown Erie, Four Corners, Highway 287 and Arapahoe, and the Highway 7 corridor, among other areas of potential development.

The immediate vicinity, including the Town, Boulder County, and Weld County, has an employed labor force of about 325,000. The Town's major employers range from retail to engineering to education to light manufacturing. At December 31, 2017, the Town government had 199 full-time equivalent employees, making it one of Erie's top five employers. As indicated above, the community is expected to maintain strong growth of quality residential construction. This growth should translate into corresponding growth in the number and variety of businesses expected in the community in the future.

Long-term Financial Planning

As discussed in more detail below, the Town continues to maintain strong fund balance positions in its various funds. The Board and management believes it is prudent to conserve its level of reserves as the Town experiences continued growth and expands and diversifies its commercial base. This growth can be expected to lead to increased levels of sales, use and property tax revenues, in addition to other revenue sources not directly dependent on residential development.

The Board and staff assess the need for additional capital improvements as part of its long-range planning process. As part of the annual budget process, staff updates projections of capital needs over the next five years. Projects currently in progress or under consideration include an expansion of and improvements to the Town's park system, various roadway projects, increases in the capacity of the water and wastewater systems, and additions to the Town's open space and trails. In addition, the Town is a participant in both the Windy Gap Project and the Northern Integrated Supply Project, parts of its efforts to ensure adequate water supplies as the Town grows.

Relevant Financial Policies

The Town adopted financial policies in 2003. These policies guide the financial operations of the Town and provide structure when developing the budget. The Town's budget policy provides that the fund balance in the General Fund will only be expended for one-time capital expenditures unless otherwise authorized by the Board of Trustees. The Town's operating reserve policy requires the Town to maintain a fund balance in the General Fund of 25% of the current year's budgeted operating expenditures, plus an additional reserve of $7.5 million to provide a funding source for one-time or capital expenditures or for services in the event of severe economic conditions. Enterprise funds must maintain a ninety-day operating and maintenance expense reserve. With the exception of the Airport Fund, all funds exceeded reserve requirements as of December 31, 2017.

Awards and Acknowledgements

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the thirteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. This report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Erie's finances.

Respectfully submitted,

Farrell Buller
Acting Town Administrator

Steve Felten, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Erie

Colorado

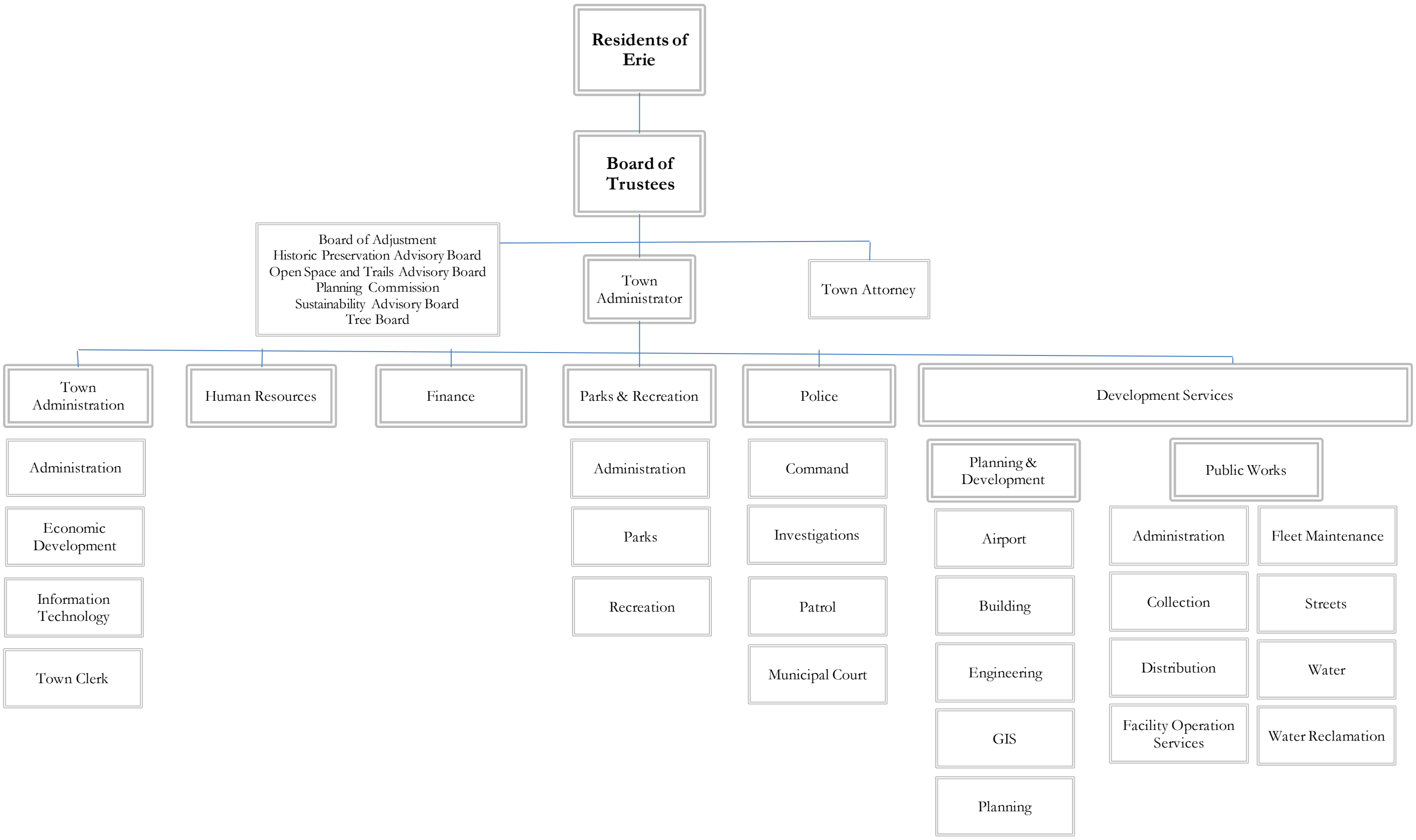
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



Town of Erie, Colorado
List of Town Officials

Elected Officials - Mayor & Board of Trustees

Jennifer Carroll	Mayor	April 2020
Geoff Deakin	Mayor Pro-Tem	April 2020
Scott Charles	Trustee	April 2020
Bill Gippe	Trustee	April 2022
Adam Haid	Trustee	April 2022
Christiaan Van Woudenberg	Trustee	April 2022
Dan Woog	Trustee	April 2020

Town Administration Officials

Farrell Buller	Acting Town Administrator
Mark Shapiro	Town Attorney
Todd Bjerkaas	Director of Planning & Development
Fred Diehl	Assistant to the Town Administrator - Intergovernmental Relations & External Affairs
Steve Felten	Director of Finance
Todd Fessenden	Director of Public Works
Katie Hansen	Assistant to the Town Administrator - Marketing & Communications
Marty Ostholthoff	Assistant to the Town Administrator - Development Services
Jan Sloat	Director of Human Resources
Kim Stewart	Chief of Police

Note: List is as of the issuance date of this report.

Financial Section

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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Erie
Erie, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Erie Urban Renewal Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended December 31, 2017, the Town corrected errors relating to prior periods. As a result, the Town reported a restatement due to an overstatement of developer contributions of storm drainage infrastructure in prior periods, a restatement due to developer reimbursements not being recorded as revenue in the Transportation Impact Fund and a restatement due to an omission of an amount due to a developer for road improvement reimbursement (see Note V). Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Erie's basic financial statements. The combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Town of Erie

The introductory and statistical sections and the Water and Wastewater Enterprise Funds' Continuing Disclosures accompanying the financial statements have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018 on our consideration of the Town of Erie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Erie's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Erie's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 13, 2018

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Management's Discussion and Analysis

The Town of Erie's (Town) management offers readers this narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report. Amounts in this section are rounded for purposes of easier understanding.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2017 by $384.9 million (net position). Of this amount, $62.8 million (unrestricted net position) may be used to meet the Town's ongoing obligations in accordance with financial policies.
- The Town's net position increased by $55.3 million, or 17%. Governmental net position increased by $24.7 million, or 20%, and business-type net position increased by $30.6 million, or 15%.
- At December 31, 2017, the Town's governmental funds reported combined ending fund balances of $42.4 million, an increase of $11.4 million from 2016. This increase reflects an increase in development activity, higher levels of sales tax revenues and expense control efforts.
- The General Fund, the Town's primary operating fund, reported unassigned fund balance of $16.0 million, representing 101% of actual operating expenditures for 2017.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). One purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct functions on revenues provided by the Town's taxpayers.

Both of the government-wide financial statements distinguish Town functions 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 users fees and charges (business-type activities). The Town's governmental activities include general government (including the Town's urban renewal authority activities), public safety, public works, and parks and recreation. Business-type activities include the water system, wastewater system, storm drainage system and municipal airport.

The government-wide financial statements can be found on pages 33-35 of this report.

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

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

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

During 2017 the Town had twelve individual governmental funds, including the Town's urban renewal authority (URA). The General Fund is considered a *major fund*, as is the URA. Their fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for each of its governmental funds other than the Erie Community Civic Fund. Budgetary comparison statements for the General Fund and URA are included in the basic financial statements to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 36-41 of this report.

Proprietary funds are used to account for essentially the same functions and information as business-type activities in the government-wide financial statements. During 2017 the Town had five proprietary funds, also known as enterprise funds. Of these five funds, the Water Fund, Wastewater Fund and Storm Drainage Operating Fund are reported individually as major funds. Their fund information is presented separately in the proprietary funds statement of net position, statement of revenues, expenses, and changes in net position, and in the statement of cash flows. The remaining individual proprietary fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for four of its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report. An annual budget is not prepared for the housing authority, which ceased operations in 2017. See Note I.A. on page 47 for more information.

The basic proprietary fund financial statements can be found on pages 42-44 of this report.

Notes to the Financial Statements. The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-74 of this report.

Required Supplementary Information providing certain supporting pension schedules can be found on pages 75-78.

Combining Statements for the nonmajor governmental funds and nonmajor proprietary funds (referred to earlier) are presented following the notes to the financial statements. In addition, budget schedules for nonmajor governmental funds and all of the proprietary funds other than the housing authority are also presented in this section. This information can be found on pages 79-108.

Government-wide Financial Analysis

Statement of Net Position. As noted above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2017, the Town's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was $384.9 million, an increase of $55.3 million over the total at December 31, 2016. The Town reported positive balances in net position for both governmental and business-type activities. Net position increased by $24.7 million in its governmental activities and $30.6 million in its business-type activities.

The following table reflects the Town's condensed statement of net position.

Statement of Net Position as of December 31 *(in thousands)*

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	$ 54,499	$ 39,701	$ 53,061	$ 50,748	$ 107,560	$ 90,449
Capital assets	121,849	110,155	255,062	228,470	376,911	338,625
Total assets	176,348	149,856	308,123	279,218	484,471	429,074
Deferred Outflows of Resources	1,469	1,472	3,754	3,971	5,223	5,443
Liabilities						
Long-term liabilities	18,515	20,229	71,411	75,373	89,926	95,602
Other liabilities	5,419	2,812	3,124	1,063	8,543	3,875
Total liabilities	23,934	23,041	74,535	76,436	98,469	99,477
Deferred Inflows of Resources	6,336	5,458	-	-	6,336	5,458
Net Position						
Net investment in capital assets	104,367	91,802	190,334	160,053	294,701	251,855
Restricted	26,561	21,215	786	1,183	27,347	22,398
Unrestricted	16,619	9,812	46,222	45,517	62,841	55,329
Total net position	$ 147,547	$ 122,829	$ 237,342	$ 206,753	$ 384,889	$ 329,582

Note: 2016 amounts have been restated to reflect various corrections. See Note V on page 74 for more information.

The Town's net investment in capital assets represents 77% of its net position. These capital assets are used to provide necessary services to citizens and therefore are not available for future spending. It should be noted that the resources to repay the associated debt must be provided from other sources, since capital assets themselves cannot be liquidated to provide the resources.

Restricted net position accounts for 7% of its total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing 16% of the Town's total net position and may be used to meet ongoing obligations to the Town's residents and creditors.

Statement of Activities. The following table provides a summary of the Town's statement of activities.

Statement of Activities for the year ending December 31 *(in thousands)*

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	$ 7,705	$ 6,681	$ 14,304	$ 13,349	$ 22,009	$ 20,030
Operating grants and contributions	1,249	1,198	346	20	1,595	1,218
Capital grants and contributions	22,013	10,164	28,156	24,894	50,169	35,058
General revenues						
Taxes	18,034	14,336	-	-	18,034	14,336
Grants	78	92	-	-	78	92
Investment earnings	377	201	478	253	855	454
Other	259	404	176	121	435	525
Total revenues	49,715	33,076	43,460	38,637	93,175	71,713
Expenses						
General government	4,601	3,624	-	-	4,601	3,624
Public safety	3,911	3,564	-	-	3,911	3,564
Public works	5,567	5,140	-	-	5,567	5,140
Parks and recreation	7,106	6,479	-	-	7,106	6,479
Interest on long-term debt	604	657	-	-	604	657
Water	-	-	9,263	9,606	9,263	9,606
Wastewater	-	-	5,002	4,886	5,002	4,886
Storm drainage	-	-	810	889	810	889
Airport	-	-	668	307	668	307
Erie Housing Authority	-	-	336	116	336	116
Total expenses	21,789	19,464	16,079	15,804	37,868	35,268
Increase in net position before transfers	27,926	13,612	27,381	22,833	55,307	36,445
Transfers	(3,208)	(34)	3,208	34	-	-
Increase in net position	24,718	13,578	30,589	22,867	55,307	36,445
Net position - beginning - restated	122,829	109,251	206,753	183,886	329,582	293,137
Net position - ending	$ 147,547	$ 122,829	$ 237,342	$ 206,753	$ 384,889	$ 329,582

Note: 2016 amounts have been restated to reflect various corrections. See Note V on page 74 for more information.

Governmental Activities – Revenues: During 2017, the Town's primary revenue sources for governmental operations included taxes, accounting for 36% of total governmental revenues. In addition, capital grants and contributions represented 44% of total governmental revenues while charges for services made up 16%. Program revenues were $9.2 million more than expenses. Excluding $12.9 million in contributions of infrastructure built by developers (included in capital grants and contributions), program revenues were $3.7 million less than expenses. This is an ordinary occurrence for governments and indicates that taxes provide a primary source of revenues to support governmental operations.

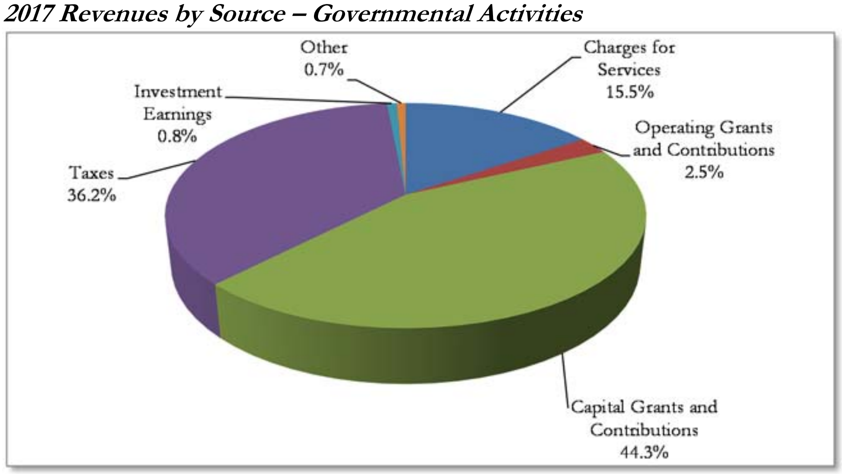
Total governmental activities revenues increased $16.6 million, or 50%, compared to 2016. Capital grants and contributions increased $11.8 million, or 117%, compared to 2016. Included in this revenue category are contributions of infrastructure built by developers (primarily streets), which increased $8.1 million, or 167%, compared to 2016. Also contributing to the increase was a $3.8 million, or 71%, increase in impact and related fees. This increase reflects higher levels of building activity and an increase in impact fees in early 2017 pursuant to a fee study. The Town issued residential building permits representing 631 dwelling units in 2017, a 36% increase compared to the 465 dwelling units added in 2016.

Taxes increased by $3.7 million, or 26%, due primarily to an increase of $3.2 million, or 38%, in sales and use taxes over 2016 amounts (of which approximately $1.0 million was nonrecurring).

Charges for services increased $1.0 million, or 15%, compared to 2016, reflecting increased levels of building activity and an increase in landfill fees.

The following chart provides the breakdown of revenues by source for 2017:

2017 Revenues by Source – Governmental Activities

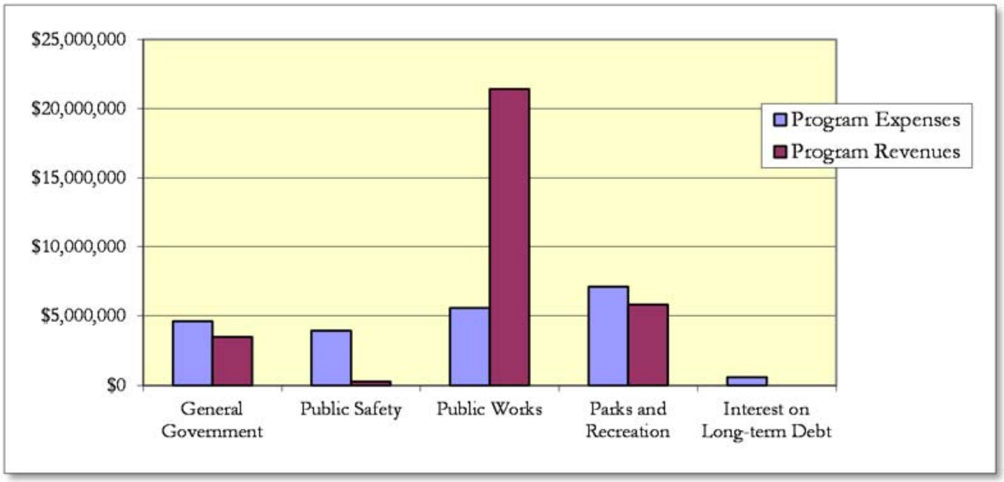


Governmental Activities – Expenses: Total governmental activities expenses were $21.8 million in 2017, an increase of $2.3 million, or 12%, compared to 2016. The increase in expenses were due to the following:

- Personnel expense increased $1.0 million, or 11%, due to additions of new staff in 2016 and 2017 (primarily police and planners/engineers) and annual merit increases.
- Operations and maintenance expense increased $0.5 million, or 9%, as a result of additional street maintenance activity and higher levels of consulting and legal fees (primarily oil and gas related)
- Depreciation expense increased $0.6 million, or 17%, primarily arising from developer built streets contributed to the Town in 2016 and 2017.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2017 Expenses and Offsetting Program Revenues – Governmental Activities

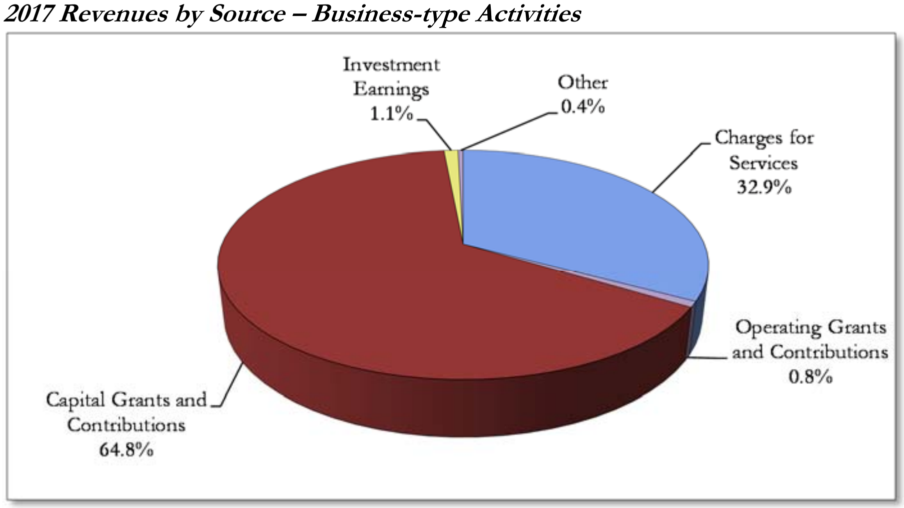


Business-type Activities – Revenues: Business-type activities primarily rely on charges for services to support related expenses. Charges for services of $14.3 million for business-type activities represented 33% of 2017 revenues, and increased $1.0 million, or 7%, compared to the prior year. This increase was due primarily to an increase in demand for all utility services due to growth and to an increase in water rates pursuant to a rate study conducted in 2014.

The other primary source of revenue, representing 65% of revenues, comes primarily from capital contributions in the form of tap fees, developer-constructed donated capital and reimbursements, and grants. This source of revenue increased $3.3 million, or 13%, compared to 2016, due primarily to higher levels of tap fees and other related fees arising from the increase in residential and commercial building activity during 2017.

The following chart provides the breakdown of revenues by source for 2017:

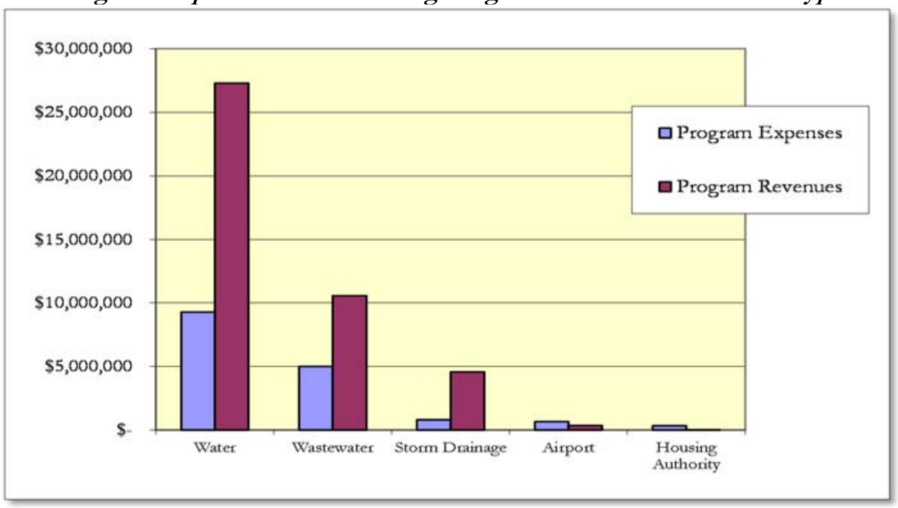
2017 Revenues by Source – Business-type Activities



Business-type Activities – Expenses: Business-type expenses were $16.1 million in 2017, an increase of $0.3 million, or 2%, compared to 2016. This increase was due primarily to staff additions, annual merit increases and increased depreciation expense resulting from new asset additions. Partially offsetting these increases were declines in infrastructure repair projects in 2017 compared to 2016.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2017 Program Expenses and Offsetting Program Revenues – Business-type Activities



Financial Analysis of the Town's Funds

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

Governmental Funds

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

Fund balances are the differences between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $42.4 million. Of that amount, $5.7 million was nonspendable, $26.0 million was restricted, $0.2 million was committed, $0.2 million was assigned and $10.4 million was unassigned fund balance.

The General Fund, the primary operating fund of the Town, had a fund balance at December 31, 2017, of $26.7 million, of which $5.7 million was nonspendable, $4.9 million was restricted, $0.2 million was assigned and $16.0 million, was unassigned.

As just noted, the General Fund has $5.7 million in nonspendable fund balance. This amount primarily represents the noncurrent portion of advances to the urban renewal authority, used to fund operations and the acquisition of certain properties in planned urban renewal areas. This advance will be repaid by the URA as urban renewal projects are identified and tax increment bond financing related to these projects is obtained by the URA. See Note III.D. on page 61 for more information.

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance of $16.0 million represents 101% of total General Fund operating expenditures for 2017.

The Town has two General Fund reserve policies. The first is that a reserve of 25% of operating expenditures be maintained. Based on 2017 budgeted expenditures the required reserve is $4.5 million. In addition, in 2010 the Town established a $7.5 million reserve which may only be used with the approval of the Board of Trustees for one-time or capital expenditures, or in the event of revenue reductions due to severe economic conditions in order to prevent significant reduction in services. In addition to unassigned fund balance, a portion of restricted fund balance is available to meet these policy targets. As of year-end the available fund balance exceeded the policy targets. In addition, repayment of the $5.6 million in advances to the URA will reduce the amount of nonspendable fund balance, increasing unassigned fund balance in an equal amount.

Total fund balance of the General Fund increased $6.3 million for the current year. Total revenues increased $4.5 million, or 21%, compared to 2016, reflecting strong growth in sales, use and property taxes, permit-related fees and landfill fees. Increased building activity also contributed to the increase in revenues. The Town issued residential building permits representing 631 dwelling units in 2017, a 36% increase compared to the 465 dwelling units added in 2016.

Expenditures increased approximately $1.8 million, or 10%, primarily the result of adding additional staff in 2016 and 2017 to support Town growth, normal merit increases, increased street maintenance expenditures and higher levels of consulting and legal fees (primarily oil and gas related).

The other major governmental fund in 2017 was the URA. Prior to 2012 the URA had no significant activities. Since then, the URA has expended $3.9 million for the purchase and improvement of real estate for future urban renewal projects. In addition, the URA has expended approximately $1.8 million in operating expenses, primarily for legal and consulting fees to identify various urban renewal areas along with other related activities, and allocated personnel costs of Town support staff. As discussed above, these expenditures were funded with advances by the General Fund, which will be repaid as urban renewal projects are undertaken.

Excluding the Town's urban renewal authority, a total of $24.7 million in fund balances are restricted or committed for future capital outlays and similar purposes in the other governmental funds.

See Note I.D.10. on pages 53-54, Note II.B. on page 55, and Note III.D. on page 61 for more information.

Proprietary Funds

The Town's proprietary fund financial statements provide the same type of information as found in the government-wide financial statements, but in more detail. All of the Town's proprietary funds are enterprise funds engaged in business-type activities.

The total net position of all enterprise funds as of December 31, 2017, was $237.3 million, of which $46.2 million was unrestricted net position. Total net position increased $30.6 million over the prior year, with unrestricted net position increasing $0.7 million.

The $30.6 million increase in total net position is attributable primarily to an increase of $18.4 million in net position in the Water Fund. This favorable change was due to an increase in capital contributions of $1.0 million, or 6%, to $18.3 million in 2017 as a result of increased building activity. Operating revenues (charges for services) were $9.0 million, an increase of $0.8 million, or 9%, compared to 2016 due to an increase in usage charges effective January 1, 2017, pursuant to a rate study conducted in 2014 and an increase in the number of customers.

Operating expenses of the Water Fund decreased $0.3 million, or 4%, to $7.3 million, primarily due to some major repairs to a water tank and other infrastructure in 2016 and a decrease in carriage fees for the Town's CBT water in 2017. These decreases were partially offset by increases in depreciation expense and personnel expense due to annual merit increases and additional staff to support Town growth.

In the Wastewater Fund net position increased $5.8 million. Operating revenues (charges for services) were $4.4 million, a $0.1 million, or 3%, increase from 2016. Capital contributions increased $2.3 million, or 59%, compared to 2016 due to higher levels of contributed infrastructure built by developers. Excluding these non-cash contributions, capital contributions increased $0.4 million, or 13%. Operating expenses were up $0.4 million, or 10%, from 2016, due primarily to increases in depreciation and personnel expense.

Net position in the Storm Drainage Operating Fund increased $6.9 million. This increase was the result of donated infrastructure constructed by developers in the amount of $3.8 million and a transfer of $3.1 million from the Storm Drainage Impact Fund to fund the construction of various growth-related projects during 2017.

General Fund Budgetary Highlights

The 2017 General Fund original budget provided for a surplus of $0.2 million, reflecting revenues of $20.9 million, expenditures of $20.9 million and other financing sources, net of other financing uses, of $0.3 million. The final budget provided for a surplus of $1.3 million, reflecting revenues of $23.5 million, expenditures of $22.5 million and other financing sources, net of other financing uses, of $0.4 million.

The $2.6 million in increase in budgeted revenues were due to increased projections in sales and use tax, landfill fees, and permit fees. The $1.6 million increase in the expenditure budget was due primarily to various consulting projects, oil and gas related expenditures and the rollover of uncompleted capital projects from 2016.

Actual results for 2017 in the General Fund was a surplus of $6.3 million. Revenues exceeded budget in almost all categories, with particular strength in sales and use tax, permit and development-related fees and landfill fees. Expenditures were under budget due primarily to the timing of various capital and consulting projects, expense controls/savings and open positions. Additional information can be found in "Governmental Funds" above.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets includes land, water rights, buildings, improvements, machinery, equipment, and vehicles. It includes governmental activities as well as water, wastewater, airport and storm drainage infrastructure. Capital assets net of accumulated depreciation as of December 31, 2017, for its governmental and business-type activities amounted to $376.9 million, a net increase of $38.3 million from December 31, 2016. The increase in capital assets was the result of $22.0 million in infrastructure constructed by developers and contributed to the Town and $27.4 million in Town-funded additions, partially offset by $9.7 million in depreciation.

Capital Assets as of December 31, 2017 and 2016 ***(net of accumulated depreciation, in thousands)***

	Governmental Activities (1)		Business-type Activities (1)		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	$ 16,182	$ 15,736	$ 5,836	$ 5,836	$ 22,018	$ 21,572
Water rights	-	-	84,390	75,390	84,390	75,390
Buildings	33,074	31,781	80	788	33,154	32,569
Improvements other than buildings	67,803	56,089	150,224	137,930	218,027	194,019
Machinery, equipment, and vehicles	2,149	2,174	871	905	3,020	3,079
Construction in progress	2,641	4,375	13,661	7,621	16,302	11,996
Total capital assets	$ 121,849	$ 110,155	$ 255,062	$ 228,470	$ 376,911	$ 338,625

(1) Prior year amounts restated.

Major capital improvements during the fiscal year ended December 31, 2017, included the following:

Governmental Activities (total additions - $16.6 million)

- Developer-constructed infrastructure – primarily streets ($12.9 million)
- Park construction ($1.0 million)
- Various street improvements ($1.1 million)

Business-type Activities (total additions - $32.8 million)

- Developer-constructed infrastructure ($9.1 million)
- Purchase of water rights ($9.0 million)
- Water treatment facility improvements ($3.4 million)
- Storm drainage projects ($3.1 million)
- Wastewater treatment facility improvements ($2.7 million)
- Waterline expansion ($1.8 million)
- Windy Gap & NISP projects ($1.3 million)
- Phase 1 of a non-potable water system ($1.0 million)

Additional information on the Town's capital assets can be found in Note III.C. on pages 59-60 of this report.

Long-Term Debt

At the end of 2017, the Town had $88.6 million in total outstanding long-term debt, a decrease of $5.4 million from December 31, 2016. Of this amount, $17.4 million represents general obligation bonds secured by all available Town revenue. The remainder is primarily secured by specific revenue sources (e.g., water revenues) and water rights.

The following table summarizes long-term debt outstanding as of December 31, 2017, and 2016.

Outstanding Debt as of December 31, 2017 and 2016 *(in thousands)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ 17,350	$ 18,708	$ -	$ -	$ 17,350	$ 18,708
Revenue bonds and loans	-	-	48,034	50,702	48,034	50,702
Certificates of participation	-	-	23,145	23,785	23,145	23,785
Mortgages and loans payable	-	-	-	665	-	665
Capital lease obligations	22	83	-	-	22	83
Total debt outstanding	$ 17,372	$ 18,791	$ 71,179	$ 75,152	$ 88,551	$ 93,943

During 2017 the Town refunded $4.4 million of water revenue bonds issued in 2007, originally issued primarily for the construction of various pipelines. Total interest savings over the life of the refunding period will be $0.8 million ($0.5 million on a present value basis). These refunding bonds were unrated as they were placed privately.

The Town's ratings on its water and wastewater system revenue bonds were increased from A1 to Aa3 by Moody's Investor Services in 2017. The Town's general obligation bond rating was last reviewed in 2014, with a rating of AA+ assigned by Standard & Poor's Financial Services.

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current debt limitation for the Town is $94.9 million.

Additional information on the Town's long-term debt can be found in Note III.E. on pages 61-66 of this report.

Economic Factors and Next Year's Budget

There are several factors that drive the Town's budget and financial performance. Some of these factors include area employment rates, retail sales, motor vehicle sales, construction activity, population growth, and capital infrastructure needs.

After several years of flat single family residential growth (2008-2011), which followed a decade of very rapid growth (1998-2007), local residential construction has increased significantly since 2011. Permits representing 108 dwelling units were issued in 2011, increasing to 631 dwelling units in 2017. Permits representing 650 dwelling units were budgeted for 2018. The Town will continue to conserve resources until its commercial base grows, providing consistent and higher levels of sales and use tax. The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services should an economic downturn occur.

The 2018 budget was approved by the Board of Trustees in December 2017. The General Fund, the Town's primary operating fund, has a budgeted surplus of $687 thousand. Staffing to be funded primarily by the General Fund was increased by 9 fulltime equivalent employees to address growth requirements, including 4 positions in the police department, 4 positions in parks and recreation and 1 in engineering.

Financial Contact

This financial report is designed to provide users (citizens, taxpayers, customers, investors, creditors, and other interested parties) with a general overview of the Town's finances and to demonstrate the Town's accountability and compliance with generally accepted accounting principles. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Town of Erie, Finance Director, P.O. Box 750, 645 Holbrook St., Erie, CO, 80516.

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Basic Financial Statements

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Town of Erie, Colorado
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 44,241,501	$ 48,635,810	$ 92,877,311
Restricted Cash and Investments	1,019,879	2,695,599	3,715,478
Receivables, Net of Allowance for Uncollectibles	8,983,358	1,542,335	10,525,693
Internal Balances	233,578	(233,578)	-
Prepaid Items	20,776	420,948	441,724
Capital Assets Not Being Depreciated			
Land and Water Rights	16,182,270	90,226,158	106,408,428
Construction in Progress	2,640,917	13,660,808	16,301,725
Capital Assets, Net of Accumulated Depreciation	103,026,185	151,175,135	254,201,320
Total Assets	176,348,464	308,123,215	484,471,679
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	791,475	3,754,256	4,545,731
Pensions	677,459	-	677,459
Total Deferred Outflows of Resources	1,468,934	3,754,256	5,223,190
LIABILITIES			
Accounts Payable	1,236,974	1,377,192	2,614,166
Accrued Interest Payable	48,939	293,440	342,379
Accrued Wages Payable	148,883	64,573	213,456
Other Liabilities	3,196,885	143,640	3,340,525
Unearned Revenue	787,146	1,246,874	2,034,020
Noncurrent Liabilities:			
Due within one year	1,699,929	3,273,236	4,973,165
Due in more than one year	16,695,197	68,137,736	84,832,933
Net Pension Liability	119,905	-	119,905
Total Liabilities	23,933,858	74,536,691	98,470,549
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	6,312,552	-	6,312,552
Pensions	23,799	-	23,799
Total Deferred Inflows of Resources	6,336,351	-	6,336,351
NET POSITION			
Net Investment in Capital Assets	104,366,825	190,333,252	294,700,077
Restricted			
Capital Projects	18,398,342	-	18,398,342
Parks and Open Space	4,416,043	-	4,416,043
Solid Waste/Streets	2,178,233	-	2,178,233
Pension	533,755	-	533,755
Public Safety	6,322	-	6,322
Operations and Maintenance Reserves	-	786,000	786,000
Emergencies	1,028,562	-	1,028,562
Unrestricted	16,619,107	46,221,528	62,840,635
Total Net Position	$ 147,547,189	$ 237,340,780	$384,887,969

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

Town of Erie, Colorado
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
FUNCTION ACTIVITIES					
Primary Government					
Governmental Activities					
General Government	$ 4,601,379	$ 2,169,570	$ 55,724	$ 1,241,357	$ 3,466,651
Public Safety	3,911,466	268,853	8,301	-	277,154
Public Works	5,555,590	3,178,241	994,553	17,247,914	21,420,708
Parks and Recreation	7,106,468	2,089,718	190,594	3,523,948	5,804,260
Interest on Long-Term Debt	604,011	-	-	-	-
Total Governmental Activities	21,778,914	7,706,382	1,249,172	22,013,219	30,968,773
Business-type Activities					
Water	9,263,291	9,044,664	-	18,262,084	27,306,748
Wastewater	5,001,576	4,439,911	-	6,122,913	10,562,824
Storm Drainage	809,794	795,580	-	3,771,438	4,567,018
Airport	668,087	2,800	346,239	-	349,039
Erie Housing Authority	335,939	19,128	-	-	19,128
Total Business-type Activities	16,078,687	14,302,083	346,239	28,156,435	42,804,757
Total Primary Government	$ 37,857,601	$ 22,008,465	$ 1,595,411	$ 50,169,654	$ 73,773,530

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

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
	$ (1,134,728)	$ -	$ (1,134,728)
	(3,634,312)	-	(3,634,312)
	15,853,850	-	15,853,850
	(1,302,208)	-	(1,302,208)
	(604,011)	-	(604,011)
	9,178,591	-	9,178,591
	-	18,043,457	18,043,457
	-	5,561,248	5,561,248
	-	3,757,224	3,757,224
	-	(319,048)	(319,048)
	-	(316,811)	(316,811)
	-	26,726,070	26,726,070
	9,178,591	26,726,070	35,904,661
GENERAL REVENUES			
Property Taxes	5,403,174	-	5,403,174
Sales and Use Taxes	11,490,093	-	11,490,093
Franchise Taxes	815,245	-	815,245
Specific Ownership Taxes	325,357	-	325,357
Grants and Contributions not Restricted to Specific Programs	78,323	-	78,323
Investment Earnings	376,732	477,847	854,579
Miscellaneous	258,644	176,374	435,018
Transfers In (Out)	(3,207,559)	3,207,559	-
Total General Revenues and Transfers	15,540,009	3,861,780	19,401,789
Changes in Net Position	24,718,600	30,587,850	55,306,450
Net Position - Beginning (as restated)	122,828,589	206,752,930	329,581,519
Net Position - Ending	$ 147,547,189	$ 237,340,780	$ 384,887,969

Town of Erie, Colorado
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Pooled Cash and Investments	$ 23,659,943	$ -	$ 20,581,558	$ 44,241,501
Restricted Cash and Investments	-	1,019,879	-	1,019,879
Receivables	6,422,640	1,094,462	1,466,256	8,983,358
Due From Other Funds	233,578	-	-	233,578
Prepaid Items	13,069	-	-	13,069
Advances to Other Funds	5,641,140	-	-	5,641,140
Total Assets	$ 35,970,370	$ 2,114,341	$ 22,047,814	$ 60,132,525
LIABILITIES				
Accounts Payable	$ 821,897	$ 14,290	$ 400,784	$ 1,236,971
Wages Payable	145,832	2,254	797	148,883
Other Liabilities	3,196,885	-	-	3,196,885
Advances from Other Funds	-	5,641,140	-	5,641,140
Unearned Revenue	787,146	-	-	787,146
Total Liabilities	4,951,760	5,657,684	401,581	11,011,025
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,898,005	1,093,189	1,321,358	6,312,552
Unavailable Fund Resources	360,099	-	-	360,099
Total Deferred Inflows of Resources	4,258,104	1,093,189	1,321,358	6,672,651
FUND BALANCES				
Nonspendable				
Interfund Advances - Noncurrent	5,641,140	-	-	5,641,140
Prepaid Items	13,069	-	-	13,069
Restricted for:				
Capital Projects	1,648,000	1,019,879	15,730,463	18,398,342
Parks and Open Space	-	-	4,416,043	4,416,043
Solid Waste/Streets	2,178,233	-	-	2,178,233
Emergency Reserves	1,028,562	-	-	1,028,562
Public Safety	-	-	6,322	6,322
Committed to:				
Cemetery Operations	-	-	172,047	172,047
Assigned to:				
Purchases on Order	230,835	-	-	230,835
Unassigned	16,020,667	(5,656,411)	-	10,364,256
Total Fund Balances	26,760,506	(4,636,532)	20,324,875	42,448,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 35,970,370	$ 2,114,341	$ 22,047,814	$ 60,132,525

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

Town of Erie, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2017

		Amount
The amounts reported as Governmental Activities on the Statement of Net Position (page 33) are different because:		
Total Fund Balances - Governmental Funds (page 36)		$ 42,448,849
Capital assets utilized in Governmental Activities are not financial resources and therefore are not reported in the fund financial statements.		121,849,372
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		360,097
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the fund financial statements.		
Bonds payable	(16,240,000)	
Capital lease obligations	(22,229)	
Unamortized issuance premium	(1,110,378)	
Unamortized deferred refunding loss	791,475	
Unamortized bond insurance premiums	7,706	
Accrued interest payable	(48,939)	
Compensated absences	(571,812)	
Accounts payable	(450,707)	
Total long-term liabilities and related items		(17,644,884)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(119,905)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Change in investment earnings	326,401	
Changes in assumptions	82,993	
Change in experience	107,643	
Contributions subsequent to the measurement date	160,422	
Total deferred outflows of resources		677,459
Deferred inflows of resources used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.		
Change in experience	(6,086)	
Change in proportionate share	(17,713)	
Total deferred inflows of resources		(23,799)
Net Position - Governmental Activities (page 33)		$147,547,189

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

Town of Erie, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 16,179,942	$ 722,716	$ 1,131,211	$ 18,033,869
Intergovernmental	1,138,700	-	403,803	1,542,503
Licenses and Permits	2,837,483	-	-	2,837,483
Fees and Charges for Services	4,570,432	664	28,950	4,600,046
Fines and Forfeitures	268,853	-	-	268,853
Capital Contributions and Fees	-	-	8,943,896	8,943,896
Investment Earnings	209,518	4,453	162,761	376,732
Miscellaneous	552,644	-	3,304	555,948
Total Revenues	25,757,572	727,833	10,673,925	37,159,330
EXPENDITURES				
Current Operating:				
General Government	4,349,177	283,656	-	4,632,833
Public Safety	3,482,081	-	-	3,482,081
Public Works	2,991,570	-	-	2,991,570
Parks and Recreation	5,023,118	-	129,607	5,152,725
Capital Outlay	2,082,586	6,181	2,415,361	4,504,128
Debt Service				
Principal	1,281,999	-	-	1,281,999
Interest	645,055	-	-	645,055
Total Expenditures	19,855,586	289,837	2,544,968	22,690,391
Excess of Revenues Over Expenditures	5,901,986	437,996	8,128,957	14,468,939
OTHER FINANCING SOURCES (USES)				
Transfers In	328,700	-	-	328,700
Transfers Out	(77,046)	-	(3,459,213)	(3,536,259)
Sales of Capital Assets	105,000	-	-	105,000
Insurance Recoveries	33,333	-	-	33,333
Total Other Financing Sources (Uses)	389,987	-	(3,459,213)	(3,069,226)
Net Change in Fund Balance	6,291,973	437,996	4,669,744	11,399,713
Fund Balance - Beginning (as restated)	20,468,533	(5,074,528)	15,655,131	31,049,136
Fund Balance - Ending	$ 26,760,506	$ (4,636,532)	$ 20,324,875	$ 42,448,849

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

Town of Erie, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017

		Amount
The amounts reported as Governmental Activities on the Statement of Activities (pages 34-35) are different because:		
Net Changes in Fund Balances - Governmental Funds (page 38)		$ 11,399,713
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	3,477,222	
Depreciation expense	(4,281,396)	
Excess of capital outlays over depreciation		(804,174)
Contributions of capital assets by developers increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.		12,938,025
The Statement of Activities reports losses arising from the disposition of capital assets. Conversely, governmental funds do not report any losses on the disposition of capital assets.		(439,376)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(79,970)
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.		1,281,999
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.		
Change in accrued interest payable	4,792	
Change in accrued compensated absences	(34,718)	
Amortization of premiums, discounts, deferred refunding losses and bond insurance premiums	31,806	
Pension expense	(189,919)	
Employer contribution expense	160,422	
Total expenses not requiring current resources		422,383
Change in Net Position - Governmental Activities (page 35)		$ 24,718,600

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

Town of Erie, Colorado
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes	$ 13,490,600	$ 14,640,600	$ 16,179,942	$ 1,539,342
Intergovernmental	1,073,000	1,097,500	1,138,700	41,200
Licenses and Permits	1,784,000	2,683,000	2,837,483	154,483
Fees and Charges for Services	3,889,400	4,264,400	4,570,432	306,032
Fines and Forfeitures	238,000	278,000	268,853	(9,147)
Investment Earnings	100,000	175,000	209,518	34,518
Miscellaneous	276,700	316,700	552,644	235,944
Total Revenues	20,851,700	23,455,200	25,757,572	2,302,372
EXPENDITURES				
Current Operating:				
General Government				
Legislative	476,900	686,900	655,578	31,322
Town Administration	1,841,000	2,624,900	1,854,456	770,444
Community Development	1,547,900	1,504,300	1,364,721	139,579
Finance	275,900	294,400	290,560	3,840
Central Charges	187,300	187,700	183,862	3,838
Public Safety	3,614,600	3,676,200	3,482,081	194,119
Public Works	3,067,300	3,158,300	2,991,570	166,730
Parks and Recreation	5,129,100	5,164,000	5,023,118	140,882
Capital Outlay	2,849,900	3,252,500	2,082,586	1,169,914
Debt Service				
Principal	1,285,900	1,289,500	1,281,999	7,501
Interest	643,300	643,500	645,055	(1,555)
Total Expenditures	20,919,100	22,482,200	19,855,586	2,626,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,400)	973,000	5,901,986	4,928,986
OTHER FINANCING SOURCES (USES)				
Transfers In	308,700	308,700	328,700	20,000
Transfers Out	(30,000)	(82,900)	(77,046)	5,854
Sales of Capital Assets	-	105,000	105,000	-
Insurance Recoveries	-	25,000	33,333	8,333
Total Other Financing Sources (Uses)	278,700	355,800	389,987	34,187
Net Change in Fund Balance	$ 211,300	$ 1,328,800	6,291,973	$ 4,963,173
Fund Balance - Beginning			20,468,532	
Fund Balance - Ending			$ 26,760,505	

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

Town of Erie, Colorado
Erie Urban Renewal Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	$ 251,700	$ 729,000	$ 722,716	$ (6,284)
Fees and Charges for Services	500	600	664	64
Investment Earnings	-	-	4,453	4,453
Total Revenues	252,200	729,600	727,833	(1,767)
EXPENDITURES				
Current Operating:				
General Government	283,600	294,500	283,656	10,844
Capital Outlay	-	35,000	6,181	28,819
Total Expenditures	283,600	329,500	289,837	39,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,400)	400,100	437,996	37,896
OTHER FINANCING SOURCES				
Proceeds from Disposition of Capital Assets	5,000,000	-	-	-
Total Other Financing Sources	5,000,000	-	-	-
Net Change in Fund Balance	$ 4,968,600	$ 400,100	437,996	$ 37,896
Fund Balance - Beginning			(5,074,528)	
Fund Balance - Ending			$ (4,636,532)	

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

Town of Erie, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Proprietary Funds				
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
ASSETS					
Current Assets					
Pooled Cash and Investments	$ 27,961,664	$ 18,969,484	$ 1,704,662	$ -	$ 48,635,810
Restricted Cash and Investments	2,695,599	-	-	-	2,695,599
Receivables	756,793	376,820	62,332	346,390	1,542,335
Prepaid Items	371,238	49,710	-	-	420,948
Total Current Assets	31,785,294	19,396,014	1,766,994	346,390	53,294,692
Noncurrent Assets					
Capital Assets					
Construction in Progress	11,358,717	120,266	2,125,503	56,322	13,660,808
Land and Water Rights	89,511,136	59,022	63,705	592,295	90,226,158
Buildings, Property, and Equipment	100,064,441	62,418,570	28,978,489	5,928,285	197,389,785
Accumulated Depreciation	(26,564,115)	(12,771,166)	(4,454,108)	(2,425,261)	(46,214,650)
Total Capital Assets	174,370,179	49,826,692	26,713,589	4,151,641	255,062,101
Total Noncurrent Assets	174,370,179	49,826,692	26,713,589	4,151,641	255,062,101
Total Assets	206,155,473	69,222,706	28,480,583	4,498,031	308,356,793
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	1,650,057	2,104,199	-	-	3,754,256
Total Deferred Outflows of Resources	1,650,057	2,104,199	-	-	3,754,256
LIABILITIES					
Current Liabilities					
Accounts Payable	1,182,233	109,165	46,992	38,802	1,377,192
Accrued Interest Payable	233,765	55,577	4,098	-	293,440
Wages Payable	33,974	27,839	2,679	81	64,573
Other Liabilities	143,640	-	-	-	143,640
Due to Other Funds	-	-	-	233,578	233,578
Unearned Revenue	38,344	1,208,530	-	-	1,246,874
Compensated Absences	88,266	77,745	3,091	193	169,295
Current Portion of Long Term Debt					
Certificates of Participation Payable	650,000	-	-	-	650,000
Loans Payable	-	141,182	12,759	-	153,941
Bonds Payable	1,785,000	515,000	-	-	2,300,000
Total Current Liabilities	4,155,222	2,135,038	69,619	272,654	6,632,533
Noncurrent Liabilities					
Compensated Absences	33,256	29,492	112	112	62,972
Long Term Debt, Net of Unamortized Premiums and Discounts					
Certificates of Participation Payable	23,744,142	-	-	-	23,744,142
Loans Payable	-	1,687,478	260,448	-	1,947,926
Bonds Payable	24,549,526	17,833,170	-	-	42,382,696
Total Noncurrent Liabilities	48,326,924	19,550,140	260,560	112	68,137,736
Total Liabilities	52,482,146	21,685,178	330,179	272,766	74,770,269
NET POSITION					
Net Investment in Capital Assets	127,987,168	31,754,061	26,440,382	4,151,641	190,333,252
Restricted					
Operations and Maintenance Reserves	-	786,000	-	-	786,000
Unrestricted	27,336,216	17,101,666	1,710,022	73,624	46,221,528
Total Net Position	$ 155,323,384	$ 49,641,727	$ 28,150,404	$ 4,225,265	$ 237,340,780

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

Town of Erie, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Proprietary Funds				
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
OPERATING REVENUES					
Charges for Services	$ 9,044,664	$ 4,439,911	$ 795,580	$ 21,928	$ 14,302,083
OPERATING EXPENSES					
Personnel Services	2,038,669	1,663,310	136,040	4,293	3,842,312
Operations and Maintenance	2,172,886	1,116,703	119,936	403,842	3,813,367
Depreciation	3,105,037	1,543,024	543,994	285,609	5,477,664
Total Operating Expenses	7,316,592	4,323,037	799,970	693,744	13,133,343
Net Operating Income (Loss)	1,728,072	116,874	(4,390)	(671,816)	1,168,740
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	285,093	178,651	13,113	990	477,847
Intergovernmental	-	-	-	346,239	346,239
Other Non-Operating Income	43,182	20,000	2,000	79,161	144,343
Interest Expense	(1,865,280)	(672,334)	(5,527)	(6,536)	(2,549,677)
Issuance Costs	(80,825)	-	-	-	(80,825)
Net Loss on Disposition of Capital Assets	(594)	(6,205)	(4,297)	(271,715)	(282,811)
Total Non-Operating Revenues (Expenses)	(1,618,424)	(479,888)	5,289	148,139	(1,944,884)
Income (Loss) Before Contributions and Transfers	109,648	(363,014)	899	(523,677)	(776,144)
Capital Contributions	18,262,084	6,122,913	3,771,438	-	28,156,435
Transfers In	-	-	3,130,513	77,046	3,207,559
Change in Net Position	18,371,732	5,759,899	6,902,850	(446,631)	30,587,850
Total Net Position - Beginning (as restated)	136,951,652	43,881,828	21,247,554	4,671,896	206,752,930
Total Net Position - Ending	$ 155,323,384	$ 49,641,727	$ 28,150,404	$ 4,225,265	$ 237,340,780

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

Town of Erie, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Proprietary Funds				
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	$ 9,246,295	$ 4,590,874	$ 812,155	$ 67,143	$ 14,716,467
Payments to Employees	(2,021,265)	(1,653,084)	(135,902)	(4,433)	(3,814,684)
Payments to Suppliers	(1,194,641)	(1,240,339)	(97,533)	(377,633)	(2,910,146)
Net Cash Provided by (Used in) Operating Activities	6,030,389	1,697,451	578,720	(314,923)	7,991,637
Cash Flows from Non-capital Financing Activities					
Advance from Other Funds	-	-	-	63,578	63,578
Transfer from Other Funds	-	-	-	77,046	77,046
Cash Flows Provided by Non-capital Financing Activities	-	-	-	140,624	140,624
Cash Flows from Capital and Related Financing Activities					
Capital Grants	-	-	-	17,975	17,975
Receipts from Capital Debt Issuance	4,450,348	-	-	-	4,450,348
Payments to Defease Capital Debt	(4,380,000)	-	-	-	(4,380,000)
Acquisition and Construction of Capital Assets	(17,849,168)	(2,664,715)	(3,127,413)	(37,400)	(23,678,696)
Proceeds from Sale of Capital Assets	(1)	-	-	427,968	427,967
Principal Paid on Capital Debt	(2,475,000)	(636,647)	(12,509)	(665,499)	(3,789,655)
Interest Paid on Capital Debt	(1,908,993)	(667,527)	(5,715)	(6,751)	(2,588,986)
Capital Contributions	15,694,065	4,552,363	-	-	20,246,428
Transfer from Other Funds	-	-	3,130,513	-	3,130,513
Receipt from Bond Trustee	-	634,525	-	-	634,525
Cash Flows Provided by (Used in) Capital and Related Financing Activities	(6,468,749)	1,217,999	(15,124)	(263,707)	(5,529,581)
Cash Flows from Investing Activities					
Proceeds from Sale and Maturity of Investments	406,334	-	-	377,011	783,345
Earnings on Investments	272,201	172,510	12,365	780	457,856
Cash Flows Provided by Investing Activities	678,535	172,510	12,365	377,791	1,241,201
Net Increase (Decrease) in Pooled Cash and Investments	240,175	3,087,960	575,961	(60,215)	3,843,881
Pooled Cash and Investments - January 1	27,721,489	15,881,524	1,128,701	60,215	44,791,929
Pooled Cash and Investments - December 31	$ 27,961,664	$ 18,969,484	$ 1,704,662	$ -	$ 48,635,810
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities					
Operating Income (Loss)	$ 1,728,072	$ 116,874	$ (4,390)	$ (671,816)	$ 1,168,740
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Acitivities					
Depreciation Expense	3,105,037	1,543,024	543,994	285,609	5,477,664
Other Income	43,182	20,000	2,000	79,161	144,343
Decrease in					
Accounts Receivable	140,416	130,963	14,575	2,336	288,290
Prepaid Items	2,002	3,324	-	7,563	12,889
Increase (Decrease) in					
Accounts Payable	976,243	(126,960)	22,403	(12,816)	858,870
Wages Payable	7,845	6,502	768	21	15,136
Compensated Absences Payable	9,559	3,724	(630)	(161)	12,492
Other Liabilities	18,033	-	-	(3,799)	14,234
Deferred Revenue	-	-	-	(1,021)	(1,021)
Net Cash Provided by (Used In) Operating Activities	$ 6,030,389	$ 1,697,451	$ 578,720	$ (314,923)	$ 7,991,637
Noncash Investing, Capital, and Financing Activities					
Contributions of infrastructure by developers	$ 2,559,263	$ 2,770,550	$ 3,771,438	$ -	$ 9,101,251

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

Notes to the Financial Statements

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Town of Erie, Colorado
Notes to the Financial Statements
As of and for the year ended December 31, 2017

Note I. Summary of Significant Accounting Policies

The Town of Erie, Colorado (the Town), incorporated in 1874, is a statutory municipality governed by a trustee-administrator form of government through a Mayor and six-member Board of Trustees. The Town provides the following services: administration, community development, finance, human resources, parks and recreation, police, public works, water, wastewater, and storm drainage. The Town also owns the Erie Municipal Airport.

A. Reporting Entity

The accompanying financial statements present the Town (the primary government) and its component units for which the government is financially accountable. The blended component units discussed below are included in the Town's reporting entity because of the significance of their operational or financial relationship to the Town and to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Town. The Town considers the Town of Erie Urban Renewal Authority and the Erie Community Civic Fund as component units. Both entities are separate organizations for which the Town is considered to be financially accountable.

In addition, in prior years the Town reported the Town of Erie Housing Authority (EHA) as a component unit. In March 2017, EHA's assets were sold to a nonprofit that provides housing to seniors, among others. All activities of EHA ceased upon the sale. For additional information see Note III.E.4.

The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization.

A town's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the Town throughout the year. It is included at both the government-wide and fund financial reporting levels.

A brief description of the blended component units follow:

Town of Erie Urban Renewal Authority (EURA) – The EURA was created in 2011 by action of the Town Mayor and Board of Trustees, who serve as its Board of Commissioners, under the Colorado Urban Renewal Law. The EURA is charged with the creation and implementation of the Town of Erie urban renewal plan pursuant to the Urban Renewal Law. Operations of the EURA are currently funded from General Fund resources, which will be repaid from various funding sources of the EURA, including tax increment financing for urban renewal projects within its boundaries. The EURA is reported as a special revenue fund. Separate audited financial statements of the EURA are not available.

Erie Community Civic Fund (ECCF) – The ECCF is a nonprofit organization, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The ECCF is used to facilitate certain contributions and grants for support of various Town activities.

B. Government-wide and Fund Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report financial information on all of the activities of the Town and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the Town at year-end.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operating or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The Town does not operate any fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

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

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

Note I. **<u>Summary of Significant Accounting Policies</u>** ***<u>(continued)</u>***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, sales taxes, highway users' taxes, use taxes, franchise taxes, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Town of Erie Urban Renewal Authority* is described above in I.A.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges for services to customers. Operating expenses from proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. All of the Town's proprietary funds are classified as enterprise funds.

The Town reports the following major proprietary (enterprise) funds:

The *water fund* accounts for the acquisition, treatment, and distribution of the Town's water supply.

The *wastewater fund* accounts for the collection and treatment of gray water in the Town's wastewater system.

The *storm drainage operating fund* accounts for charges received from system users, used to construct and maintain the storm drainage system.

Note I. <u>Summary of Significant Accounting Policies</u> *(continued)*

Interfund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include interfund transfers and billings from one fund to another for the purchase of goods or services. In the government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and the business-type activities.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Whenever possible the Town pools cash to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential, in that order. The Town makes investments pursuant to its investment policy and relevant State of Colorado statutes.

Investments are reported in accordance with GASB Statement 72, as amended.

2. Receivables and Payables

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either "due (to)/from other funds" (i.e., the current portion of interfund loans) or "advances to/(from) other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due (to)/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

By December 15 of each year, property taxes for the Town are levied by the Board and certified to Boulder County and Weld County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by the Boulder County and Weld County Treasurers on behalf of the Town. A 1% collection fee is retained by the Counties as compensation for collecting the taxes.

Property taxes levied in the General Fund, the Trails and Natural Areas Fund and the EURA are included in receivables and deferred inflows at December 31, 2017. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2018 and are budgeted for in 2018.

Note I. Summary of Significant Accounting Policies *(continued)*

3. Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

4. Restricted Assets

Certain proceeds from the issuance of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

5. Capital Assets

Capital assets, which include property, plant, equipment, and all infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired since 1997, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Capital assets of the Town are depreciated using the straight-line method with estimated useful lives as follows:

Assets	Years
Buildings and improvements	5-50
Improvements other than buildings	5-50
Machinery and equipment	3-10
Vehicles	3-5

Note I. <u>Summary of Significant Accounting Policies *(continued)*</u>

6. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off and extended sick leave benefits. There is no liability for unpaid accumulated extended sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities are paid for from the General Fund.

7. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method over the term of the debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements for governmental fund-types, the par amount of debt issued and premiums received are reported as other financing sources. Bond discounts are reported as other financing uses. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

8. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has certain items that relate to its pension plan that qualify for reporting as a deferred outflow of resources. See Note III.F.1. for more information. In addition, a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources for the Town consist of property taxes receivable and reimbursement based grants, as applicable in the government-wide and fund financial statements. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. Reimbursement based grant revenue is considered a deferred inflow of resources in the year the Town has incurred qualified expenses/expenditures under the grant, and are recognized as an inflow of resources in the period they are collected.

Note I. <u>Summary of Significant Accounting Policies</u> <u>*(continued)*</u>

The Town also reports as deferred inflows of resources certain items related to its pension plan. See Note III.F.1. for more information.

9. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Plan (SDBP), administered by the Fire & Police Pension Association of Colorado (FPPA), and additions to/deductions from the SDBP's fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Fund Balances

Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources for specific purposes.

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes prepaid items and the long-term amount of interfund loans.

Restricted fund balances are amounts subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties such as creditors, grantors, contributors, other governments, or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action through ordinance of the Board of Trustees, and remains binding unless removed in the same manner.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended uses established by the Board of Trustees, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note I. Summary of Significant Accounting Policies *(continued)*

Generally, the Town would first apply restricted, then committed, and then assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available.

Minimum Fund Balances – The Town has established minimum unrestricted fund balances for certain of its funds. For the General Fund, minimum fund balance is 25% of annual budgeted operating expenditures. Proprietary funds are to maintain minimum unrestricted net position of 25% of annual operating and maintenance expenses plus 2% of capital assets.

In 2010 the Board of Trustees passed a resolution that established an additional General Fund reserve. The reserve was established at $7,500,000, representing approximately 50% of annual General Fund operating expenditures. The reserve may only be used with the approval of the Board of Trustees for one-time or capital expenditures, or in the event of revenue reductions due to severe economic conditions in order to prevent significant reduction in services. This reserve does not meet the definition of a stabilization arrangement pursuant to GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and therefore is reflected in unassigned fund balance.

All minimum fund balance policy requirements were met as of December 31, 2017 with the exception of the Airport Fund. The Airport Fund's working capital was $17,122 less than the policy reserve requirement.

11. Use of Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

12. Current Year GASB Statement Implementation

For the year ended December 31, 2017, the Town adopted the provisions of GASB Statement No. 82, *Pension Issues*, which is effective for financial statement periods beginning after June 30, 2017. The implementation of GASB Statement No. 82 had no material effect on the Town's financial statements.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Town adopts annual budgets on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The budgets for proprietary funds are adopted on a non-GAAP modified accrual budgetary basis. All annual appropriations lapse at fiscal year-end. The Town does not adopt a budget for the Erie Community Civic Fund or the Erie Housing Authority.

On or before October 15 of each year, the Town Administrator submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing on the following January 1. Study sessions and public hearings are conducted during Board of Trustee meetings to obtain input from elected officials, citizens, and other interested parties. By December 15, the final budget is adopted.

The appropriated budget is adopted by fund. The budget is prepared by fund, department, and division. Managers can make transfers between line items within their departments without Board approval. All other changes require Board approval. The Board made supplemental appropriations during the course of the year, which are reflected in the final budget columns of the financial statements and schedules.

B. Deficit Fund Equity

The Town of Erie Urban Renewal Authority had a deficit unassigned fund balance of $5,656,411 as of December 31, 2017. Information on anticipated repayment of the advance from the General Fund that has financed this deficit can be found in Note III.D. Additional funds will arise over time as other urban renewal projects are identified and resulting tax increment funding monies are collected through increased property or sales tax collections.

Note III. Detailed Notes on All Funds

A. Deposits and Investments

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	$ 92,877,311
Restricted cash and investments	3,715,478
Total	$ 96,592,789

Cash and investments consist of the following:

Bank checking accounts	$ 2,697,213
Investments	93,893,651
Cash on hand	1,925
Total	$ 96,592,789

Note III. Detailed Notes on All Funds *(continued)*

Deposits

As of December 31, 2017, the carrying amount of the Town's deposits was $2,697,213.

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance.

Investments

As of December 31, 2017, the Town had the following investments:

	Rating			Investment Maturities		Concentration
				Less than		of Credit
Investment Type	Moody's	S&P	Fair Value	1 Year	1 to 5 Years	Risk
U.S. Treasury Notes	Aaa	AA+	$ 13,354,850	$ 2,483,438	$ 10,871,412	14%
Federal Farm Credit Bank	Aaa	AA+	5,458,340	3,491,864	1,966,476	6%
Federal Home Loan Bank	Aaa	AA+	9,374,492	3,993,596	5,380,896	10%
Federal Home Loan Mortgage Corp.	Aaa	AA+	1,233,220	-	1,233,220	1%
Federal National Mortgage Association	Aaa	AA+	6,204,471	1,499,238	4,705,233	7%
International Bank of Reconstruction & Development	Aaa	AAA	999,371	-	999,371	1%
U.S. Corporate Notes	Aa1	AA+	997,528	997,528	-	1%
Commercial Paper	P1	A-1/A-1+	3,963,720	3,963,720	-	4%
CSAFE	n/a	AAAm	48,746	48,746	-	0%
COLOTRUST PRIME	n/a	AAAm	51,400,360	51,400,360	-	55%
Wells Fargo Treasury Money Market Fund	Aaa-mf	AAAm	858,553	858,553	-	1%
Total fair value			$ 93,893,651	$ 68,737,043	$ 25,156,608	100%

It is the policy of the Town to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. The Town's investment policy applies to all investment activity of the Town, under the control of the finance director. The Town Municipal Code, Section 2-1-4, authorizes the investments that the Town can hold. Investments of the Town may include obligations of the United States of America or its agencies thereof, certificates of deposit, bankers' acceptances, commercial paper, investment grade obligations of state and local governments, repurchase agreements collateralized by any of the foregoing securities, money market mutual funds, local government investment pools, corporate securities and supranational securities.

Note III. Detailed Notes on All Funds *(continued)*

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy limits the Town's investment portfolio to maturities of less than five years and a weighted average maturity of less than 3 years. Additionally, the Town structures its investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Town. The Town's investment policy limits investments to certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of investment will be minimized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Pursuant to its investment policy, the Town has established various limits for issuers for each of the types of securities in which it is permitted to invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy addresses this risk by requiring the pre-qualifying of financial institutions, broker/dealers, intermediaries, and advisers with which the Town does business to ensure that such risk is minimized.

Local Government Investment Pools

As shown in the table on previous page, the Town had investments in the Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Government Liquid Asset Trust (COLOTRUST) at year-end. CSAFE and COLOTRUST are investment vehicles established for local government entities in Colorado to pool surplus funds. These funds were established under the authority of, and in conformity with, Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes. The State of Colorado regulates these funds.

Note III. Detailed Notes on All Funds *(continued)*

The funds operate similar to money market funds and each share is valued at $1.00. Fund investments include U.S. Treasury bills, notes, note strips, and repurchase agreements collateralized by U.S. Treasury securities. Designated custodial banks provide safekeeping and depository services to these funds in connection with the funds' direct investment and withdrawal functions. The custodians' internal records identify investments owned by the funds. CSAFE financial statements can be obtained at www.csafe.org. COLOTRUST financial statements can be obtained at www.colotrust.com.

Fair Value of Investments

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The Town's investments in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. CSAFE and the Wells Fargo Treasury Money Market Fund are valued at amortized cost. All other Town investments are valued using Level 2 inputs.

Note III. Detailed Notes on All Funds *(continued)*

B. Accounts Receivable

Receivables as of year-end for the Town's individual major funds and nonmajor funds, in the aggregate, are as follows:

	General	Urban Renewal Authority	Nonmajor Govermental	Water	Wastewater	Storm Drainage	Nonmajor Proprietary	Total
Property taxes	$ 3,891,209	$ 1,093,189	$ 1,319,054	$ -	$ -	$ -	$ -	$ 6,303,452
Sales taxes	1,338,407	-	-	-	-	-	-	1,338,407
Other taxes	293,617	-	-	-	-	-	-	293,617
Accounts, net of allowance for uncollectible accounts	310,565	-	118,250	518,377	347,512	59,929	50	1,354,683
Landfill fees	190,096	-	-	-	-	-	-	190,096
Intergovernmental	360,099	-	-	191,984	-	-	346,239	898,322
Interest	38,647	1,273	28,952	46,432	29,308	2,403	101	147,116
Total receivables	$ 6,422,640	$ 1,094,462	$ 1,466,256	$ 756,793	$ 376,820	$ 62,332	$ 346,390	$ 10,525,693

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	(As restated) Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 4,375,210	$ 2,046,947	$ (3,781,240)	$ 2,640,917
Land and open space	15,736,157	516,000	(69,888)	16,182,269
Total capital assets, not being depreciated	20,111,367	2,562,947	(3,851,128)	18,823,186
Capital assets, being depreciated:				
Buildings	37,044,441	2,556,513	(570,369)	39,030,585
Streets and other infrastructure	57,842,313	13,212,534	(8,750)	71,046,097
Parks and trails	17,545,392	1,346,453	(91,131)	18,800,714
Furniture and equipment	3,150,234	340,175	(109,441)	3,380,968
Vehicles	1,351,618	177,865	-	1,529,483
Total capital assets, being depreciated	116,933,998	17,633,540	(779,691)	133,787,847
Less accumulated depreciation for:				
Buildings	(5,263,224)	(904,626)	211,214	(5,956,636)
Streets and other infrastructure	(12,771,911)	(1,915,896)	8,750	(14,679,057)
Parks and trails	(6,527,969)	(919,435)	82,876	(7,364,528)
Furniture and equipment	(1,536,645)	(331,576)	107,363	(1,760,858)
Vehicles	(790,720)	(209,863)	-	(1,000,583)
Total accumulated depreciation	(26,890,469)	(4,281,396)	410,203	(30,761,662)
Total capital assets, being depreciated, net	90,043,529	13,352,144	(369,488)	103,026,185
Governmental activities capital assets, net	$ 110,154,896	$ 15,915,091	$ (4,220,616)	$ 121,849,371

Note III. Detailed Notes on All Funds *(continued)*

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 7,620,671	$ 11,545,378	$ (5,505,241)	$ 13,660,808
Land and reservoirs	5,835,861	-	-	5,835,861
Water rights	75,390,297	9,000,000	-	84,390,297
Total capital assets, not being depreciated	88,846,829	20,545,378	(5,505,241)	103,886,966
Capital assets, being depreciated:				
Buildings	1,369,265		(1,172,520)	196,745
Improvements other than buildings	179,070,309	17,660,752	(948,819)	195,782,242
Machinery and equipment	1,446,071	79,059	(114,331)	1,410,799
Total capital assets, being depreciated	181,885,645	17,739,811	(2,235,670)	197,389,786
Less accumulated depreciation for:				
Buildings	(580,858)	(12,323)	475,980	(117,201)
Improvements other than buildings	(41,139,588)	(5,355,743)	937,320	(45,558,011)
Machinery and equipment	(541,433)	(109,598)	111,592	(539,439)
Total accumulated depreciation	(42,261,879)	(5,477,664)	1,524,892	(46,214,651)
Total capital assets, being depreciated, net	139,623,766	12,262,147	(710,778)	151,175,135
Business-type activities capital assets, net	$ 228,470,595	$ 32,807,525	$ (6,216,019)	$ 255,062,101

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

Governmental activities:	
General government	$ 207,291
Public safety	375,290
Public works	2,186,903
Parks and recreation	1,511,912
Total depreciation expense - governmental activities	$4,281,396
Business-type activities:	
Water	$3,105,037
Wastewater	1,543,024
Storm drainage	543,994
Airport	278,353
Housing authority	7,256
Total depreciation expense - business-type activities	$5,477,664

Note III. Detailed Notes on All Funds *(continued)*

D. Interfund Receivables, Payables, and Transfers

There was one interfund due from/due to relationship as of December 31, 2017. During 2017 the General Fund paid $233,578 on behalf of the Airport Fund for various capital project expenditures, to be repaid in 2018 upon receipt of grant funds.

There was one advance from the General Fund at December 31, 2017, to the Town's urban renewal authority (EURA) for $5,641,140. The advance to the EURA was made to pay for purchases of certain properties and for operating expenditures of the EURA. Repayment in the approximate amount of $5,000,000 is anticipated in 2018 or 2019 pursuant to a development agreement for the development of property owned by the EURA at the corner of Highway 287 and Arapahoe Road, although the exact timing, amount, and/or mechanism remains subject to terms and conditions as specified in the development agreement.

Transfers to/from other funds for the year ending December 31, 2017, were as follows:

	Transfer In			
Transfer Out	General Fund	Storm Drainage Operating Fund	Nonmajor Proprietary Funds	Total
General Fund	$ -	$ -	$ 77,046	$ 77,046
Nonmajor governmental funds	328,700	3,130,513	-	3,459,213
Total	$ 328,700	$ 3,130,513	$ 77,046	$ 3,536,259

Transfers primarily reflect movement of revenues from the fund with collection authorization to the fund making the expenditure. Included in transfers to the General Fund is a $320,000 transfer from the Trails & Natural Areas Fund to reimburse the General Fund for certain maintenance and administrative costs incurred related to the Town's trails and open space. The $3,130,513 transfer to the Storm Drainage Operating Fund (SDOF) represents a transfer from the Storm Drainage Impact Fund (SDIF) of impact fees collected in the SDIF. The transfer of these fees were used to pay for construction of various growth-related projects in the SDOF.

E. Long-term Debt

1. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have only been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. They are payable primarily from real property taxes, in addition to various other funding sources. These bonds are issued as serial bonds with varying amounts of principal maturing each year.

Note III. Detailed Notes on All Funds *(continued)*

General obligation bonds outstanding at December 31, 2017, are as follows:

Year Issued	Description	Coupon Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2006	General obligation bonds	4.375 - 5.25	2019	$ 16,800,000	$ 1,410,000
2006	General obligation refunding bonds	4.50	2018	2,971,095	360,000
2013	General obligation refunding bonds	2.00 - 4.00	2026	8,460,000	8,270,000
2014	General obligation bonds	3.25 - 3.75	2033	6,200,000	6,200,000
	Total general obligation bonds				$ 16,240,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Principal	Interest
2018	$ 1,280,000	$ 587,269
2019	960,000	530,544
2020	1,000,000	493,213
2021	1,025,000	463,213
2022	1,070,000	422,213
2023-2027	5,505,000	1,471,661
2028-2032	4,420,000	663,825
2033	980,000	36,750
Total	$ 16,240,000	$ 4,668,688

2. Revenue Bonds and Loans

The Town also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The Town can also use other resources to pay debt service.

Note III. Detailed Notes on All Funds *(continued)*

Revenue bonds and loans outstanding at year-end were as follows:

Year Issued	Description	Coupon Interest Rate (%)	Final Maturity Date	Issued	Outstanding
1995	Storm drainage revenue loan	2.00	2035	$ 498,512	$ 273,208
2009	Wastewater revenue loan	2.00	2030	1,534,700	578,660
2009	Wastewater revenue loan	0.00	2030	2,000,000	1,250,000
2009	Water revenue refunding bonds	3.00 - 4.00	2023	6,390,000	3,050,000
2011	Water revenue refunding bonds	2.25 - 5.00	2023	10,098,045	5,220,000
2015	Water revenue refunding bonds	2.00 - 5.00	2032	12,335,000	12,300,000
2016	Wastewater revenue refunding bonds	2.00 - 5.00	2037	16,670,000	16,395,000
2017	Water revenue refunding bonds	3.24	2032	4,575,000	4,445,000
	Total revenue bonds and loans				$ 43,511,868

Annual debt service requirements to maturity for revenue bonds and loans are as follows:

Year Ending December 31	Principal	Interest
2018	$ 2,453,941	$ 1,575,113
2019	2,500,024	1,516,192
2020	2,581,129	1,441,349
2021	2,647,256	1,372,522
2022	2,743,405	1,281,522
2023-2027	11,235,092	4,977,549
2028-2032	13,363,467	2,555,783
2033-2037	5,987,554	569,816
Total	$ 43,511,868	$ 15,289,846

Note III. Detailed Notes on All Funds *(continued)*

3. Certificates of Participation

The Town formed the Erie Finance Corporation (EFC) to issue certificates of participation (COPs) for the acquisition and construction of major capital additions and improvements. The COPs are secured by the underlying capital assets. Debt service payments are made from rents collected by EFC based upon annually renewable lease agreements between the Town and EFC. Payments are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory debt limitation.

The Town entered into its first COPs transaction in 2005. COPs in the amount of $32,030,000 were issued to purchase Colorado-Big Thompson water shares. The 2005 COPs were retired in 2010, when the 2010 COPs were issued. The 2010 COPs carried a fixed rate of 2.70% through October 1, 2016, and carried a variable rate after that date. In 2014 the COPs were remarketed, resulting in the issuance of new certificates with maturities extending through 2040 and carrying a fixed rate. The effective interest rate of the new certificates was 3.76%. The following is a summary of COPs payments:

Year Ending December 31	Principal	Interest	Total
2018	$ 650,000	$ 945,338	$ 1,595,338
2019	670,000	925,838	1,595,838
2020	685,000	912,438	1,597,438
2021	700,000	897,025	1,597,025
2022	715,000	879,525	1,594,525
2023-2027	4,060,000	3,919,674	7,979,674
2028-2032	5,055,000	2,922,950	7,977,950
2033-2037	6,180,000	1,795,500	7,975,500
2038-2040	4,430,000	359,000	4,789,000
Total	$ 23,145,000	$ 13,557,288	$ 36,702,288

4. Housing Authority Debt

As of December 31, 2016, the Town had two loans payable through its blended component unit, the Erie Housing Authority with a total outstanding balance of $665,499. On March 31, 2017, the Town and its housing authority sold all the assets of the housing authority to a nonprofit that will maintain the units as affordable senior housing, with plans to build additional affordable units. The sales price was enough (along with funds on hand) to repay all outstanding debt and an advance of $170,000 from the Town's General Fund.

Note III. Detailed Notes on All Funds *(continued)*

5. Capital Lease Obligations

The Town entered into a capital lease agreement in 2013 for the purchase of a grader for street maintenance purposes. The imputed interest rates on the lease is 3.30%. The book value of the underlying assets was $113,654 at December 31, 2017. The following is a schedule by year of future minimum lease obligations as of December 31, 2017:

Year Ending December 31	Lease Payments
2018	$ 22,443
Total minimum lease payments	22,443
Less: amount representing interest	(214)
Present value of minimum lease payments	$ 22,229

6. Defeasance of Debt

On March 29, 2017, the Town issued $4,575,000 of Water Enterprise Revenue Refunding Bonds, Series 2017, to purchase various securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $3,755,000 outstanding on a 2007A revenue bond issue and $625,000 outstanding on a 2007B revenue refunding bond issue. As a result, the refunded debt is considered to be defeased and the liability has been removed from the business-type activities column of the statement of net position and from the Wastewater Fund's statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by $82,127. This amount is reported as a deferred outflow of resources and amortized over the life of the new debt, which has the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by $761,603 and resulted in an economic gain of $526,012.

In prior years, the Town defeased certain water and wastewater revenue bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. These transactions resulted in economic gains to the Town. On December 31, 2017, defeased bonds had remaining balances outstanding of $18,824,925.

Note III. Detailed Notes on All Funds *(continued)*

7. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	(As restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental activities:						
Bonds and other debt payable:						
General obligation bonds	$ 17,465,000	$ -	$ (1,225,000)	$ 16,240,000	$ 1,280,000	$ 14,960,000
Capital lease obligations	82,969	-	(60,740)	22,229	22,229	-
Less deferred amounts						
for issuance premiums	1,242,714	-	(132,336)	1,110,378	-	1,110,378
Total bonds and other debt payable	18,790,683	-	(1,418,076)	17,372,607	1,302,229	16,070,378
Compensated absences	537,094	689,739	(655,021)	571,812	397,700	174,112
Litigation reserve	450,000	-	(450,000)	-	-	-
Other long-term liabiluty	450,707	-	-	450,707	-	450,707
Total governmental activities	$ 20,228,484	$ 689,739	$ (2,523,097)	$ 18,395,126	$ 1,699,929	$ 16,695,197
Business-type activities:						
Bonds, loans and other debt payable:						
Revenue bonds and loans	$ 45,801,024	$ 4,575,000	$ (6,864,156)	$ 43,511,868	$ 2,453,941	$ 41,057,927
Certificates of participation	23,785,000	-	(640,000)	23,145,000	650,000	22,495,000
Mortgages payable	296,312	-	(296,312)	-	-	-
Loan payable - other	369,187	-	(369,187)	-	-	-
Less deferred amounts						
for issuance premiums and discounts	4,901,380	(95,027)	(284,517)	4,521,836	-	4,521,836
Total bonds, loans and other debt payable	75,152,903	4,479,973	(8,454,172)	71,178,704	3,103,941	68,074,763
Compensated absences	219,775	280,037	(267,544)	232,268	169,295	62,973
Total business-type activities	$ 75,372,678	$ 4,760,010	$ (8,721,716)	$ 71,410,972	$ 3,273,236	$ 68,137,736

The other long-term liability in the table above represents a reimbursement due in 2024 for infrastructure constructed by a developer.

Note III. <u>Detailed Notes on All Funds *(continued)*</u>

F. Retirement Plans

1. Police Officers Pension Plan

a. General Information about the Pension Plan

Plan Description - The Town contributes to the Statewide Defined Benefit Plan (SDBP), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establish basic benefit provisions under the plan. FPPA issues an annual, publicly-available financial report that includes the assets of the plan. That report may be obtained by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-3772 from outside the metro area, or from their web site at www.fppaco.org.

Benefits Provided – A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions - Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 31, Article 30, Part 10 of the CRS, as amended. Through 2014 the contribution rate for both members and the Town was 8% of covered salary. In 2014 the members elected to increase the member contribution rate to the SDBP beginning in 2016. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. As a result, the member contribution rate for 2017 was 9.50%. For the year ending December 31, 2017 the

Note III. Detailed Notes on All Funds *(continued)*

Town's contributions to the SDBP was $160,422, equal to its required contribution for the year.

b. Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the Town reported a liability of $119,905 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's contributions to the SDBP for 2016 relative to the total contributions of participating employers to the SDBP. At December 31, 2016, the Town's proportion was 0.3319%, which was a decrease of 0.0043% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Town recognized pension expense of $189,919. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 107,643	$ 6,086
Net difference between projected and actual earnings on pension plan investments	326,401	-
Changes in assumptions	82,993	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	17,713
Contributions subsequent to the measurement date	160,422	-
Total	$ 677,459	$ 23,799

Note III. Detailed Notes on All Funds *(continued)*

The $160,422 reported as a deferred outflow of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	
2018	$ 122,363
2019	122,363
2020	114,993
2021	45,182
2022	19,625
Thereafter	68,712
Total	$ 493,238

c. Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return *	7.50%
Projected salary increases *	4.00-14.00%
Cost of living adjustments	0.00%
* Includes inflation at	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return

Note III. Detailed Notes on All Funds *(continued)*

(expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36%	9.25%
Equity Long/Short	10%	7.35%
Illiquid Alternatives	23%	10.75%
Fixed Income	15%	4.10%
Absolute Return	10%	6.55%
Managed Futures	4%	5.50%
Cash	2% *	0.00%
Total	100%	

** While the expected inflation rate exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.*

d. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under the Colorado statutes. Based on those assumptions, the SDBP's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note III. Detailed Notes on All Funds *(continued)*

e. Sensitivity of the Town's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following table presents the proportionate share of the net pension asset calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share ot the net pension asset (liability)	$ (1,020,536)	$ (119,905)	$ 628,041

f. Pension Plan Fiduciary Net Position

Detailed information about the SDBP's fiduciary net position is available in FPPA's comprehensive annual financial report.

2. General Employees

The Town contributes to a defined contribution plan established for non-Police employees.

Plan name:	The Town of Erie Savings Plan
Plan administrator:	OneAmerica (a third party trustee)

The plan was established by authority of the Town Board and can be amended by the Plan Trustees (Town Administrator and Finance Director). The Board establishes and may amend contribution requirements.

The plan is available to all non-Police benefited employees (full time employees and part time employees working at least 24 hours per week). The plan was created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to participate on the first day of each new calendar quarter.

Under the terms of the plan the Town is the only non-employee contributor and matches the first 0–5% of employee contributions. Participants are not required to contribute to the plan, but may contribute up to $18,000 per year ($24,000 for employees over 50). Employer contributions are based on the participant's salary (salary, pay, or earned income less salary reductions made under IRC §125). During 2017, the Town made all required contributions to the plan, contributing $307,699. Employees contributed $519,917.

Employees vest immediately. Employees have a non-forfeitable interest in the employer contributions to their accounts held by the plan administrator. No voluntary after-tax contributions are allowed. Since a third party trustee holds the assets in trust, they are not reflected in the Town's financial statements.

Note IV. Other Information

A. Risk Management

The Town faces risk of loss, including damage to and loss of property and contents, general and automobile liabilities, professional liability (i.e., errors and omissions), and workers' compensation. The Town carries commercial insurance for the risks of loss, including workers' compensation and property/casualty loss insurance. Settlements have not exceeded coverages for each of the past three fiscal years. Coverage limits and deductibles have stayed relatively constant in the past three years.

B. Litigation

The Town is currently the defendant in several lawsuits. Some of the lawsuits are in the process of appeal or settlement. Those lawsuits do not involve significant claims which have not already been provided for in prior years. Therefore, there does not appear to be a threat of significant liability to the Town from those lawsuits. In addition, there are several claims asserted against the Town. Legal counsel is of the opinion that insurance carried by the Town is sufficient to cover any potential adverse settlements from those claims covered by insurance. As to those claims which may not be covered by insurance, legal counsel is unable to form an opinion as to any potential adverse settlements.

C. Commitments

The Town has several capital asset construction and acquisition projects in process. As a result of these projects, the Town has remaining outstanding commitments of approximately $8,219,000 to various general contractors and vendors. Of this amount, $2,636,000 represents contractual commitments for construction of two neighborhood parks and $1,313,000 for infrastructure related to the Town's reuse water system. These projects are expected to be completed in 2018.

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District. In 2017, the Town contributed $650,000 to the Northern Integrated Supply Project and $621,880 to the Windy Gap Firming Project. Future years' contributions to these projects depend on the Board of Trustees election to participate.

D. Contingent Liabilities

Federal grants are subject to audit which could result in disallowed costs, the amount which is undeterminable at December 31, 2017. If any costs are disallowed in the future, the Town expects them to be insignificant.

Note IV. Other Information *(continued)*

E. Annexation and Developer Agreements

The Town has entered into several annexation and developer agreements with various developers of residential/commercial developments. Among other things, these agreements indicate whether the Town or the developer is responsible for construction of infrastructure and other improvements such as water, wastewater and storm drainage infrastructure, streets, trails, parks and similar capital improvements required to support the development. The Town's portion of these costs will be paid primarily from tap and impact fees collected from these developments.

The Town has entered into a developer agreement with Dillon Companies Inc. that provides for reimbursement by the Town to the developer up to $1.5 million for certain public improvements to be constructed by the developer. Reimbursements by the Town will be limited to the amount of sales tax received in the prior year on certain commercial parcels. Such reimbursements shall cease after the 10th year of such payments regardless of the total amount reimbursed to the Developer. Reimbursements due pursuant to this agreement as of December 31, 2017 were $9,811.

The Town, through its urban renewal authority, has entered into a public finance and development agreement with Erie Four Corners, LLC, Four Corners Business Improvement District and Four Corners Metropolitan District (collectively, the "Developer"). The developer has agreed to construct the necessary infrastructure improvements for the project. The urban renewal authority will reimburse the Developer a portion of the cost of qualifying improvements, not to exceed $35,000,000 over a period not to exceed approximately 20 years. Reimbursement will be from incremental property taxes on the commercial and retail portions of the project. No reimbursements have been made to date on this project.

Also through the Town's urban renewal authority, two tax abatement agreements have been entered into to provide incentives for development in Historic Old Town through reimbursements of incremental property taxes. No reimbursements have been made to date under these agreements. The maximum reimbursement under each of these agreements is $1,500,000.

F. Tax, Spending, and Debt Limitations

On November 3, 1992, the voters of the State approved Article X, Section 20, to the State Constitution (the Amendment). The Amendment provides for several limitations on government activities, including those related to revenue, expenditures, property taxes, and issuance of debt. These provisions of the Constitution are complex and subject to judicial interpretation. In the opinion of management, the Town is in compliance with such provisions.

The Amendment provides for exceptions related to "enterprises", defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of its annual revenue in grants from all state and local governments combined. The Town's management is

Note IV. <u>Other Information *(continued)*</u>

of the opinion that its Water, Wastewater, Storm Drainage, and Airport operations qualify for this exclusion.

In 1994, the Town's electorate authorized the Town to retain any revenues in excess of the limits imposed by the Amendment, pursuant to its existing sales and use tax code and general taxes on all taxable property without any increase in sales and use tax rates or increase in the general property tax mill levy. This effectively removed all revenue and spending limits imposed by Amendment. However, any future tax rate or tax code changes increasing tax revenues are subject to voter approval.

G. Emergency Reserve

The Town Board approved a resolution creating an emergency reserve as required by Article X, Section 20, of the Colorado Constitution. The December 31, 2017, amount of $1,028,562 is based on the requirements of Article X, Section 20.

Note V. <u>Restatement</u>

During 2017 the Town corrected various errors relating to prior periods. In prior years certain park fees in lieu totaling $64,036 were recorded in error to the General Fund rather than the Parks Improvement Impact Fund. In addition, a capital reimbursement in the amount of $558,047 from a developer for a road improvement was recorded as a liability in the General Fund rather than revenue in the Transportation Impact Fund. Also, at the government-wide level in governmental activities, capital assets were understated due to the omission of a $450,707 amount due a developer for a road improvement reimbursement to be paid by the Town in a future year. There was also an error in the Storm Drainage Operating Fund that resulted in the overstatement of developer contributions of storm drainage infrastructure.

The effect of these adjustments on beginning fund balance/net position is as follows:

	As Previously Reported	Prior Period Adjustments	As Adjusted
Fund Financial Statements			
General Fund	$ 20,532,569	$ (64,036)	$ 20,468,533
Transportation Impact Fund	2,277,924	558,047	2,835,971
Parks Improvement Impact Fund	2,382,810	64,036	2,446,846
Government-wide Financial Statements			
Governmental Activities	122,298,712	529,877	122,828,589
Fund Financial Statements			
Storm Drainage Operating Fund	$ 22,954,397	$ (1,706,843)	$ 21,247,554
Government-wide Financial Statements			
Business-Type Activities	208,459,773	(1,706,843)	206,752,930

Required Supplementary Information

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Town of Erie, Colorado
Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset)
Last 10 Years (1)

	2016	2015	2014	2013
Town's proportion of the net pension liability (asset)	0.3319%	0.3362%	0.3312%	0.3106%
Town's proportionate share of the net pension liability (asset)	$ 119,905	$ (5,840)	$ (373,881)	$ (277,699)
Covered payroll	1,775,033	1,638,675	1,489,485	1,348,891
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.76%	-0.36%	-25.10%	-20.59%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.21%	100.10%	106.83%	105.83%

(1) The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. The Town implemented GASB Statement No.'s 68 and 71 in 2015; therefore 10 years of data is not available.

Town of Erie, Colorado
Schedule of Town Contributions and Related Ratios
Last 10 Years (1)

	2017	2016	2015	2014	2013
Statutorily required contributions	$ 160,422	$ 142,003	$ 131,094	$ 119,159	$ 107,911
Contributions in relation to the statutorily required contribution	160,422	142,003	131,094	119,159	107,911
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	2,005,275	1,775,033	1,638,675	1,489,485	1,348,891
Contribution as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%

(1) The amounts presented for each fiscal year were determined as of December 31. The Town implemented GASB Statement No.'s 68 and 71 in 2015; therefore 10 years of data is not available.

Combining and Individual Fund Statements and Schedules

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

Conservation Trust Fund: Accounts for revenues received from the Colorado State Lottery proceeds through the State's Conservation Trust Fund. It is used to acquire, develop, and maintain new conservation sites; and for capital improvements or maintenance for recreational purposes on any public site.

Cemetery Fund: Accounts for revenues received from plot purchases at the municipal cemetery. Money is used for perpetual care expenditures at the cemetery.

Forfeiture and Seizure Fund: Accounts for forfeitures as a result of asset seizures relating to convictions for drug-related offenses. Money is used to purchase goods and services related to law enforcement.

Trails and Natural Areas Fund: Accounts for property tax revenues used to acquire and construct trails; and acquire and develop natural areas for public use.

Erie Community Civic Fund: A nonprofit organization, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code that is used to facilitate certain contributions and grants for support of various Town activities.

Capital Projects Funds - Capital projects funds are used to account for the acquisition and construction of major capital facilities.

Public Facilities Impact Fund: Accounts for impact fee revenues used to construct and acquire public facilities.

Transportation Impact Fund: Accounts for impact fee revenues used to construct and acquire transportation system enhancements.

Parks Improvement Impact Fund: Accounts for impact fee revenues used to construct and acquire parks and related improvements.

Tree Impact Fund: Accounts for impact fee revenues used to acquire and plant trees in public locations, and to issue certificates for tree purchases to homeowners of newly constructed homes.

Storm Drainage Impact Fund: Accounts for impact fee revenues used to acquire and construct the storm drainage system.

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	$ 4,599,142	$ 15,982,416	$ 20,581,558
Receivables	1,325,952	140,304	1,466,256
Total Assets	$ 5,925,094	$ 16,122,720	$ 22,047,814
LIABILITIES			
Accounts Payable	$ 8,527	$ 392,257	$ 400,784
Wages Payable	797	-	797
Total Liabilities	9,324	392,257	401,581
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,321,358	-	1,321,358
Total Deferred Inflows of Resources	1,321,358	-	1,321,358
FUND BALANCES			
Restricted for:			
Capital Projects	-	15,730,463	15,730,463
Parks and Open Space	4,416,043	-	4,416,043
Public Safety	6,322	-	6,322
Committed to:			
Cemetery Operations	172,047	-	172,047
Total Fund Balances	4,594,412	15,730,463	20,324,875
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,925,094	$ 16,122,720	$ 22,047,814

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 1,131,211	$ -	$ 1,131,211
Intergovernmental	188,794	215,009	403,803
Fees and Charges for Services	28,950	-	28,950
Capital Contributions and Fees	564,063	8,379,833	8,943,896
Investment Earnings	39,027	123,734	162,761
Miscellaneous	3,304	-	3,304
Total Revenues	1,955,349	8,718,576	10,673,925
EXPENDITURES			
Current Operating:			
Parks and Recreation	129,607	-	129,607
Capital Outlay	296,678	2,118,683	2,415,361
Total Expenditures	426,285	2,118,683	2,544,968
Excess of Revenues Over Expenditures	1,529,064	6,599,893	8,128,957
OTHER FINANCING USES			
Transfers Out	(320,000)	(3,139,213)	(3,459,213)
Total Other Financing Uses	(320,000)	(3,139,213)	(3,459,213)
Net Change in Fund Balance	1,209,064	3,460,680	4,669,744
Fund Balance - Beginning	3,385,348	12,269,783	15,655,131
Fund Balance - Ending	$ 4,594,412	$ 15,730,463	$ 20,324,875

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails & Natural Areas Fund
ASSETS				
Pooled Cash and Investments	$ 664,396	$ 171,786	$ 6,312	$ 3,753,344
Receivables	987	261	10	1,324,694
Total Assets	$ 665,383	$ 172,047	$ 6,322	$ 5,078,038
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ 8,527
Wages Payable	797	-	-	-
Total Liabilities	797	-	-	8,527
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	1,321,358
Total Deferred Inflows of Resources	-	-	-	1,321,358
FUND BALANCES				
Restricted for:				
Parks and Open Space	664,586	-	-	3,748,153
Public Safety	-	-	6,322	-
Committed to:				
Cemetery Operations	-	172,047	-	-
Total Fund Balances	664,586	172,047	6,322	3,748,153
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 665,383	$ 172,047	$ 6,322	$ 5,078,038

Erie Community Civic Fund	Total
$ 3,304	$ 4,599,142
-	1,325,952
$ 3,304	$ 5,925,094
$ -	$ 8,527
-	797
-	9,324
-	1,321,358
-	1,321,358
3,304	4,416,043
-	6,322
-	172,047
3,304	4,594,412
$ 3,304	$ 5,925,094

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails & Natural Areas Fund
REVENUES				
Taxes	$ -	$ -	$ -	$ 1,131,211
Intergovernmental	188,794	-	-	-
Fees and Charges for Services	-	28,950	-	-
Capital Contributions and Fees	-	-	-	564,063
Investment Earnings	6,001	1,569	59	31,398
Miscellaneous	-	-	-	-
Total Revenues	194,795	30,519	59	1,726,672
EXPENDITURES				
Current Operating:				
Parks and Recreation	103,285	-	-	26,322
Capital Outlay	-	-	-	296,678
Total Expenditures	103,285	-	-	323,000
Excess of Revenues Over Expenditures	91,510	30,519	59	1,403,672
OTHER FINANCING USES				
Transfers Out	-	-	-	(320,000)
Total Other Financing Uses	-	-	-	(320,000)
Net Change in Fund Balance	91,510	30,519	59	1,083,672
Fund Balance - Beginning	573,076	141,528	6,263	2,664,481
Fund Balance - Ending	$ 664,586	$ 172,047	$ 6,322	$ 3,748,153

Erie Community Civic Fund	Total
$ -	$ 1,131,211
-	188,794
-	28,950
-	564,063
-	39,027
3,304	3,304
3,304	1,955,349
-	129,607
-	296,678
-	426,285
3,304	1,529,064
-	(320,000)
-	(320,000)
3,304	1,209,064
-	3,385,348
$ 3,304	$ 4,594,412

Town of Erie, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ 170,000	$ 170,000	$ 188,794	$ 18,794
Investment Earnings	1,000	1,000	6,001	5,001
Total Revenues	171,000	171,000	194,795	23,795
EXPENDITURES				
Current Operating:				
Parks and Recreation	151,400	151,400	103,285	48,115
Total Expenditures	151,400	151,400	103,285	48,115
Excess of Revenues Over Expenditures	19,600	19,600	91,510	71,910
Net Change in Fund Balance	$ 19,600	$ 19,600	91,510	$ 71,910
Fund Balance - Beginning			573,076	
Fund Balance - Ending			$ 664,586	

Town of Erie, Colorado
Cemetery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Fees and Charges for Services	$ 15,000	$ 25,000	$ 28,950	$ 3,950
Investment Earnings	100	100	1,569	1,469
Total Revenues	15,100	25,100	30,519	5,419
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	15,100	25,100	30,519	5,419
Net Change in Fund Balance	$ 15,100	$ 25,100	30,519	$ 5,419
Fund Balance - Beginning			141,528	
Fund Balance - Ending			$ 172,047	

Town of Erie, Colorado
Forfeiture and Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ 59	$ 59
Total Revenues	-	-	59	59
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	59	59
Net Change in Fund Balance	$ -	$ -	59	$ 59
Fund Balance - Beginning			6,263	
Fund Balance - Ending			$ 6,322	

Town of Erie, Colorado
Trails and Natural Areas Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes	$ 1,126,000	$ 1,136,000	$ 1,131,211	$ (4,789)
Capital Contributions and Fees	-	358,900	564,063	205,163
Investment Earnings	15,000	15,000	31,398	16,398
Total Revenues	1,141,000	1,509,900	1,726,672	216,772
EXPENDITURES				
Current Operating:				
Parks and Recreation	14,300	28,300	26,322	1,978
Capital Outlay	1,090,000	2,314,200	296,678	2,017,522
Total Expenditures	1,104,300	2,342,500	323,000	2,019,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,700	(832,600)	1,403,672	2,236,272
OTHER FINANCING USES				
Transfers Out	(300,000)	(300,000)	(320,000)	(20,000)
Total Other Financing Uses	(300,000)	(300,000)	(320,000)	(20,000)
Net Change in Fund Balance	$ (263,300)	$ (1,132,600)	1,083,672	$ 2,216,272
Fund Balance - Beginning			2,664,481	
Fund Balance - Ending			$ 3,748,153	

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
ASSETS				
Pooled Cash and Investments	$ 2,279,851	$ 5,945,768	$ 4,230,708	$ 444,790
Receivables	3,331	7,376	124,330	683
Total Assets	$ 2,283,182	$ 5,953,144	$ 4,355,038	$ 445,473
LIABILITIES				
Accounts Payable	$ 88,146	$ 111,294	$ 177,433	$ 10,675
Total Liabilities	88,146	111,294	177,433	10,675
FUND BALANCES				
Restricted for:				
Capital Projects	2,195,036	5,841,850	4,177,605	434,798
Total Fund Balances	2,195,036	5,841,850	4,177,605	434,798
Total Liabilities and Fund Balances	$ 2,283,182	$ 5,953,144	$ 4,355,038	$ 445,473

Storm Drainage Impact Fund	Total
$ 3,081,299	$ 15,982,416
4,584	140,304
$ 3,085,883	$ 16,122,720
$ 4,709	$ 392,257
4,709	392,257
3,081,174	15,730,463
3,081,174	15,730,463
$ 3,085,883	$ 16,122,720

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
REVENUES				
Intergovernmental	$ -	$ 140,009	$ 75,000	$ -
Capital Contributions and Fees	1,241,357	3,313,602	2,695,585	189,300
Investment Earnings	18,476	35,939	32,737	4,069
Total Revenues	1,259,833	3,489,550	2,803,322	193,369
EXPENDITURES				
Capital Outlay	450,739	483,671	1,072,563	111,710
Total Expenditures	450,739	483,671	1,072,563	111,710
Excess of Revenues Over Expenditures	809,094	3,005,879	1,730,759	81,659
OTHER FINANCING USES				
Transfers Out	(8,700)	-	-	-
Total Other Financing Uses	(8,700)	-	-	-
Net Change in Fund Balance	800,394	3,005,879	1,730,759	81,659
Fund Balance - Beginning	1,394,642	2,835,971	2,446,846	353,139
Fund Balance - Ending	$ 2,195,036	$ 5,841,850	$ 4,177,605	$ 434,798

Storm Drainage Impact Fund	Total
$ -	$ 215,009
939,989	8,379,833
32,513	123,734
972,502	8,718,576
-	2,118,683
-	2,118,683
972,502	6,599,893
(3,130,513)	(3,139,213)
(3,130,513)	(3,139,213)
(2,158,011)	3,460,680
5,239,185	12,269,783
$ 3,081,174	$ 15,730,463

Town of Erie, Colorado
Public Facilities Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 860,400	$ 1,205,700	$ 1,241,357	$ 35,657
Investment Earnings	15,000	15,000	18,476	3,476
Total Revenues	875,400	1,220,700	1,259,833	39,133
EXPENDITURES				
Capital Outlay	160,000	1,411,000	450,739	960,261
Total Expenditures	160,000	1,411,000	450,739	960,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	715,400	(190,300)	809,094	999,394
OTHER FINANCING USES				
Transfers Out	(8,700)	(8,700)	(8,700)	-
Total Other Financing Uses	(8,700)	(8,700)	(8,700)	-
Net Change in Fund Balance	$ 706,700	$ (199,000)	800,394	$ 999,394
Fund Balance - Beginning			1,394,642	
Fund Balance - Ending			$ 2,195,036	

Town of Erie, Colorado
Transportation Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Intergovernmental	$ -	$ 113,600	$ 140,009	$ 26,409
Capital Contributions and Fees	2,586,200	2,893,700	3,313,602	419,902
Investment Earnings	-	25,000	35,939	10,939
Total Revenues	2,586,200	3,032,300	3,489,550	457,250
EXPENDITURES				
Capital Outlay	2,145,000	4,306,900	483,671	3,823,229
Total Expenditures	2,145,000	4,306,900	483,671	3,823,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	441,200	(1,274,600)	3,005,879	4,280,479
Net Change in Fund Balance	$ 441,200	$ (1,274,600)	3,005,879	$ 4,280,479
Fund Balance - Beginning (as restated)			2,835,971	
Fund Balance - Ending			$ 5,841,850	

Town of Erie, Colorado
Parks Improvement Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	$ -	$ 75,000	$ 75,000	$ -
Capital Contributions and Fees	1,555,600	2,681,400	2,695,585	14,185
Investment Earnings	3,000	23,000	32,737	9,737
Total Revenues	1,558,600	2,779,400	2,803,322	23,922
EXPENDITURES				
Capital Outlay	3,275,000	3,965,900	1,072,563	2,893,337
Total Expenditures	3,275,000	3,965,900	1,072,563	2,893,337
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,716,400)	(1,186,500)	1,730,759	2,917,259
Net Change in Fund Balance	$ (1,716,400)	$ (1,186,500)	1,730,759	$ 2,917,259
Fund Balance - Beginning			2,446,846	
Fund Balance - Ending			$ 4,177,605	

Town of Erie, Colorado
Tree Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 120,000	$ 188,500	$ 189,300	$ 800
Investment Earnings	200	3,000	4,069	1,069
Total Revenues	120,200	191,500	193,369	1,869
EXPENDITURES				
Capital Outlay	118,000	166,400	111,710	54,690
Total Expenditures	118,000	166,400	111,710	54,690
Excess of Revenues Over Expenditures	2,200	25,100	81,659	56,559
Net Change in Fund Balance	$ 2,200	$ 25,100	81,659	$ 56,559
Fund Balance - Beginning			353,139	
Fund Balance - Ending			$ 434,798	

Town of Erie, Colorado
Storm Drainage Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 655,200	$ 927,800	$ 939,989	$ 12,189
Investment Earnings	-	25,000	32,513	7,513
Total Revenues	655,200	952,800	972,502	19,702
EXPENDITURES				
Capital Outlay	975,000	-	-	-
Total Expenditures	975,000	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,800)	952,800	972,502	19,702
OTHER FINANCING USES				
Transfers Out	-	(5,462,500)	(3,130,513)	2,331,987
Total Other Financing Uses	-	(5,462,500)	(3,130,513)	2,331,987
Net Change in Fund Balance	$ (319,800)	$ (4,509,700)	(2,158,011)	$ 2,351,689
Fund Balance - Beginning			5,239,185	
Fund Balance - Ending			$ 3,081,174	

Nonmajor Proprietary Funds:

Airport Fund: Accounts for airport fees received from airport users, as well as proceeds from federal and state aviation grants. This money is used to construct and maintain the municipal airport.

Erie Housing Authority Fund: Accounts for rents received from authority tenants as well as federal subsidies for low income tenants. This money is used to maintain these housing facilities. The assets of the authority were sold in March 2017 and all operations were ceased at that time.

Statements of Revenues, Expenses, and Changes in Fund Net Position – Actual and Budget (Non-GAAP Budgetary Basis):

This section also presents budgetary comparisons for the following funds:

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

Town of Erie, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2017

	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
ASSETS			
Current Assets			
Receivables	$ 346,390	$ -	$ 346,390
Total Current Assets	346,390	-	346,390
Noncurrent Assets			
Capital Assets			
Construction in Progress	56,322	-	56,322
Land and Water Rights	592,295	-	592,295
Buildings, Property, and Equipment	5,928,285	-	5,928,285
Accumulated Depreciation	(2,425,261)	-	(2,425,261)
Total Capital Assets	4,151,641	-	4,151,641
Total Noncurrent Assets	4,151,641	-	4,151,641
Total Assets	4,498,031	-	4,498,031
LIABILITIES			
Current Liabilities			
Accounts Payable	38,802	-	38,802
Wages Payable	81	-	81
Due to Other Funds	233,578	-	233,578
Compensated Absences	193	-	193
Total Current Liabilities	272,654	-	272,654
Noncurrent Liabilities			
Compensated Absences	112	-	112
Total Noncurrent Liabilities	112	-	112
Total Liabilities	272,766	-	272,766
NET POSITION			
Net Investment in Capital Assets	4,151,641	-	4,151,641
Unrestricted	73,624	-	73,624
Total Net Position	$ 4,225,265	$ -	$ 4,225,265

Town of Erie, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2017

	Airport Fund	Erie Housing Authority Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for Services	$ 2,800	$ 19,128	$ 21,928
OPERATING EXPENSES			
Personnel Services	4,293	-	4,293
Operations and Maintenance	385,441	18,401	403,842
Depreciation	278,353	7,256	285,609
Total Operating Expenses	668,087	25,657	693,744
Net Operating Loss	(665,287)	(6,529)	(671,816)
NON-OPERATING REVENUES (EXPENSES)			
Investment Earnings	802	188	990
Intergovernmental	346,239	-	346,239
Other Non-Operating Income	43,900	35,261	79,161
Interest Expense	-	(6,536)	(6,536)
Gain (Loss) on Disposition of Capital Assets	32,031	(303,746)	(271,715)
Total Non-Operating Revenues (Expenses)	422,972	(274,833)	148,139
Loss Before Transfers	(242,315)	(281,362)	(523,677)
Transfers In	-	77,046	77,046
Change in Net Position	(242,315)	(204,316)	(446,631)
Total Net Position - Beginning	4,467,580	204,316	4,671,896
Total Net Position - Ending	$ 4,225,265	$ -	$ 4,225,265

Town of Erie, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2017

	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities			
Receipts from Customers and Users	$ 46,700	$ 20,443	$ 67,143
Payments to Employees	(4,433)	-	(4,433)
Payments to Suppliers	(349,274)	(28,359)	(377,633)
Net Cash Used in Operating Activities	(307,007)	(7,916)	(314,923)
Cash Flows from Non-capital Financing Activities			
Advance from/Repayment of Advance to Other Funds	233,578	(170,000)	63,578
Transfer from Other Funds	-	77,046	77,046
Cash Flows Provided by/(Used in) Non-capital Financing Activities	233,578	(92,954)	140,624
Cash Flows from Capital and Related Financing Activities			
Receipts from Capital Grants	17,975	-	17,975
Acquisition and Construction of Capital Assets	(37,400)	-	(37,400)
Proceeds from Sales of Capital Assets	35,173	392,795	427,968
Principal Paid on Capital Debt	-	(665,499)	(665,499)
Interest Paid on Capital Debt	-	(6,751)	(6,751)
Cash Flows Provided by (Used in) Capital and Related Financing Activities	15,748	(279,455)	(263,707)
Cash Flows from Investing Activities			
Proceeds from Sale and Maturity of Investments	-	377,011	377,011
Earnings on Investments	780	-	780
Cash Flows Provided by Investing Activities	780	377,011	377,791
Net Decrease in Pooled Cash and Investments	(56,901)	(3,314)	(60,215)
Pooled Cash and Investments - January 1	56,901	3,314	60,215
Pooled Cash and Investments - December 31	$ -	$ -	$ -
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Loss	$ (665,287)	$ (6,529)	$ (671,816)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Acitivities			
Depreciation Expense	278,353	7,256	285,609
Other Income	43,900	35,261	79,161
Decrease in			
Accounts Receivable	-	2,336	2,336
Prepaid Items	7,563	-	7,563
Increase (Decrease) in			
Accounts Payable	28,604	(41,420)	(12,816)
Wages Payable	21	-	21
Compensated Absences Payable	(161)	-	(161)
Other Liabilities	-	(3,799)	(3,799)
Deferred Revenue	-	(1,021)	(1,021)
Net Cash Used In Operating Activities	$ (307,007)	$ (7,916)	$ (314,923)

Town of Erie, Colorado
Water Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Charges for Services	$ 7,793,000	$ 8,611,000	$ 9,044,664	$ 433,664
Capital Contributions and Fees	11,647,200	15,547,700	15,702,821	155,121
Investment Earnings	25,000	220,000	285,093	65,093
Miscellaneous	30,700	30,700	43,182	12,482
Total Revenues	19,495,900	24,409,400	25,075,760	666,360
EXPENDITURES				
Operating Expenditures				
Personnel Services	2,122,900	2,150,200	2,029,111	121,089
Operations and Maintenance	2,204,300	2,376,300	1,978,950	397,350
Capital Outlay	7,553,900	23,653,500	18,036,456	5,617,044
Debt Related Expenses				
Principal Payments	2,345,000	2,475,000	2,475,000	-
Interest Expense	1,998,300	1,907,300	1,908,993	(1,693)
Debt Issuance Costs	-	80,900	80,825	75
Total Expenditures	16,224,400	32,643,200	26,509,335	6,133,865
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt Issuance	-	4,575,000	4,575,000	-
Debt Service Escrow Payment	-	(4,498,900)	(4,498,827)	(73)
Total Other Financing Sources	-	76,100	76,173	(73)
Change in Net Position, Budget Basis	$ 3,271,500	$ (8,157,700)	(1,357,402)	$ 6,800,152
Reconciliation to GAAP Basis:				
Debt Proceeds			(4,575,000)	
Payment to Refunded Bonds Escrow Agent			4,498,827	
Bond Principal Payments			2,475,000	
Change in Accrued Interest Payable			12,267	
Change in Compensated Absences Payable			(9,558)	
Developer Contributions			2,559,263	
Capital Outlay			17,849,169	
Depreciation and Amortization			(3,080,240)	
Loss on Disposition of Capital Assets			(594)	
Change in Net Position, GAAP Basis			18,371,732	
Total Net Position - Beginning			136,951,652	
Total Net Position - Ending			$ 155,323,384	

Town of Erie, Colorado
Wastewater Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for Services	$ 4,254,000	$ 4,300,000	$ 4,439,911	$ 139,911
Capital Contributions and Fees	2,179,800	3,278,000	3,352,363	74,363
Investment Earnings	20,000	135,000	178,651	43,651
Miscellaneous	-	-	20,000	20,000
Total Revenues	6,453,800	7,713,000	7,990,925	277,925
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,885,600	1,912,100	1,659,585	252,515
Operations and Maintenance	1,227,200	1,233,000	1,028,622	204,378
Capital Outlay	220,000	4,174,700	2,749,633	1,425,067
Debt Related Expenses				
Principal Payments	636,700	636,700	636,647	53
Interest Expense	677,300	671,100	670,689	411
Total Expenditures	4,646,800	8,627,600	6,745,176	1,882,424
Change in Net Position, Budget Basis	$ 1,807,000	$ (914,600)	1,245,749	$ 2,160,349
Reconciliation to GAAP Basis:				
Principal Payments			636,647	
Change in Accrued Interest Payable			3,869	
Change in Compensated Absences Payable			(3,725)	
Developer Contributions			2,770,550	
Capital Outlay			2,664,715	
Depreciation and Amortization			(1,551,701)	
Loss on Disposition of Capital Assets			(6,205)	
Change in Net Position, GAAP Basis			5,759,899	
Total Net Position - Beginning			43,881,828	
Total Net Position - Ending			$ 49,641,727	

Town of Erie, Colorado
Storm Drainage Operating Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for Services	$ 790,000	$ 783,000	$ 795,580	$ 12,580
Investment Earnings	-	9,000	13,113	4,113
Miscellaneous	27,000	27,000	2,000	(25,000)
Total Revenues	817,000	819,000	810,693	(8,307)
EXPENDITURES				
Operating Expenditures				
Personnel Services	178,800	178,800	136,670	42,130
Operations and Maintenance	205,700	205,700	83,244	122,456
Capital Outlay	365,000	6,491,100	3,164,105	3,326,995
Debt Related Expenses				
Principal Payments	12,500	12,500	12,509	(9)
Interest Expense	5,700	5,700	5,715	(15)
Total Expenditures	767,700	6,893,800	3,402,243	3,491,557
OTHER FINANCING SOURCES				
Transfers In	-	5,462,500	3,130,513	(2,331,987)
Total Other Financing Sources	-	5,462,500	3,130,513	(2,331,987)
Change in Net Position, Budget Basis	$ 49,300	$ (612,300)	538,963	$ 1,151,263
Reconciliation to GAAP Basis:				
Principal Payments			12,509	
Change in Accrued Interest Payable			188	
Change in Compensated Absences Payable			630	
Developer Contributions			3,771,438	
Capital Outlay			3,127,413	
Depreciation and Amortization			(543,994)	
Loss on Disposition of Capital Assets			(4,297)	
Change in Net Position, GAAP Basis			6,902,850	
Total Net Position - Beginning (as restated)			21,247,554	
Total Net Position - Ending			$ 28,150,404	

Town of Erie, Colorado
Airport Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Position
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Charges for Services	$ 5,800	$ 5,800	$ 2,800	$ (3,000)
Capital Contributions and Fees	-	425,300	-	(425,300)
Intergovernmental	250,000	372,500	346,239	(26,261)
Investment Earnings	-	-	802	802
Miscellaneous	41,100	41,100	43,900	2,800
Total Revenues	296,900	844,700	393,741	(450,959)
EXPENDITURES				
Operating Expenditures				
Personnel Services	4,100	4,100	4,453	(353)
Operations and Maintenance	27,200	27,200	20,979	6,221
Capital Outlay	277,800	839,900	401,862	438,038
Total Expenditures	309,100	871,200	427,294	443,906
OTHER FINANCING SOURCES				
Proceeds from Disposition of Capital Assets	-	35,000	35,173	173
Total Other Financing Sources	-	35,000	35,173	173
Change in Net Position, Budget Basis	$ (12,200)	$ 8,500	1,620	$ (6,880)
Reconciliation to GAAP Basis:				
Change in Compensated Absences Payable			160	
Capital Outlay			37,400	
Depreciation and Amortization			(278,353)	
Loss on Disposition of Capital Assets			(3,142)	
Change in Net Position, GAAP Basis			(242,315)	
Total Net Position - Beginning			4,467,580	
Total Net Position - Ending			$ 4,225,265	

Statistical Section

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This part of the Town of Erie'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 government's overall financial health.

Contents **Page**

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Town of Erie
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013 [1]	2014	2015 [2]	2016	2017
Governmental Activities										
Net Investment in Capital Assets	$ 57,152,274	$ 65,207,177	$ 72,498,257	$ 72,014,062	$ 74,135,764	$ 77,940,386	$ 81,995,267	$ 83,754,661	$ 91,829,234	$ 104,366,825
Restricted	22,628,014	17,065,975	21,282,036	16,385,652	19,194,615	19,769,068	18,521,700	21,372,046	20,657,054	26,561,257
Unrestricted	19,422,764	17,917,745	8,127,869	13,780,904	10,221,089	7,505,621	7,907,992	7,096,865	9,812,424	16,619,107
Total Governmental Activities Net Position	$ 99,203,052	$ 100,190,897	$ 101,908,162	$ 102,180,618	$ 103,551,468	$ 105,215,075	$ 108,424,959	$ 112,223,572	$ 122,298,712	$ 147,547,189
Business-type Activities										
Net Investment in Capital Assets	$ 121,520,053	$ 129,658,852	$ 139,778,932	$ 131,296,683	$ 131,076,105	$ 138,601,037	$ 144,136,677	$ 138,280,725	$ 161,759,392	$ 190,333,252
Restricted	15,722,590	5,939,968	7,790,656	7,125,596	7,195,376	1,699,317	1,960,235	1,982,998	1,183,031	786,000
Unrestricted	16,889,395	20,708,504	10,662,206	17,313,158	19,982,088	22,531,638	22,935,815	31,991,085	45,517,350	46,221,528
Total Business-type Activities Net Position	$ 154,132,038	$ 156,307,324	$ 158,231,794	$ 155,735,437	$ 158,253,569	$ 162,831,992	$ 169,032,727	$ 172,254,808	$ 208,459,773	$ 237,340,780
Primary Government										
Net Investment in Capital Assets	$ 178,672,327	$ 194,866,029	$ 212,277,189	$ 203,310,745	$ 205,211,869	$ 216,541,423	$ 226,131,944	$ 222,035,386	$ 253,588,626	$ 294,700,077
Restricted	38,350,604	23,005,943	29,072,692	23,511,248	26,389,991	21,468,385	20,481,935	23,355,044	21,840,085	27,347,257
Unrestricted	36,312,159	38,626,249	18,790,075	31,094,062	30,203,177	30,037,259	30,843,807	39,087,950	55,329,774	62,840,635
Total Primary Government Net Position	$ 253,335,090	$ 256,498,221	$ 260,139,956	$ 257,916,055	$ 261,805,037	$ 268,047,067	$ 277,457,686	$ 284,478,380	$ 330,758,485	$ 384,887,969

Source: Town of Erie Finance Department

[1] In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

[2] In 2015 the Town implemented GASB 68, which provides for the recognition of certain pension-related amounts. Prior year amounts were not restated.

Town of Erie
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013 (1)	2014	2015 (2)	2016	2017
Expenses										
Governmental Activities:										
General Government	$ 2,542,611	$ 2,191,872	$ 2,025,071	$ 2,215,449	$ 2,315,020	$ 3,424,886	$ 4,173,232	$ 6,364,236	$ 3,624,195	$ 4,601,379
Public Safety	2,070,326	2,106,365	2,337,449	2,361,217	2,392,865	2,562,909	2,810,944	3,065,695	3,564,444	3,911,466
Public Works	2,830,931	2,757,873	2,771,238	3,168,315	3,283,741	5,365,419	5,607,191	4,611,400	5,129,083	5,566,858
Parks & Recreation	4,178,321	4,700,478	5,209,771	6,038,210	6,214,564	4,528,156	4,591,031	6,248,337	6,478,449	7,106,468
Interest on Long-Term Debt	907,069	868,802	854,380	819,064	780,479	649,304	681,174	720,371	657,411	604,011
Total Governmental Activities Expenses	12,529,258	12,625,390	13,197,909	14,602,255	14,986,669	16,530,674	17,863,572	21,010,039	19,453,582	21,790,182
Business-type Activities:										
Water	5,920,041	6,412,330	6,830,005	7,167,474	7,666,733	8,176,581	8,988,723	10,865,948	9,605,720	9,263,291
Wastewater	2,370,152	2,728,947	3,261,244	3,874,319	4,538,293	4,676,937	4,980,408	10,553,917	4,886,037	5,001,576
Storm Drainage	359,817	381,752	372,769	400,859	418,621	447,151	412,940	664,028	932,686	809,794
Airport	246,451	320,180	265,896	314,911	299,977	445,648	263,355	337,969	307,283	668,087
Housing Authority	118,011	109,513	114,313	117,270	107,136	111,463	119,300	112,370	116,252	335,939
Total Business-type Activities Expenses	9,014,472	9,952,722	10,844,227	11,874,833	13,030,760	13,857,780	14,764,726	22,534,232	15,847,978	16,078,687
Total Primary Government Expenses	$ 21,543,730	$ 22,578,112	$ 24,042,136	$ 26,477,088	$ 28,017,429	$ 30,388,454	$ 32,628,298	$ 43,544,271	$ 35,301,560	$ 37,868,869
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	$ 1,180,105	$ 656,516	$ 572,119	$ 636,727	$ 619,763	$ 1,028,882	$ 1,199,010	$ 1,607,509	$ 1,952,378	$ 2,169,570
Public Safety	108,343	121,429	135,506	162,864	176,375	246,843	249,004	219,581	299,055	268,853
Public Works	1,208,708	953,418	1,796,856	1,512,843	1,259,149	1,808,015	2,021,365	2,164,559	2,411,375	3,178,241
Parks and Recreation	1,355,988	1,254,479	1,904,056	1,878,354	1,723,388	1,874,591	1,935,127	2,013,213	2,018,464	2,089,718
Operating Grants and Contributions	14,637	128,680	73,748	128,031	1,002,109	1,020,806	1,095,717	1,127,940	1,198,439	1,249,172
Capital Grants and Contributions	7,000,266	2,121,328	1,894,614	1,382,427	1,670,546	2,153,798	3,188,496	4,455,967	9,605,770	22,013,219
Total Governmental Activities Program Revenues	10,868,047	5,235,850	6,376,899	5,701,246	6,451,330	8,132,935	9,688,719	11,588,769	17,485,481	30,968,773
Business-type Activities:										
Charges for Services										
Water	5,395,596	4,995,495	5,511,767	6,321,368	7,104,638	6,393,236	6,514,590	7,131,476	8,278,284	9,044,664
Wastewater	2,123,952	2,359,528	2,774,232	3,112,916	3,535,547	4,141,562	4,267,375	4,143,696	4,320,614	4,439,911
Storm Drainage	370,501	380,023	387,275	392,907	401,146	411,862	427,761	514,714	660,450	795,580
Other Activities	203,854	172,369	173,394	136,988	98,477	86,138	82,478	85,794	89,736	21,928
Operating Grants and Contributions	-	-	-	-	73,455	66,438	54,829	74,100	20,190	346,239
Capital Grants and Contributions	6,312,796	3,689,777	3,720,291	3,701,122	4,276,591	7,673,635	9,196,375	13,603,985	24,893,959	28,156,435
Total Business-type Activities Program Revenues	14,406,699	11,597,192	12,566,959	13,665,301	15,489,854	18,772,871	20,543,408	25,553,765	38,263,233	42,804,757
Total Primary Government Program Revenues	$ 25,274,746	$ 16,833,042	$ 18,943,858	$ 19,366,547	$ 21,941,184	$ 26,905,806	$ 30,232,127	$ 37,142,534	$ 55,748,714	$ 73,773,530
Net (Expense) Revenue										
Governmental Activities	$ (1,661,211)	$ (7,389,540)	$ (6,821,010)	$ (8,901,009)	$ (8,535,339)	$ (8,397,739)	$ (8,174,853)	$ (9,421,270)	$ (1,968,101)	$ 9,178,591
Business-type Activities	5,392,227	1,644,470	1,722,732	1,790,468	2,459,094	4,915,091	5,778,682	3,019,533	22,415,255	26,726,070
Total Primary Government Net (Expense) Revenue	$ 3,731,016	$ (5,745,070)	$ (5,098,278)	$ (7,110,541)	$ (6,076,245)	$ (3,482,648)	$ (2,396,171)	$ (6,401,737)	$ 20,447,154	$ 35,904,661
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	$ 3,556,517	$ 3,720,316	$ 3,947,570	$ 3,880,843	$ 3,962,431	$ 3,977,786	$ 3,993,379	$ 4,316,592	$ 5,019,474	$ 5,403,174
Sales & Use Taxes	3,559,908	3,126,330	3,420,184	3,692,180	4,096,437	4,914,157	5,633,645	6,762,462	8,300,744	11,490,093
Franchise Taxes	589,062	571,130	684,352	561,740	638,792	685,918	708,894	717,589	749,480	815,245
Specific Ownership Taxes	284,928	253,376	221,453	234,005	258,258	239,435	286,551	279,094	266,745	325,357
Intergovernmental - Unrestricted	-	-	-	-	107,617	103,540	207,505	249,784	91,578	78,323
Investment Earnings	1,633,905	621,372	262,564	250,191	182,476	102,215	169,030	127,840	201,007	376,733
Other Miscellaneous	204,950	84,860	207,953	556,947	423,901	212,691	613,890	379,013	403,763	258,643
Transfers In/Out	-	-	(19,813)	(21,547)	(20,087)	(18,137)	(228,157)	(9,349)	(33,719)	(3,207,559)
Total Governmental Activities	9,829,270	8,377,384	8,724,263	9,154,359	9,649,825	10,217,605	11,384,737	12,823,025	14,999,072	15,540,009
Business-type Activities:										
Investment Earnings	1,405,388	438,286	155,037	113,452	122,303	82,977	132,694	127,247	252,507	477,847
Other Miscellaneous	271,320	92,529	99,970	101,533	49,538	376,272	61,202	65,952	121,267	176,374
Transfers In/Out	-	-	19,813	21,547	20,087	18,137	228,157	9,349	33,719	3,207,559
Total Business-type Activities	1,676,708	530,815	274,820	236,532	191,928	477,386	422,053	202,548	407,493	3,861,780
Total Primary Government General Revenue and Other Changes in Net Position	$ 11,505,978	$ 8,908,199	$ 8,999,083	$ 9,390,891	$ 9,841,753	$ 10,694,991	$ 11,806,790	$ 13,025,573	$ 15,406,565	$ 19,401,789
Changes in Net Position										
Governmental Activities	$ 8,168,059	$ 987,844	$ 1,903,253	$ 253,350	$ 1,114,486	$ 1,819,866	$ 3,209,884	$ 3,401,755	$ 13,030,971	$ 24,718,600
Business-type Activities	7,068,935	2,175,285	1,997,552	2,027,000	2,651,022	5,392,477	6,200,735	3,222,081	22,822,748	30,587,850
Total Primary Government Changes in Net Position	$ 15,236,994	$ 3,163,129	$ 3,900,805	$ 2,280,350	$ 3,765,508	$ 7,212,343	$ 9,410,619	$ 6,623,836	$ 35,853,719	$ 55,306,450

Source: Town of Erie Finance Department

(1) In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

(2) In 2015 the Town implemented GASB 68, which provides for the recognition of certain pension-related amounts. Prior year amounts were not restated.

Town of Erie
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011 [1]	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	$ -	$ -	$ -	$ 128,000	$ 1,477,677	$ 4,030,672	$ 4,596,194	$ 5,202,240	$ 5,563,854	$ 5,654,209
Restricted/Reserved	3,664,997	1,253,409	8,025,287	2,163,588	5,009,870	2,286,494	7,177,572	4,789,674	4,894,278	4,854,795
Assigned	-	-	-	1,026,106	1,462,004	1,118,949	131,230	41,842	250,058	230,835
Unassigned/Unreserved	16,509,423	17,358,472	8,245,195	12,755,793	8,619,655	6,784,338	7,895,100	6,875,429	9,824,378	16,020,667
Total General Fund	$ 20,174,420	$ 18,611,881	$ 16,270,482	$ 16,073,487	$ 16,569,206	$ 14,220,453	$ 19,800,096	$ 16,909,185	$ 20,532,568	$ 26,760,506
All Other Governmental Funds										
Restricted/Reserved	$ 22,065,773	$ 16,639,587	$ 13,328,502	$ 14,222,064	$ 14,184,745	$ 17,482,574	$ 16,173,493	$ 16,582,372	$ 15,199,524	$ 21,172,707
Committed	-	-	-	137,963	143,579	17,987	151,996	130,154	141,528	172,047
Unassigned/Unreserved	144,587	133,606	-	(55,925)	(1,255,208)	(4,065,293)	(4,408,588)	(5,012,977)	(5,382,532)	(5,656,411)
Total of All Other Governmental Funds	$ 22,210,360	$ 16,773,193	$ 13,328,502	$ 14,304,102	$ 13,073,116	$ 13,435,268	$ 11,916,901	$ 11,699,549	$ 9,958,520	$ 15,688,343

Source: Town of Erie Finance Department

[1] In 2011 the Town implemented GASB 54 to reflect the new classifications of fund balance. Prior year amounts were not restated.

Town of Erie
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	$ 7,990,415	$ 7,671,152	$ 8,273,559	$ 8,368,768	$ 8,955,918	$ 9,817,296	$ 10,622,469	$ 12,075,737	$ 14,336,443	$ 18,033,869
Intergovernmental	745,587	919,987	918,999	1,037,646	1,109,725	1,124,346	1,465,446	1,647,060	1,540,723	1,542,503
Licenses and Permits	892,946	501,629	536,684	603,482	723,393	1,308,271	1,534,533	1,855,274	2,209,044	2,837,483
Charges for Services	2,560,440	2,213,269	2,504,617	2,581,391	2,878,907	3,403,217	3,620,969	3,930,007	4,173,172	4,600,046
Fines and Forfeitures	108,343	121,429	135,506	162,864	176,375	246,843	249,004	219,581	299,055	268,853
Capital Contributions and Fees	4,332,553	1,301,715	2,107,334	1,349,989	1,670,547	2,153,798	2,604,363	4,331,583	4,432,454	8,943,896
Investment Earnings	1,633,905	621,373	262,564	250,191	182,476	102,215	169,030	127,840	201,007	376,732
Miscellaneous	532,881	262,669	304,083	387,386	374,370	232,919	203,135	315,850	303,042	555,948
Total Revenues	18,797,070	13,613,223	15,043,346	14,741,717	16,071,711	18,388,905	20,468,949	24,502,932	27,494,940	37,159,330
Expenditures										
General Government	2,212,896	2,000,168	1,986,858	2,200,613	2,145,500	2,782,286	2,935,090	6,161,828	3,380,139	4,632,833
Public Safety	1,977,901	1,513,338	2,240,394	2,275,395	2,323,677	2,440,001	2,699,615	2,977,558	3,244,415	3,482,081
Public Works	1,694,973	2,035,519	1,582,570	1,719,095	1,833,074	3,790,678	3,973,497	2,793,781	2,980,586	2,991,570
Parks & Recreation	3,821,824	4,272,109	4,468,041	4,690,752	4,928,772	3,028,137	3,059,582	4,550,832	4,851,857	5,152,725
Capital Outlay	4,271,841	9,057,064	8,606,166	1,863,774	4,813,537	6,319,547	8,511,674	9,255,862	9,299,339	4,504,128
Debt Service										
Principal	800,000	845,000	880,000	915,000	950,000	1,800,062	1,125,320	1,177,108	1,225,393	1,281,999
Interest	922,632	889,731	857,444	820,681	782,756	673,681	683,515	748,037	697,864	645,055
Bond Issuance Costs	-	-	-	-	-	123,357	110,693	-	-	-
Total Expenditures	15,702,067	20,612,929	20,621,473	14,485,310	17,777,316	20,957,749	23,098,986	27,665,006	25,679,593	22,690,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,095,003	(6,999,706)	(5,578,127)	256,407	(1,705,605)	(2,568,844)	(2,630,037)	(3,162,074)	1,815,347	14,468,939
Other Financing Sources (Uses)										
Transfers In	104,939	98,200	109,400	131,200	457,800	4,965,891	1,803,700	2,390,626	657,893	328,700
Transfers Out	(104,939)	(98,200)	(129,213)	(152,747)	(477,887)	(4,984,028)	(2,031,857)	(2,399,975)	(691,612)	(3,536,259)
Debt Proceeds	-	-	-	-	695,000	9,985,460	6,508,716	-	-	-
Payment for Refunded Bonds	-	-	-	-	-	(9,571,113)	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	19,085	113,351	3,085	14,523	7,380	42,014	28,305	105,000
Insurance Recoveries & Related	-	-	41,331	22,084	46,446	171,510	33,374	21,146	72,421	33,333
Proceeds from Litigation Settlements	-	-	-	-	-	-	370,000	-	-	-
Total Other Financing Sources (Uses)	-	-	40,603	113,888	724,444	582,243	6,691,313	53,811	67,007	(3,069,226)
Net Changes in Fund Balance	$ 3,095,003	$ (6,999,706)	$ (5,537,524)	$ 370,295	$ (981,161)	$ (1,986,601)	$ 4,061,276	$ (3,108,263)	$ 1,882,354	$ 11,399,713
Debt Service as a Percentage of Noncapital Expenditures	15.07%	15.01%	14.46%	13.57%	13.16%	16.16%	11.77%	10.24%	11.24%	10.12%

Source: Town of Erie Finance Department

Town of Erie
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Year	Property Tax	Sales Tax	Use Tax	Franchise Tax	Specific Ownership Tax	Total
2008	$ 3,556,517	$ 2,624,783	$ 935,125	$ 589,062	$ 284,928	$ 7,990,415
2009	3,720,316	2,572,740	553,590	571,130	253,376	7,671,152
2010	3,947,570	2,842,974	577,210	684,352	221,453	8,273,559
2011	3,880,843	3,095,659	596,521	561,740	234,005	8,368,768
2012	3,962,431	3,318,242	778,195	638,792	258,258	8,955,918
2013	3,977,786	3,616,019	1,298,138	685,918	239,435	9,817,296
2014	3,993,379	4,027,197	1,606,448	708,894	286,551	10,622,469
2015 (1)	4,316,592	4,457,099	2,305,363	717,589	279,094	12,075,737
2016	5,019,474	5,501,497	2,799,247	749,480	266,745	14,336,443
2017	5,403,174	8,577,175	2,912,918	815,245	325,357	18,033,869

Source: Town of Erie Finance Department

(1) In April 2014, voters approved a mill levy increase to construct the Public Safety Building This change, which went into effect in 2015, added 0.878 mills to the Town's levy. For 2016 the levy was 0.744 mills.

Town of Erie
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Boulder County						
Year(1)	**Residential Property**	**Commercial Property**	**Vacant Land**	**Other**	**Less: Tax Exempt Real Property**	**Total Taxable Assessed Value**	**Total Taxable Actual Value**
2008	$ 72,775,610	$ 7,017,800	$ 7,679,860	$ 5,379,335	$ 3,938,640	$ 88,913,965	$ 968,230,200
2009	74,938,760	7,064,260	6,745,400	5,105,190	3,929,800	89,923,810	991,915,800
2010	74,095,210	7,658,420	6,248,880	12,085,460	4,334,730	95,753,240	994,842,810
2011	74,805,120	7,568,860	5,440,850	12,778,926	4,847,360	95,746,396	1,001,879,430
2012	73,860,728	7,251,830	4,783,897	18,565,810	4,999,658	99,462,607	993,982,165
2013	75,143,537	7,367,407	3,721,512	15,228,537	5,170,320	96,290,673	1,003,587,145
2014	74,154,873	7,686,083	5,744,842	14,205,385	5,079,776	96,711,407	998,823,627
2015	77,114,109	7,766,827	6,742,267	15,712,692	5,103,216	102,232,679	1,041,775,470
2016	97,235,515	9,220,302	13,490,705	13,883,022	5,097,508	128,732,036	1,321,949,675
2017	104,059,150	9,165,292	11,683,177	11,435,241	5,323,021	131,019,839	1,398,000,738

	Weld County						
Year(1)	**Residential Property**	**Commercial Property**	**Vacant Land**	**Other**	**Less: Tax Exempt Real Property**	**Total Taxable Assessed Value**	**Total Taxable Actual Value**
2008	$ 79,408,720	$ 8,715,140	$ 10,394,750	$ 14,279,150	$ 6,767,920	$ 106,029,840	$ 1,079,491,472
2009	86,117,660	11,917,150	8,805,060	22,293,620	9,331,410	119,802,080	1,179,147,606
2010	83,802,080	15,705,830	8,242,820	38,309,470	10,838,480	135,221,720	1,175,217,277
2011	85,974,780	16,846,260	6,993,710	26,916,450	8,507,750	128,223,450	1,191,937,810
2012	85,755,600	17,973,430	3,804,960	33,924,800	8,585,400	132,873,390	1,190,322,109
2013	87,078,530	17,404,680	3,815,130	48,243,410	18,250,220	138,291,530	1,213,972,885
2014	91,188,060	18,957,690	4,523,580	48,319,546	18,605,790	144,383,086	1,272,092,511
2015	93,755,970	18,416,740	4,236,270	45,016,450	18,783,500	142,641,930	1,299,657,997
2016	111,653,120	19,459,280	4,527,990	47,749,940	22,414,960	160,975,370	1,532,172,186
2017	114,999,210	20,798,020	4,142,940	36,049,340	22,921,780	153,067,730	1,564,789,993

	Boulder County and Weld County			
Year(1)	**Grand Total Assessed Taxable Value**	**Grand Total Actual Taxable Value**	**Assessed Value as a Percentage of Actual Value**	**Total Direct Tax Rate**
2008	$ 194,943,805	$ 2,047,721,672	9.52%	18.282
2009	209,725,890	2,171,063,406	9.66%	17.775
2010	230,974,960	2,170,060,087	10.64%	17.198
2011	223,969,846	2,193,817,240	10.21%	17.376
2012	232,335,997	2,184,304,274	10.64%	17.146
2013	234,582,203	2,217,560,030	10.58%	17.095
2014	241,094,493	2,270,916,138	10.62%	16.567
2015	244,874,609	2,341,433,467	10.46%	17.364
2016	289,707,406	2,854,121,861	10.15%	16.419
2017	284,087,569	2,962,790,731	9.59%	16.548

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

(1) Taxes for the year assessed are collected in the following year. For example: 2017 taxes assessed will be collected in the 2018 calendar year.

Town of Erie
Principal Property Taxpayers
December 31

	Boulder County					
	2017			2008		
Taxpayer	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
HT Flatiron LP	$ 5,432,001	1	4.15 %	$ -		- %
Public Service Co. of Colorado (Xcel)	3,526,361	2	2.69	-		-
Standard Pacific of Colorado Inc.	2,795,970	3	2.13	-		-
Arapahoe Ridge Property LLC	2,626,069	4	2.00	-		-
JMJC Eleven LLC	2,317,165	5	1.77	-		-
Calatlantic Group Inc.	2,066,830	6	1.58	-		-
Crestone Peak Resources	1,579,971	7	1.21	-		-
Tousa Recovery Acquisition LLC	1,462,496	8	1.12	-		-
BC Brennan LLC	1,210,750	9	0.92	-		-
Westpac Realty Fund II LLC	1,060,745	10	0.81	-		-
Arapahoe Ridge Retail Center LLC	-		-	2,502,920	1	2.92
Richmond American Homes of Colorado	-		-	1,675,750	2	1.95
John H. & Rosemarie Zahn	-		-	891,870	3	1.04
Boulder Valley Investment LLC	-		-	847,480	4	0.99
Westpac Realty Fund II LLC	-		-	804,000	5	0.94
Engle Homes/James Company	-		-	793,770	6	0.93
Cottonwood Vista by Remington Homes	-		-	661,920	7	0.77
Richard E. & Deborah L. Oliver	-		-	451,640	8	0.53
Tousa Homes Inc	-		-	405,830	9	0.47
Safeway Inc.	-		-	362,620	10	0.42
	$ 24,078,358		18.38 %	$ 9,397,800		10.96 %

	Weld County					
	2017			2008		
Taxpayer	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Kerr-McGee Gathering LLC	$ 3,442,150	1	2.14 %	$ -		- %
Encana Oil & Gas (USA) Inc.	2,667,310	2	1.66	-		-
Kerr-McGee Oil & Gas Onshore LP	1,765,100	3	1.10	-		-
Public Service Co. of Colorado (Xcel)	1,719,740	4	1.07	-		-
Waste Connections Inc.	1,443,690	5	0.90	-		-
Colorado National Golf Club LLC	1,013,920	6	0.63	-		-
KP Kaufmann Company Inc.	930,360	7	0.58	-		-
Erie Commons Commercial Partners LLC	800,770	8	0.50	-		-
Family Investments LLC	689,450	9	0.43	-		-
Kassity-Lowell Erie LLC	658,530	10	0.41	-		-
Encana Oil & Gas (USA) Inc	-		-	4,599,780	1	4.08
Noble Energy Inc	-		-	1,920,310	2	1.70
Encana Oil & Gas (USA) Inc	-		-	1,702,680	3	1.51
Colorado National Golf Club LLC	-		-	971,500	4	0.86
Comcast of Colorado LLC	-		-	885,370	5	0.78
Encana Oil & Gas (USA) Inc	-		-	759,530	6	0.67
Mile High Banks	-		-	737,160	7	0.65
Waste Connections Inc.	-		-	731,600	8	0.65
Republic Services of Colorado	-		-	580,700	9	0.51
Kerr-McGee Oil & Gas Onshore LP	-		-	441,220	10	0.39
	$ 15,131,020		9.39 %	$ 13,329,850		11.82 %

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

Town of Erie
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years

	Boulder County								
	Town of Erie								
Year	General Operating	General Obligation Bonds	Trails & Natural Areas	**Total Direct**	Boulder County	St. Vrain Valley School District	Boulder Valley School District	Mountain View Fire Protection District	Northern Colorado Water Conservation District
Rates (In mills)[1]									
2008	7.288	6.994	4.000	18.282	22.467	37.798	37.865	7.937	1.000
2009	7.288	6.487	4.000	17.775	23.067	46.285	39.113	11.747	1.000
2010	7.288	5.910	4.000	17.198	23.667	46.268	39.999	11.747	1.000
2011	7.288	6.088	4.000	17.376	24.645	46.837	43.838	11.747	1.000
2012	7.288	5.858	4.000	17.146	24.645	47.614	44.843	11.747	1.000
2013	7.288	5.807	4.000	17.095	24.645	53.500	45.547	11.747	1.000
2014	7.288	5.279	4.000	16.567	25.120	53.679	45.372	11.747	1.000
2015	7.288	6.076	4.000	17.364	24.794	53.673	47.569	11.747	1.000
2016	7.288	5.131	4.000	16.419	22.624	53.887	45.814	11.747	1.000
2017	7.288	5.260	4.000	16.548	24.064	56.945	48.961	11.747	1.000

	Weld County								
	Town of Erie								
Year	General Operating	General Obligation Bonds	Trails & Natural Areas	**Total Direct**	Weld County	St. Vrain Valley School District	Mountain View Fire Protection District	Northern Colorado Water Conservation District	High Plains Library
Rates (In mills)[1]									
2008	7.288	6.994	4.000	18.282	16.804	37.798	7.937	1.000	3.253
2009	7.288	6.487	4.000	17.775	16.804	46.285	11.747	1.000	3.260
2010	7.288	5.910	4.000	17.198	16.804	46.268	11.747	1.000	3.255
2011	7.288	6.088	4.000	17.376	16.804	46.837	11.747	1.000	3.281
2012	7.288	5.858	4.000	17.146	16.804	47.614	11.747	1.000	3.271
2013	7.288	5.807	4.000	17.095	16.804	53.500	11.747	1.000	3.261
2014	7.288	5.279	4.000	16.567	16.804	53.679	11.747	1.000	3.264
2015	7.288	6.076	4.000	17.364	15.800	53.673	11.747	1.000	3.267
2016	7.288	5.131	4.000	16.419	15.800	53.887	11.747	1.000	3.308
2017	7.288	5.260	4.000	16.548	15.800	56.945	11.747	1.000	3.271

Source: Boulder County Assessor's Office
Weld County Assessor's Office

(1) One mill generates $1 of property tax revenue per $1,000 of assessed valuation. Taxes for the year assessed are collected in the following year. For example: 2017 taxes assessed will be collected in the 2018 calendar year.

(2) Includes the following metro districts: Erie Farm, Flatiron Meadows and Rex Ranch.

(3) Includes the following metro districts: Colliers Hill #'s 1-3; Erie Commons #'s 1-2; Erie Corporate Center #'s 1-3; Erie Highlands #'s 1-5; Morgan Hill #'s 1-3; Redtail Ranch; Sunset Parks and Vista Ridge.

Urban Drainage & Flood District	High Plains Library(	Metro Districts (2)	*(Range)* Total
0.507	3.253	-	91.311 - 91.311
0.528	3.260	-	96.490 - 103.662
0.508	3.255	-	97.374 - 103.643
0.523	3.281	-	102.410 - 105.409
0.566	3.271	50.000	103.218 - 153.218
0.599	3.261	50.000	103.894 - 153.894
0.608	3.264	50.000	103.678 - 153.678
0.632	3.267	50.000	106.373 - 156.373
0.553	3.308	50.000	101.465 - 151.465
0.559	3.271	50.000	106.150 - 156.150

Metro Districts (3)	*(Range)* Total
14.000 - 57.827	85.074 - 142.901
17.140 - 57.827	96.871 - 154.698
18.000 - 57.827	96.272 - 154.099
18.000 - 57.827	97.045 - 154.872
20.000 - 57.827	97.582 - 155.409
20.000 - 57.827	103.407 - 161.234
20.000 - 57.827	103.061 - 160.888
10.000 - 70.000	102.851 - 172.851
10.000 - 70.000	102.161 - 172.161
10.000 - 70.000	105.311 - 175.311

Town of Erie
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy [(1)(2)]	Total Tax Collections [(2)]	Collections As a Percent of Tax Levy
2008	$ 3,563,963	$ 3,556,517	99.79
2009	3,727,878	3,720,316	99.80
2010	3,972,307	3,947,570	99.38
2011	3,891,700	3,880,843	99.72
2012	3,983,633	3,962,431	99.47
2013	4,010,183	3,977,786	99.19
2014	3,994,213	3,993,379	99.98
2015[(3)]	4,252,002	4,244,868	99.83
2016	4,756,706	4,758,082	100.03
2017	4,701,081	4,699,189	99.96

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

(1) Taxes for the year assessed are collected in the following year.
For example: 2017 taxes assessed will be collected in the 2018 calendar year.

(2) Excludes property taxes received by the Town of Erie Urban Renewal Authority.

(3) In April 2014, voters approved a mill levy increase to construct the Public Safety Building. It went into effect in 2015, when the levy was 0.878 mills. In 2017 the levy was 0.758 mills.

Town of Erie
Sales and Use Tax Revenue by Type
Last Ten Years

Year	Automotive	General	Use Tax [1]	Total Sales and Use Tax	Total Direct Tax Rate
2008	$ 1,079,982	$ 1,544,801	$ 935,125	$ 3,559,908	3.50 %
2009	845,641	1,727,099	553,590	3,126,330	3.50
2010	1,105,114	1,737,860	577,210	3,420,184	3.50
2011	1,232,012	1,863,647	596,521	3,692,180	3.50
2012	1,350,525	1,967,717	778,195	4,096,437	3.50
2013	1,545,392	2,070,627	1,298,138	4,914,157	3.50
2014	1,776,046	2,251,151	1,606,448	5,633,645	3.50
2015	1,879,338	2,577,761	2,305,363	6,762,462	3.50
2016	2,024,381	3,477,116	2,799,247	8,300,744	3.50
2017	2,349,269	6,227,906	2,912,918	11,490,093	3.50

Sources: Boulder County Treasurer's Office
Weld County Treasurer's Office
Colorado Department of Revenue
Town of Erie Finance Department

(1) Primarily represents taxes assessed on building materials associated with construction activity.

Town of Erie
Sales Tax Rates from Direct and Overlapping Governments
Last Ten Years

	Boulder County						
Year	Town of Erie	State of Colorado	Regional Transportation Authority	Metropolitan Sports Stadium District	Scientific and Cultural Facilities District	Boulder County	Total
2008	3.500 %	2.900 %	1.000 %	0.100 %	0.100 %	0.650 %	8.250 %
2009	3.500	2.900	1.000	0.100	0.100	0.650	8.250
2010	3.500	2.900	1.000	0.100	0.100	0.650	8.250
2011	3.500	2.900	1.000	0.100	0.100	0.800	8.400
2012	3.500	2.900	1.000	- (1)	0.100	0.800	8.300
2013	3.500	2.900	1.000	-	0.100	0.800	8.300
2014	3.500	2.900	1.000	-	0.100	0.800	8.300
2015	3.500	2.900	1.000	-	0.100	0.985	8.485
2016	3.500	2.900	1.000	-	0.100	0.985	8.485
2017	3.500	2.900	1.000	-	0.100	0.985	8.485

	Weld County				
Year	Town of Erie	State of Colorado	Regional Transportation Authority	Metropolitan Sports Stadium District	Total
2008	3.500 %	2.900 %	1.000 %	0.100 %	7.500 %
2009	3.500	2.900	1.000	0.100	7.500
2010	3.500	2.900	1.000	0.100	7.500
2011	3.500	2.900	1.000	0.100	7.500
2012	3.500	2.900	1.000	- (1)	7.400
2013	3.500	2.900	1.000	-	7.400
2014	3.500	2.900	1.000	-	7.400
2015	3.500	2.900	1.000	-	7.400
2016	3.500	2.900	1.000	-	7.400
2017	3.500	2.900	1.000	-	7.400

Source: Town of Erie Finance Office
Colorado Department of Revenue

(1) The Metropolitan Sports Stadium District tax expired as of December 31, 2011.

Town of Erie
Principal Sales Taxpayers
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Aggregate top ten filers[1]	$ 876,757	$ 857,218	$ 1,009,572	$ 942,292	$ 994,891	$ 1,096,938	$ 1,137,611	$ 1,217,909	$ 1,547,514	$ 4,202,529
Aggregate all other filers	668,044	869,881	728,288	921,355	972,826	973,689	1,113,540	1,359,852	1,929,602	2,025,377
Total sales tax [2]	$ 1,544,801	$ 1,727,099	$ 1,737,860	$ 1,863,647	$ 1,967,717	$ 2,070,627	$ 2,251,151	$ 2,577,761	$ 3,477,116	$ 6,227,906
Top ten filers as a percentage of total tax	56.8%	49.6%	58.1%	50.6%	50.6%	53.0%	50.5%	47.2%	44.5%	67.5%

Source: Colorado Department of Revenue

[1]Colorado State Statutes prohibit disclosure of individual sales and use tax returns, therefore the identities of the vendors cannot be divulged under penalty of law.

[2]Excludes sales tax arising from sales of vehicles.

Town of Erie
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business-type Activities						
Fiscal Year	General Obligation Bonds	Capital Leases	Revenue Bonds/Loans [1]	Certificates of Participation	Capital Leases	Mortgages & Other Loans Payable	Total Primary Government	Percentage of Personal Income [2]	Per Capita
2008	$19,071,095	$ -	$ 50,086,305	$ 30,515,000	$ 2,712,249	$ 856,327	$ 103,240,976	10.99%	$ 5,572
2009	18,235,000	-	61,988,088	29,955,000	2,648,691	838,939	113,665,718	12.37%	6,046
2010	17,623,254	-	60,542,625	29,522,550	2,582,378	819,154	111,089,961	11.55%	5,777
2011	16,692,986	-	58,734,280	29,026,374	2,513,192	803,667	107,770,499	10.60%	5,498
2012	15,727,719	-	56,086,691	28,465,197	2,441,007	781,683	103,502,297	9.50%	5,175
2013	15,923,684	250,790	54,983,075	28,295,000	-	758,942	100,211,491	8.48%	4,661
2014	21,249,523	195,470	54,126,668	25,105,000	-	745,832	101,422,493	7.82%	4,610
2015	20,010,049	138,363	51,331,253	25,768,158	-	735,843	97,983,666	7.07%	4,260
2016	18,707,714	82,969	49,398,754	25,088,650	-	665,499	93,943,586	5.90%	3,758
2017	17,350,378	22,229	46,784,562	24,394,142	-	-	88,551,311	N/A	3,373

Sources: Bureau of Economic Analysis
U.S. Census Bureau
Town of Erie Finance Department
Town of Erie Economic Development

[1] Includes revenue bonds and loans from the Colorado Water Resources and Power Development Authority.

[2] 2017 personal income data not yet available.

Town of Erie
Ratio of General Bonded Debt Outstanding
Last Ten Years

Year	Population	Estimated Actual Taxable Value	General Bonded Debt[1]	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2008	18,530	$ 2,047,721,672	$ 19,071,095	0.93	$ 1,029
2009	18,800	2,171,063,406	18,235,000	0.84	970
2010	19,230	2,170,060,087	17,623,254	0.81	916
2011	19,600	2,193,817,240	16,692,986	0.76	852
2012	20,000	2,184,304,274	15,727,719	0.72	786
2013	21,500	2,217,560,030	15,923,684	0.72	741
2014	22,000	2,270,916,138	21,249,523	0.94	966
2015	23,000	2,341,433,467	20,010,049	0.85	870
2016	25,000	2,854,121,861	18,707,714	0.66	748
2017	26,250	2,962,790,731	17,350,378	0.59	661

Sources: U.S. Census Bureau
Town of Erie Community Development Department
Boulder County Assessor's Office
Weld County Assessor's Office

[1] General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

Town of Erie
Direct and Overlapping General Bonded Debt
As of December 31, 2017

	Outstanding General Bonded Debt	Percentage Applicable to the Town[2]	Share of Debt Applicable to the Town
Direct Debt			
Town of Erie	$ 17,372,607	100 %	$ 17,372,607
Overlapping Debt [1]			
Boulder Valley School District	703,570,000	1	7,035,700
Carbon Valley Recreation	3,505,000	1	35,050
Erie Highlands Metro District #1	9,156,000	100	9,156,000
Frederick-Firestone Fire Protection District	1,450,000	1	14,500
St. Vrain Valley School District	531,080,000	5	26,554,000
Vista Ridge Metropolitan District	37,200,000	100	37,200,000
Total Overlapping Debt	1,285,961,000		79,995,250
Total Direct and Overlapping General Bonded Debt	$ 1,303,333,607		$ 97,367,857

Source: Provided by each government entity

[1]The following governments had no outstanding general bonded debt as of December 31, 2017:

Weld County, Mountain View Fire, High Plains Library, Northern Colorado Water, Left Hand Water, Boulder Valley Conservation, Erie Corp Center Metro #2, Erie Corp Center Metro #3, Ridge Lands Metro, RTD, St Vrain Sanitation, Erie Commons Metro #2, Erie Commons Metro #1, Longmont Conservation, Erie Corp Center Metro #1, Sunset Parks Metro, Colliers Hill Metro #1, Colliers Hill Metro #2, Colliers Hill Metro #3, Morgan Hill Metro #1, Morgan Hill Metro #2, Morgan Hill Metro #3, Erie Highlands Metro #1, Erie Highlands Metro #2, Erie Highlands Metro #3, Erie Highlands Metro #4, Erie Highlands Metro #5, Summerfield Metro #1, Summerfield Metro #2, Summerfield Metro #3, Redtail Ranch Metro District, 232 Metro District, Erie Area 4 TIF, Erie Historical Urban Renewal, Erie Urban Renewal, Sierra Vsta Metro District, Boulder County, Urban Drainage and Flood Control, Lafayette Rural Fire, Brennan Metro District, Lost Creek farms Metro District, Wise Farms Metro District 1, Wise Fams Metro District 2, Erie Farms Metro District, Flatiron Meadows Metro District, Rex Ranch Metro District, Hwy287 URA, Four Corners URA, Four Corners Metro District and Four Corners BID.

[2]Town assessed valuation as a percentage of the total assessed valuation of the overlapping government.

Town of Erie
Legal Debt Margin Information
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	$ 62,539,206	$ 66,503,788	$ 66,674,109	$ 67,199,962	$ 66,938,782	$ 68,952,454	$ 70,581,786	$ 73,170,157	$ 89,743,263	$ 94,865,701
Less: Net Debt Applicable to Limit	19,071,095	18,235,000	17,355,000	16,440,000	15,490,000	14,625,000	19,755,000	18,635,000	17,465,000	16,240,000
Legal Debt Margin	$ 43,468,111	$ 48,268,788	$ 49,319,109	$ 50,759,962	$ 51,448,782	$ 54,327,454	$ 50,826,786	$ 54,535,157	$ 72,278,263	$ 78,625,701
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.49%	27.42%	26.03%	24.46%	23.14%	21.21%	27.99%	25.47%	19.46%	17.12%

Legal Debt Margin Calculation for Fiscal Year 2017

Actual Valuation	
Boulder County	$ 1,416,945,553
Weld County	1,745,244,483
Total Actual Valuation	$ 3,162,190,036
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	$ 94,865,701
Debt Applicable to Limitation:	
Outstanding Balance of General Obligation Bonds	16,240,000
Legal Debt Margin	$ 78,625,701

Source: Town of Erie Finance Department

Town of Erie
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues[1]	Operating Expenses[2]	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2008	$ 10,410,225	$ 2,374,240	$ 8,035,985	$ 1,129,000	$ 1,861,680	$ 2,990,680	2.69 x
2009	7,724,936	2,683,025	5,041,911	1,175,000	1,790,873	2,965,873	1.70 x
2010	8,315,995	2,655,958	5,660,037	1,260,000	1,236,523	2,496,523	2.27 x
2011	8,857,658	2,746,833	6,110,825	676,000	1,100,016	1,776,016	3.44 x
2012	10,438,223	3,012,737	7,425,486	1,453,045	1,383,950	2,836,995	2.62 x
2013	12,674,206	3,191,385	9,482,821	1,465,000	1,370,029	2,835,029	3.34 x
2014	14,265,470	4,090,660	10,174,810	1,500,000	1,334,204	2,834,204	3.59 x
2015	18,267,808	3,755,288	14,512,520	1,560,000	1,272,904	2,832,904	5.12 x
2016	22,824,241	4,769,246	18,054,995	1,625,000	1,122,156	2,747,156	6.57 x
2017	25,075,166	4,211,555	20,863,611	1,835,000	945,089	2,780,089	7.50 x

Source: Town of Erie Finance Department

[1]Gross revenues consist of water sales, capital contributions (tap fees), investment income, and other income.

[2]Operating expenses excludes depreciation.

Town of Erie
Pledged-Revenue Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues[1]	Operating Expenses[2]	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2008	$ 3,552,108	$ 1,408,979	$ 2,143,129	$ 201,090	$ 133,634	$ 334,724	6.40 x
2009	3,085,121	1,410,234	1,674,887	357,240	502,102	859,342	1.95 x
2010	3,408,358	1,462,235	1,946,123	460,178	1,018,239	1,478,417	1.32 x
2011	3,625,497	1,672,930	1,952,567	558,773	1,019,333	1,578,106	1.24 x
2012	4,332,892	1,985,483	2,347,409	563,209	998,926	1,562,135	1.50 x
2013	5,477,482	2,170,910	3,306,572	560,696	973,337	1,534,033	2.16 x
2014	5,827,861	2,488,132	3,339,729	578,224	952,155	1,530,379	2.18 x
2015	6,710,717	2,557,448	4,153,269	600,491	934,736	1,535,227	2.71 x
2016	7,388,911	2,510,334	4,878,577	493,183	797,144	1,290,327	3.78 x
2017	7,984,720	2,780,013	5,204,707	636,647	670,389	1,307,036	3.98 x

Source: Town of Erie Finance Department

[1]Gross revenues consist of water sales, capital contributions (tap fees), investment income, and other income.

[2]Operating expenses excludes depreciation.

Town of Erie
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [1]	Personal Income [2] (in thousands)	Per Capita Income [2]	Median Age [1]	School Enrollment	Unemployment Rate [3]
2008	18,530	$ 939,730	$ 50,714	36.0	2,736	4.1
2009	18,800	919,151	48,891	36.3	3,273	6.8
2010	19,230	962,096	50,031	35.8	3,532	6.9
2011	19,600	1,017,103	51,893	36.2	3,636	6.3
2012	20,000	1,090,040	54,502	36.4	3,852	5.9
2013	21,500	1,181,812	54,968	35.2	4,085	5.2
2014	22,000	1,296,174	58,917	36.9	4,602	3.7
2015	23,000	1,385,060	60,220	36.0	4,903	2.6
2016	25,000	1,592,675	63,707	37.0	5,172	2.6
2017	26,250	-	-	37.0	5,699	2.6

Sources: U.S. Census Bureau
Town of Erie Economic Development Department
Bureau of Economic Analysis
Bureau of Labor Statistics
Department of Local Affairs
Boulder Valley School District
Colorado State of Labor
St. Vrain Valley School District

[1] Source - Town of Erie - Economic Development.

[2] Source - U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3 for Boulder County Metropolitan Statistical Area. 2017 data not yet available.

[3] Source - Colorado Department of Labor and Employment for Boulder County.

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Town of Erie
Principal Employers
Current Year and Ten Years Ago

Employer	2017 Employees	Rank	Percentage of Total Town Employment
St. Vrain Valley School District	290	1	8.02 %
King Soopers	267	2	7.38
Town of Erie	208	3	5.75
Safeway	75	4	2.07
Colorado National Golf Club	47	5	1.30
Magnum Plastics	45	6	1.24
Primrose	42	7	1.16
Aspen Ridge Prep School	42	8	1.16
Lazy Dog	41	9	1.13
CML RW	37	10	1.02
Total	1,094		30.23 %

	2008 Employees	Rank	Percentage of Total Town Employment
Town of Erie	230	1	9.20 %
Safeway	135	2	5.40
Better Business Cleaning	65	3	2.60
Erie Elementary	46	4	1.84
Erie Middle/Senior High	45	5	1.80
Town & Country Disposal	35	6	1.40
John Murphy Millworks	25	7	1.00
County Line Lumber	20	8	0.80
Forever Young	13	9	0.52
Erie Pre-Cast Concrete	12	10	0.48
	626		25.04 %

Source: Erie Chamber of Commerce & Town of Erie Economic Development

Town of Erie
Full-Time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	14.4	13.2	13.2	13.2	14.2	15.2	17.6	18.6	19.3	27.7
Parks & Recreation										
Parks	11.0	11.0	14.0	16.5	16.5	17.0	18.0	18.3	19.3	20.7
Recreation	50.5	51.1	51.1	52.5	53.1	57.3	54.0	56.0	53.2	58.3
Public Safety										
Police	22.7	23.8	24.8	25.0	25.0	27.0	24.4	27.4	29.9	31.0
Public Works	8.1	8.1	8.1	8.1	8.3	8.8	11.8	12.1	12.4	10.4
Water	17.1	17.1	17.1	17.1	17.4	19.2	20.5	20.7	22.1	26.3
Wastewater	13.1	13.1	13.1	14.1	15.4	16.1	17.5	17.7	19.1	22.3
Storm Drainage	1.3	1.3	1.3	1.3	1.5	1.5	1.9	1.9	2.2	2.7
Total	138.2	138.7	142.7	147.8	151.4	162.1	165.7	172.7	177.4	199.4

Source: Town of Erie Finance Department

Town of Erie
Operating Indicators by Function
Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parks										
Total Acres of Parks Maintained	87	91	148	148	149	149	136	136	136	136
Total Acres of Open Space Maintained	204	204	272	272	607	607	1,075	1,075	1,096	1,096
Recreation										
Participation in Recreation Activities	5,248	5,512	40,862	70,250	67,815	70,262	68,975	64,038	69,712	54,926
Participation in Sports	1,737	2,161	3,303	4,782	6,375	6,954	4,988	5,725	5,818	5,895
Participation in Senior Activities	2,572	5,459	3,667	5,779	14,136	17,211	16,086	9,532	10,516	9,103
Senior Lunches	2,742	2,059	2,636	2,677	2,364	2,383	1,770	2,510	2,499	2,574
Police										
Traffic Violations	823	840	1,021	1,091	1,138	1,573	1,255	1,420	1,897	1,474
Criminal Violations	318	173	158	247	239	263	275	385	404	211
Water										
Number of Service Connections	6,228	6,383	6,503	6,546	6,765	6,990	7,195	7,561	8,048	8,547
Average Daily Flow (million gallons per day)	2.57	2.36	2.530	2.64	2.94	2.64	2.63	2.75	3.15	3.25
Wastewater										
Number of Service Connections	5,982	6,106	6,216	6,298	6,491	6,716	6,912	7,242	7,732	8,220
Average Daily Flows (million gallons per day)	0.930	0.964	1.007	1.070	1.090	1.216	1.190	1.190	1.300	1.490

Sources: Town of Erie Public Works Department
Town of Erie Police Department
Town of Erie Parks & Recreation Department

Town of Erie
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Parks and Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	7	10	10	10	10	10	10	10	10	10
Park Acreage	81	81	136	136	136	136	136	136	136	150
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	8	8	8	8	8	8	9	9	10	10
Public Works										
Streets (miles)	112.3	132.0	130.0	121.0	122.4	134.0	134.0	134.0	135.0	154.0
Water										
Water Mains (miles)	110.0	111.0	111.0	125.5	132.7	132.7	137.0	149.5	157.0	165.0
Maximum Daily Capacity (million gallons per day)	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Wastewater										
Sanitary Sewers (miles)	93.4	94.0	94.0	87.7	89.7	90.9	94.0	100.8	103.5	109.0
Maximum Daily Capacity (million gallons per day)	1.2	1.8	1.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Storm Drainage										
Storm Sewers (miles)	32.5	34.0	34.0	40.1	40.1	39.9	44.0	49.7	53.0	59.0
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1

Sources: Town of Erie Public Works Department
Town of Erie Police Department

(1) Information not available.

Town of Erie
Property Values and Construction
Last Ten Fiscal Years

Year	Estimated Actual Property Value: Commercial	Residential	Total	Commercial Construction: Number of Units	Value	Residential Construction: Number of Units	Value
2008	$ 54,251,411	$ 1,911,752,066	$ 1,966,003,477	11	$ 9,474,077	168	$ 38,336,671
2009	65,454,367	2,027,025,769	2,092,480,136	4	47,815,240	103	24,684,218
2010	80,565,996	1,983,526,184	2,064,092,180	3	14,093,550	119	25,714,523
2011	84,189,472	2,019,788,333	2,103,977,805	2	1,988,216	108	27,681,427
2012	86,983,585	2,005,135,153	2,092,118,738	5	3,860,578	150	36,498,702
2013	85,420,889	2,037,869,085	2,123,289,974	2	8,414,892	249	63,529,916
2014	91,875,014	2,077,190,454	2,169,065,468	7	14,437,901	291	81,564,843
2015	90,288,387	2,161,739,601	2,252,027,988	4	3,141,720	427	118,590,894
2016	98,895,118	2,666,423,992	2,765,319,110	9	22,880,827	465	123,669,515
2017	103,321,654	2,853,165,694	2,956,487,348	10	6,845,780	631	149,902,591

Source: Boulder County Assessor's Office
Weld County Assessor's Office
Town of Erie Building Department

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Compliance Section

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Water Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Water Enterprise

	2013	2014	2015	2016	2017
Gross Revenues					
Charges for services	$ 6,393,236	$ 6,514,590	$ 7,131,476	$ 8,278,284	$ 9,044,664
Tap fees	6,001,910	7,244,159	11,027,144	14,374,273	15,702,821
Interest income	43,001	62,563	69,333	156,900	285,093
Other income	236,059	444,158	39,855	14,784	42,588
Total Gross Revenues	12,674,206	14,265,470	18,267,808	22,824,241	25,075,166
Operation and Maintenance Expenses (1)	3,191,385	4,090,660	3,755,288	4,769,246	4,211,555
Net Revenues	$ 9,482,821	$ 10,174,810	$ 14,512,520	$ 18,054,995	$ 20,863,611
Combined Maximum Annual Principal and Interest Requirements	$ 2,699,506	$ 2,699,506	$ 2,699,506	$ 2,699,506	$ 2,699,506
Pro-Forma Coverage Ratio	3.51x	3.77x	5.38x	6.69x	7.73x
Current year debt service					$ 2,780,089
Coverage Ratio - current year					7.50x
Minimum required ratio					1.25x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Water Connection Fees

Year	Residential (1) Taps Sold	Dwelling Units	Residential Connection Fees	Commercial Taps Sold	Commercial Connection Fees	Total Taps Sold	Total Connection Fees
2013	248	248	$ 5,983,209	1	$ 18,701	249	$ 6,001,910
2014	291	291	6,948,481	5	295,678	296	7,244,159
2015	422	422	10,823,895	2	203,249	424	11,027,144
2016	462	465	13,422,405	11	951,868	473	14,374,273
2017	469	631	14,976,375	9	726,446	478	15,702,821

(1) Residential also includes multi-family/townhome and irrigation taps.

History of Water Accounts

Year	Residential Accounts	Commercial Accounts	Irrigation Accounts	Total Accounts
2013	6,757	123	110	6,990
2014	6,944	120	131	7,195
2015	7,124	124	142	7,390
2016	7,536	132	143	7,811
2017	7,988	143	161	8,292

Largest Customers of the System

Type of Business	2017 Revenue	% of Total (1)
School District	$ 195,755	2.16%
The Town	189,800	2.10%
Homeowner's Association	173,871	1.92%
Construction Company	171,908	1.90%
Homeowner's Association	135,059	1.49%
Construction Company	92,685	1.02%
Homeowner's Association	81,728	0.90%
Homeowner's Association	76,331	0.84%
Construction Company	72,559	0.80%
Commercial Business	41,376	0.46%
Total	$ 1,231,072	13.61%

(1) Based on total charges for service of $9,044,664.

Budget Summary and Comparison - Water Fund

	2016 Final Budget	2016 Actual	2017 Final Budget	2017 Actual
Beginning Working Capital	$ 18,137,616	$ 18,137,616	$ 28,273,936	$ 28,273,936
Revenues				
Charges for services	7,354,000	8,278,284	8,611,000	9,044,664
Connection fees	12,422,100	14,374,273	15,547,700	15,702,821
Interest income	50,000	156,900	220,000	285,093
Other income	6,000	10,383	30,700	43,181
Total revenues	19,832,100	22,819,840	24,409,400	25,075,759
Total funds available	37,969,716	40,957,456	52,683,336	53,349,695
Operating Expenses				
Administration	2,881,900	2,640,434	2,776,200	3,284,227
Distribution	264,900	229,759	289,500	199,313
Treatment	1,427,800	1,059,906	1,255,400	1,129,038
Meters	189,500	170,216	205,400	170,012
Debt service (1)	4,348,900	4,348,402	8,962,100	8,963,645
Capital outlay	20,460,600	4,287,526	23,653,500	17,261,926
Total operating expenses	29,573,600	12,736,243	37,142,100	31,008,161
Other Financing Sources				
Proceeds from debt issuance (1)	-	-	4,575,000	4,575,000
Proceeds from dispositions of assets	-	10,000	-	-
Total other financing sources	-	10,000	4,575,000	4,575,000
Other changes in working capital	-	42,723	-	486,689
Net change in working capital	(9,741,500)	10,136,320	(8,157,700)	(870,713)
Ending Working Capital	$ 8,396,116	$ 28,273,936	$ 20,116,236	$ 27,403,223
			-	

(1) 2017 includes $4,499,000 for refunding of the 2007A Revenue and 2007B Revenue Refunding Bonds, plus approximately $81,000 in related issuance costs.

Water Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2013	2014	2015	2016	2017
Operating Revenues					
Charges for services	$ 6,393,236	$ 6,514,590	$ 7,131,476	$ 8,278,284	$ 9,044,664
Operating Expenses					
Personnel services	1,367,069	1,523,281	1,641,891	1,684,788	2,038,669
Operations and maintenance	1,824,316	2,567,379	2,113,397	3,084,458	2,172,886
Depreciation	2,669,956	2,508,658	2,626,283	2,821,610	3,105,037
Total Operating Expenses	5,861,341	6,599,318	6,381,571	7,590,856	7,316,592
Net Operating Income (Loss)	531,895	(84,728)	749,905	687,428	1,728,072
Nonoperating Revenues (Expenses)					
Interest income	43,001	62,563	69,333	156,900	285,093
Other, net (1)	236,059	59,060	(2,013,951)	14,784	42,588
Interest expense (2)	(2,219,004)	(2,389,405)	(2,443,958)	(2,014,864)	(1,946,105)
Total Nonoperating Expenses, net	(1,939,944)	(2,267,782)	(4,388,576)	(1,843,180)	(1,618,424)
Loss before Contributions	(1,408,049)	(2,352,510)	(3,638,671)	(1,155,752)	109,648
Capital contributions (3)	6,001,910	7,629,257	11,040,531	17,246,744	18,262,084
Change in Net Position	4,593,861	5,276,747	7,401,860	16,090,992	18,371,732
Total Net Position - Beginning	102,224,496	106,253,567	111,530,314	118,932,174	136,951,652
Prior Period Adjustments (4) (5)	(564,790)	-	-	1,928,486	-
Total Net Position - Ending	$ 106,253,567	$ 111,530,314	$ 118,932,174	$ 136,951,652	$ 155,323,384

(1) 2015 reflects a write-off in the amount of $2,040,419 representing the book value of a reservoir no longer in use.
(2) Includes debt issuance costs of $255,113 in 2014, $195,510 in 2015 and $80,825 in 2017.
(3) Reflects developer contributions of infrastructure of $2,872,00 in 2016 and $2,559,000 in 2017.
(4) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.
(5) In 2016 a prier period adjustment was made to record developer contibutions of infrastructure that should have been reflected in 2015.

Wastewater Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Wastewater Enterprise

	2013	2014	2015	2016	2017
Gross Revenues					
Charges for services	$ 4,141,562	$ 4,267,375	$ 4,143,696	$ 4,320,614	$ 4,439,911
Tap fees	1,079,650	1,289,860	2,241,200	2,508,135	2,757,730
Interest income	35,268	64,116	53,377	88,916	178,651
Other	221,002	206,510	272,444	471,246	608,428
Total Gross Revenues	5,477,482	5,827,861	6,710,717	7,388,911	7,984,720
Operation and Maintenance Expenses (1)	2,170,910	2,488,132	2,557,448	2,510,334	2,780,013
Net Revenues	$ 3,306,572	$ 3,339,729	$ 4,153,269	$ 4,878,577	$ 5,204,707
Combined Maximum Annual Principal and Interest Requirements	$ 1,377,100	$ 1,377,100	$ 1,377,100	$ 1,377,100	$ 1,377,100
Pro-Forma Coverage Ratio	2.40x	2.43x	3.02x	3.54x	3.78x
Current year debt service					$ 1,307,036
Coverage Ratio - current year					3.98x
Minimum required ratio					1.10x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Wastewater Tap Fees

Year	Residential Taps Sold (1)	Residential Tap Fees	Commercial Taps Sold	Commercial Tap Fees	Total Taps Sold	Total Tap Fees
2013	248	$ 1,065,350	1	$ 14,300	249	$ 1,079,650
2014	291	1,221,220	5	68,640	296	1,289,860
2015	422	2,192,667	2	48,533	424	2,241,200
2016	460	2,418,000	9	90,135	469	2,508,135
2017	501	2,677,997	5	79,733	506	2,757,730

(1) Residential also includes multi-family/townhome taps.

History of Wastewater Accounts

Year	Residential Accounts	Commercial Accounts	Total Accounts	% Change in Accounts
2013	6,609	107	6,716	
2014	6,802	110	6,912	2.9%
2015	7,108	110	7,218	4.4%
2016	7,609	124	7,733	7.1%
2017	8,090	128	8,218	6.3%

History of Operating Revenues by Category

Year	**Residential Revenues**	**Commercial Revenues**	**Total Revenues**	**% Change in Revenues**
2013	$ 3,906,468	$ 235,094	$ 4,141,562	
2014	4,026,327	241,048	4,267,375	3.0%
2015	3,947,626	196,070	4,143,696	-2.9%
2016	4,096,196	224,418	4,320,614	4.3%
2017	4,211,801	228,110	4,439,911	2.8%

Largest Customers of the System

Type of Business	2017 Revenue	% of Total (1)
Homeowner's Association	$ 96,856	2.18%
School District	43,965	0.99%
The Town	30,111	0.68%
School District	28,387	0.64%
Commercial Business	20,410	0.46%
Commercial Business	20,173	0.45%
Homeowner's Association	19,640	0.44%
Homeowner's Association	16,022	0.36%
Homebuilder	13,593	0.31%
Homeowner's Association	12,924	0.29%
Total	$ 302,081	6.80%

(1) Based on total charges for service of $4,439,911.

Budget Summary and Comparison - Wastewater Fund

	2016 Final Budget	2016 Actual	2017 Final Budget	2017 Actual
Beginning Working Capital	$ 12,556,026	$ 12,556,026	$ 15,915,452	$ 15,915,452
Revenues				
Charges for services	4,254,000	4,320,614	4,300,000	4,439,911
Tap fees	2,168,500	2,508,135	2,732,000	2,757,730
Interest income	20,000	88,916	135,000	178,651
Other income	389,100	471,246	546,000	614,633
Total revenues	6,831,600	7,388,911	7,713,000	7,990,925
Total funds available	19,387,626	19,944,937	23,628,452	23,906,377
Operating Expenses				
Administration	1,336,200	1,228,564	1,527,400	1,427,895
Collection	238,900	187,684	260,500	150,826
Treatment	1,532,100	1,056,714	1,357,200	1,109,486
Debt service (1)	22,251,200	21,998,105	1,307,800	1,307,336
Capital outlay	4,283,500	369,546	4,174,700	2,749,633
Total operating expenses	29,641,900	24,840,613	8,627,600	6,745,176
Other Financing Sources				
Proceeds from Debt Issuance (1)	18,788,000	18,778,443	-	-
Total other financing sources	18,788,000	18,778,443	-	-
Other changes in working capital (1)	2,054,877	2,032,685	-	(2,008)
Net change in working capital	(1,967,423)	3,359,426	(914,600)	1,243,741
Ending Working Capital	$ 10,588,603	$ 15,915,452	$ 15,000,852	$ 17,159,193

(1) 2016 debt service includes approximately $20,472,500 for refunding of the 2008A and 2009A Revenue bonds, plus $243,500 in related issuance costs. The refunding was financed through the issuance of $18,778,000 in refunding revenue bonds reflected in "proceeds from debt issuance". The refunding also eliminated the need to maintain a debt service reserve in the amount of $2,054,000, reflected in the "other changes in working capital" line item.

Wastewater Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2013	2014	2015	2016	2017
Operating Revenues					
Charges for services	$ 4,141,562	$ 4,267,375	$ 4,143,696	$ 4,320,614	$ 4,439,911
Operating Expenses					
Personnel services	1,213,708	1,335,957	1,438,353	1,465,748	1,663,310
Operations and maintenance	957,202	1,152,175	1,119,095	1,044,586	1,116,703
Depreciation	1,543,684	1,546,140	1,447,349	1,418,963	1,543,024
Total Operating Expenses	3,714,594	4,034,272	4,004,797	3,929,297	4,323,037
Net Operating Income	426,968	233,103	138,899	391,317	116,874
Nonoperating Revenues (Expenses)					
Investment income	35,268	64,116	53,377	88,916	178,651
Other, net (1)	(97)	-	(5,611,491)	9,873	13,795
Interest expense (2)	(962,246)	(946,136)	(924,719)	(956,740)	(672,334)
Total Nonoperating Expenses, net	(927,075)	(882,020)	(6,482,833)	(857,951)	(479,888)
Loss before Contributions	(500,107)	(648,917)	(6,343,934)	(466,634)	(363,014)
Capital contributions (3)	1,300,749	1,496,370	2,500,734	3,858,449	6,122,913
Change in Net Position (1)	800,642	847,453	(3,843,200)	3,391,815	5,759,899
Total Net Position - Beginning	40,640,401	41,198,092	42,045,545	38,202,345	43,881,828
Prior Period Adjustments (4)(5)	(242,951)	-	-	2,287,668	-
Total Net Position - Ending	$ 41,198,092	$ 42,045,545	$ 38,202,345	$ 43,881,828	$ 49,641,727

(1) 2015 reflects write-off in the amount of $5,624,401 representing the net book value of the South Water Reclamation Facility, originally constructed in 1999. This plant was idled in 2011 after construction of the North Water Reclamation Facility. While future possible uses for this facility are ongoing, due to the uncertainties about how this plant will be used, or if it will be used, management decided to write off the remaining book value of the plant.
(2) 2016 includes debt issuance costs of $234,256.
(3) Reflects developer contributions of infrastructure of $889,000 in 2016 and $2,771,000 in 2017.
(4) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.
(5) In 2016 a prier period adjustment was made to record developer contibutions of infrastructure that should have been reflected in 2015.

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 Erie
	YEAR ENDING: December 2017
This Information From The Records Of (example - City of _ or County of _): Town of Erie	Prepared By: Steve Felten Phone: 303-926-2751

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway disbursements:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,528,205
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,403,957
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	-	b. Snow and ice removal	
3. Other local imposts (from page 2)	6,344,314	c. Other	319,079
4. Miscellaneous local receipts (from page 2)	43,898	d. Total (a. through c.)	319,079
5. Transfers from toll facilities		4. General administration & miscellaneous	867,223
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,118,464
b. Bonds - Refunding Issues		**B. Debt service on local obligations:**	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	31,500
7. Total (1 through 6)	6,388,212	b. Redemption	340,000
B. Private Contributions		c. Total (a. + b.)	371,500
C. Receipts from State government		2. Notes:	
(from page 2)	1,107,631	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	-	c. Total (a. + b.)	-
E. Total receipts (A.7 + B + C + D)	7,495,843	3. Total (1.c + 2.c)	371,500
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,489,964

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	700,000	-	340,000	360,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
2,835,971	7,495,843	4,489,964	5,841,850	-

Notes and Comments:

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LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2017

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	43,898
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	3,313,603	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,030,711	g. Other Misc. Receipts	-
6. Total (1. through 5.)	6,344,314	h. Other	
c. Total (a. + b.)	6,344,314	i. Total (a. through h.)	43,898
	(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	720,372	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	78,668	d. Federal Transit Admin	
d. Other - Road & Bridge Taxes	308,591	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	387,259	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	1,107,631	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			-
b. Engineering Costs			-
c. Construction:			
(1). New Facilities		-	-
(2). Capacity Improvements		375,751	375,751
(3). System Preservation		1,038,906	1,038,906
(4). System Enhancement & Operation		113,548	113,548
(5). Total Construction (1) + (2) + (3) + (4)	-	1,528,205	1,528,205
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	1,528,205	1,528,205
			(Carry forward to page 1)

Notes and Comments:

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

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