
COMPREHENSIVE

Annual Financial Report

2018



For the year ended December 31, 2018



TOWN OF ERIE
1874

About the cover: 99% of Erie residents have access to at least one play area, shelter, natural area, or trail within one mile of their home. The Parks and Recreation Department prides themselves on providing meaningful and lasting connections for community members by providing various recreation and leisure opportunities. Visit our website for more ways we can 'Connect You to Fun'!

Photo credit: David Besnette

Town of Erie, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2018

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, 2018

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Introductory Section

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May 22, 2019

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, 2018.

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, 2018, 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 unmodified opinion that the Town of Erie's financial statements for the fiscal year ended December 31, 2018, 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, 2018, is approximately 26,000, 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 86. Budgetary comparisons for the proprietary funds begin on page 100.

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 2018, with permits for 640 dwelling units issued compared to 631 in 2017. 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 2017, 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. In 2018 the Town also began developing and implementing a long-range plan for developing the Town's eastern edge along Interstate 25, including the strategic purchase of 255 acres that is expected to be a critical element in the economic development of this area.

The immediate vicinity, including the Town, Boulder County, and Weld County, has an employed labor force of about 365,000. The Town's major employers range from retail to engineering to education to light manufacturing. At December 31, 2018, the Town government had 215 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. All funds exceeded reserve requirements as of December 31, 2018.

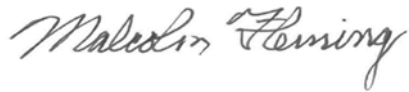
Awards and Acknowledgements

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, 2017. This was the fourteenth 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.

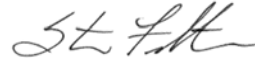
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Malcolm Fleming
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**

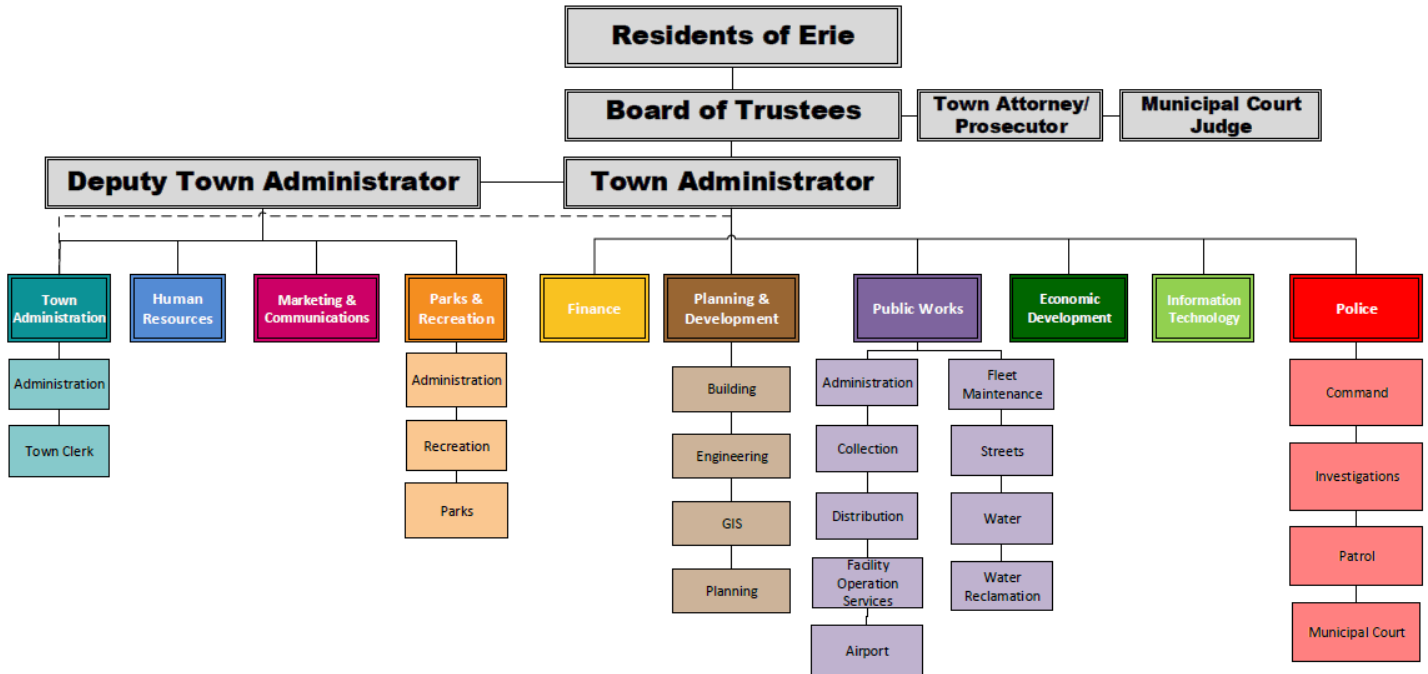
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

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

Appointed Officials

Malcolm Fleming	Town Administrator
Municipal Court Judge	Teresa Ablao
Prosecuting Attorney	Kristin Brown
Town Attorney	Kendra Carberry

Senior Staff

Farrell Buller	Deputy Town Administrator
Steve Felten	Director of Finance
Todd Fessenden	Director of Public Works
Denise Jakan	Director of Information Technology
Jessica Koenig	Town Clerk
Amber Luttrell	Marketing & Communications Manager
Alicia Melendez	Director of Human Resources
Ben Pratt	Director of Economic Development
Fred Starr	Director of Planning & Development
Kim Stewart	Chief of Police
Amy Teetzel	Administrative Operations Manager

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

Financial Section

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and 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, 2018, the Town corrected errors related to prior periods. The Town reported a restatement due to certain cash payments received in 2018 representing revenues that should have been reflected in 2017. As a result, accounts receivable and related revenues were understated in 2017. See Note V for additional information. 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 introductory section, combining and individual fund statements and schedules, the statistical section 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.

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 May 22, 2019, 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 results 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 22, 2019

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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, 2018. 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 2018 by \$444.4 million (net position). Of this amount, \$88.3 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 \$58.9 million, or 15%. Governmental net position increased by \$25.7 million, or 17%, and business-type net position increased by \$33.2 million, or 14%.
- At December 31, 2018, the Town's governmental funds reported combined ending fund balances of \$50.0 million, an increase of \$7.4 million from 2017. 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 \$17.4 million, representing 97% of actual operating expenditures for 2018.

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 2018 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 2018 the Town had four proprietary funds, also known as enterprise funds. Each of these funds 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 Town adopts an annual appropriated budget for its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report.

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 45-72 of this report.

Required Supplementary Information providing certain supporting pension schedules can be found on pages 73-76.

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 are also presented in this section. This information can be found on pages 77-104.

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, 2018, the Town's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was \$444.4 million, an increase of \$58.9 million over the total at December 31, 2017. The Town reported positive balances in net position for both governmental and business-type activities. Net position increased by \$25.7 million in its governmental activities and \$33.2 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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 62,535	\$ 54,591	\$ 75,732	\$ 53,616	\$ 138,267	\$ 108,207
Capital assets	138,395	121,849	261,516	255,062	399,911	376,911
Total assets	200,930	176,440	337,248	308,678	538,178	485,118
Deferred Outflows of Resources	1,307	1,469	3,496	3,754	4,803	5,223
Liabilities						
Long-term liabilities	16,956	18,515	67,988	71,411	84,944	89,926
Other liabilities	4,201	5,419	1,678	3,124	5,879	8,543
Total liabilities	21,157	23,934	69,666	74,535	90,823	98,469
Deferred Inflows of Resources	7,748	6,336	-	-	7,748	6,336
Net Position						
Net investment						
in capital assets	122,702	104,367	199,949	190,334	322,651	294,701
Restricted	32,618	26,561	824	786	33,442	27,347
Unrestricted	18,012	16,711	70,305	46,777	88,317	63,488
Total net position	\$ 173,332	\$ 147,639	\$ 271,078	\$ 237,897	\$ 444,410	\$ 385,536

Note: 2017 amounts have been restated to reflect various corrections. See Note V on page 72 for more information.

The Town's net investment in capital assets represents 72% 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 8% 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 20% 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	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 8,759	\$ 7,718	\$ 16,502	\$ 14,823	\$ 25,261	\$ 22,541
Operating grants and contributions	1,489	1,249	15	346	1,504	1,595
Capital grants and contributions	16,668	22,013	32,299	28,192	48,967	50,205
General revenues						
Taxes	21,048	18,034	-	-	21,048	18,034
Grants	128	78	-	-	128	78
Investment earnings	925	377	1,131	478	2,056	855
Other	1,293	338	132	176	1,425	514
Total revenues	50,310	49,807	50,079	44,015	100,389	93,822
Expenses						
General government	6,372	4,601	-	-	6,372	4,601
Public safety	4,126	3,911	-	-	4,126	3,911
Public works	5,912	5,567	-	-	5,912	5,567
Parks and recreation	7,659	7,106	-	-	7,659	7,106
Interest on long-term debt	548	604	-	-	548	604
Water	-	-	10,127	9,263	10,127	9,263
Wastewater	-	-	5,406	5,002	5,406	5,002
Storm drainage	-	-	1,075	810	1,075	810
Airport	-	-	290	668	290	668
Erie Housing Authority	-	-	-	336	-	336
Total expenses	24,617	21,789	16,898	16,079	41,515	37,868
Increase in net position before transfers	25,693	28,018	33,181	27,936	58,874	55,954
Transfers	-	(3,208)	-	3,208	-	-
Increase in net position	25,693	24,810	33,181	31,144	58,874	55,954
Net position - beginning - restated	147,639	122,829	237,897	206,753	385,536	329,582
Net position - ending	\$ 173,332	\$ 147,639	\$ 271,078	\$ 237,897	\$ 444,410	\$ 385,536

Note: 2017 amounts have been restated to reflect various corrections. See Note V on page 72 for more information.

Governmental Activities – Revenues: During 2018, the Town's primary revenue sources for governmental operations included taxes, accounting for 42% of total governmental revenues. In addition, capital grants and contributions represented 33% of total governmental revenues while charges for services made up 17%. Program revenues of \$26.9 million were \$2.3 million more than expenses. Excluding \$7.3 million in contributions of infrastructure built by developers (included in capital grants and contributions), program revenues were \$5.0 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.

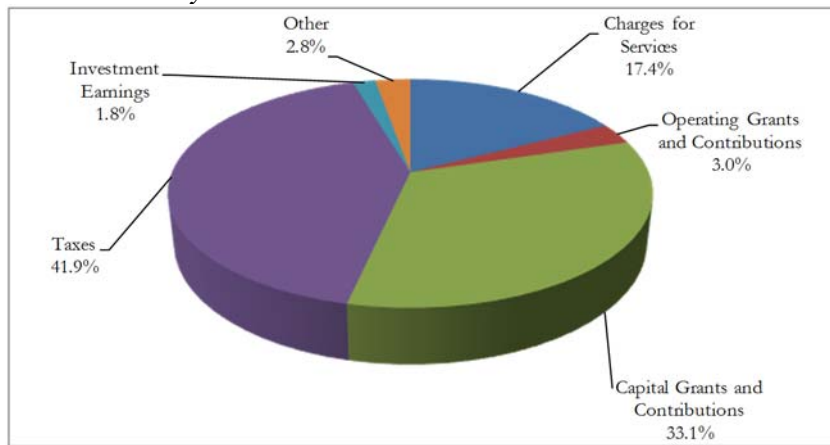
Total governmental activities revenues of \$50.3 million had a small increase of \$0.5 million, or 1%, compared to 2017. Developer contributions of street and park infrastructure declined

\$5.7 million, or 44%, compared to 2017. Offsetting this decrease was an increase of \$6.2 million, or 17%, in all other revenue sources compared to 2017. The primary drivers of the increase excluding developer contributions were sales, use and property taxes, which increased a total of \$2.9 million, or 17%, compared to 2017. Excluding certain nonrecurring sales tax receipts, taxes increased \$2.5 million, or 14%, compared to 2017.

In addition to an increase in taxes, charges for services of \$8.8 million increased \$1.0 million, or 13%, compared to 2017, primarily reflecting a one-time receipt of a \$1.0 million fee pursuant to an encroachment license for a pipeline. Also contributing to the increase in revenues were higher levels of investment earnings and mineral royalties, and proceeds from the disposition of a parcel of land to a local utility. Finally, the Town continued to experience strong development activity. Permits representing 640 dwelling units were issued in 2018 compared to 631 in 2017.

The following chart provides the breakdown of revenues by source for 2018:

2018 Revenues by Source – Governmental Activities

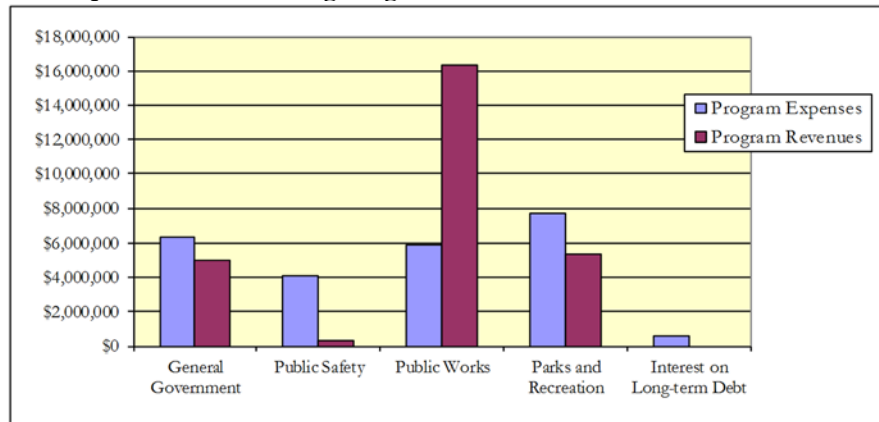


Governmental Activities – Expenses: Total governmental activities expenses were \$24.6 million in 2018, an increase of \$2.8 million, or 13%, compared to 2017. The increase in expenses were due to the following:

- Personnel expense increased \$0.7 million, or 7%, due to additions of new staff in 2017 and 2018 (primarily police and planners/engineers) and annual merit increases.
- Operations and maintenance expense increased \$1.5 million, or 25%, as a result of economic development-related consulting fees and higher levels of legal fees (primarily for litigation and oil and gas activities) in 2018. In addition, 2017 reflected the \$450 thousand reversal of a litigation reserve established in a prior year.
- Depreciation expense increased \$0.6 million, or 14%, primarily arising from developer built streets contributed to the Town in 2017 and 2018.

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

2018 Expenses and Offsetting Program Revenues – Governmental Activities

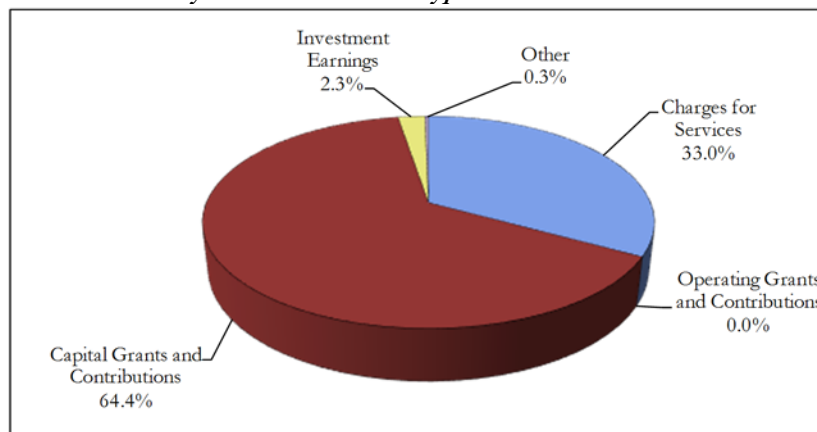


Business-type Activities – Revenues: Business-type activities primarily rely on charges for services to support related expenses. Charges for services of \$16.5 million for business-type activities represented 33% of 2018 revenues, and increased \$1.7 million, or 11%, compared to the prior year. This 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 64% 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 was \$32.3 million in 2018, and increased \$4.1 million, or 15%, compared to 2017, due primarily to higher levels of tap fees and other related fees arising from the increase in residential and commercial building activity during 2018. The Town also received a \$1.2 million developer reimbursement for infrastructure costs the Town incurred in previous years in its wastewater activities.

The following chart provides the breakdown of revenues by source for 2018:

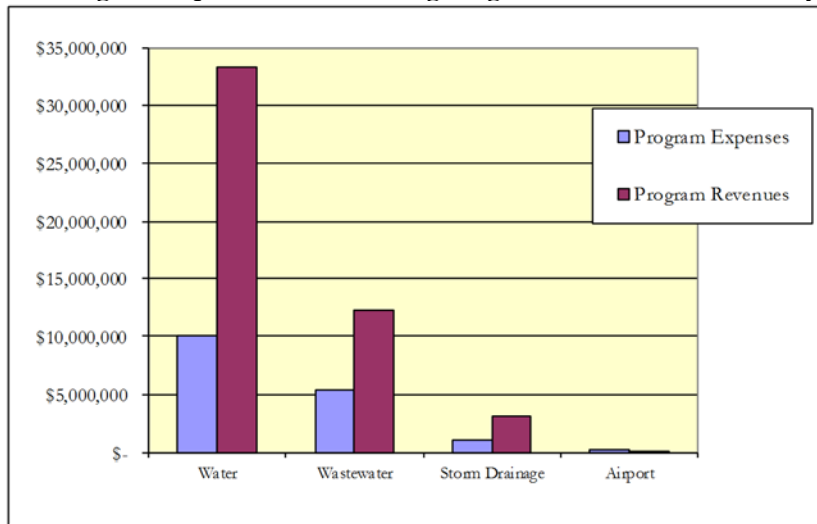
2018 Revenues by Source – Business-type Activities



Business-type Activities – Expenses: Business-type expenses were \$16.9 million in 2018, an increase of \$0.8 million, or 5%, compared to 2017. This increase was due primarily to staff additions, annual merit increases and increased depreciation expense resulting from new asset additions.

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

2018 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 \$50.0 million. Of that amount, \$6.0 million was nonspendable, \$32.1 million was restricted, \$0.2 million was committed, \$0.3 million was assigned and \$11.4 million was unassigned fund balance.

The General Fund, the primary operating fund of the Town, had a fund balance at December 31, 2018, of \$27.7 million, of which \$6.0 million was nonspendable, \$4.0 million was restricted, \$0.3 million was assigned and \$17.4 million, was unassigned.

As just noted, the General Fund has \$6.0 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, or recovered through other revenue sources. 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 \$17.4 million represents 97% of total General Fund operating expenditures for 2018.

The Town has two General Fund reserve policies. The first is that a reserve of 25% of operating expenditures be maintained. Based on 2018 budgeted expenditures the required reserve is \$4.9 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.

Total fund balance of the General Fund increased \$0.8 million for the current year. Total revenues of \$30.1 million increased \$4.2 million, or 16%, compared to 2017, primarily reflecting strong growth in sales, use and property taxes. In addition, 2018 revenues reflect receipt of a one-time fee of \$1.0 million pursuant to an encroachment license for a pipeline. Pursuant to this license agreement, the Town will receive annual payments of \$250 thousand beginning in 2019. The Town issued residential building permits representing 640 dwelling units in 2018, a slight increase compared to the 631 dwelling units added in 2017, reflecting continued strong development activity.

Expenditures of \$30.1 million increased approximately \$10.3 million, or 52%, compared to 2017. Capital expenditures totaling \$10.3 million were the primary driver of this change, increasing \$8.2 million compared to 2017. Most of the increase in capital outlays was the result of the \$6.4 million purchase of 255 acres of land along Interstate 25 on the Town's eastern edge. This area, part of one of the Town's urban renewal areas, is considered to be a critical

part of the Town's future economic development, consisting of over 1,000 acres along the west side of Interstate 25. In addition to this land purchase, various transportation-related projects increased \$0.9 million compared to 2017.

Also contributing to the increase in expenses were consulting fees for work related to the development of the I-25 urban planning area, legal fees (primarily for litigation and oil and gas activities) and increased personnel costs (primarily related to additional police officers and staff to support development activities, in addition to annual merit increases.)

The other major governmental fund in 2018 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 \$2.1 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 \$26.2 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, 2018, was \$271.1 million, of which \$70.3 million was unrestricted net position. Total net position increased \$33.2 million over the prior year, with unrestricted net position increasing \$23.5 million.

The \$33.2 million increase in total net position is attributable primarily to an increase of \$23.9 million in net position in the Water Fund. This favorable change was due to an increase in capital contributions of \$4.7 million, or 26%, to \$23.0 million in 2018 primarily as a result of increased single-family and townhome building activity. Operating revenues (charges for services) were \$10.3 million, an increase of \$1.0 million, or 10%, compared to 2017 due to an increase in usage charges effective January 1, 2018, pursuant to a rate study conducted in 2014 and an increase in the number of customers.

Operating expenses of the Water Fund increased \$1.0 million, or 13%, to \$8.3 million. This increase was due to increased staffing levels to support growth, various repair and maintenance projects and increased depreciation expense.

In the Wastewater Fund net position increased \$7.3 million. Operating revenues (charges for services) were \$5.1 million, a \$0.4 million, or 9%, increase from 2017. Capital contributions increased \$1.1 million, or 17%, compared to 2017 for the same reasons noted above in the water fund discussion. Operating expenses were up \$0.4 million, or 10%, from 2017, due primarily to increases in depreciation and personnel expense.

Net position in the Storm Drainage Operating Fund increased \$2.2 million. This increase was the result of donated infrastructure constructed by developers in the amount of \$2.1 million. Net position in the Airport Fund declined \$0.2 million, the result of \$0.3 million in depreciation expense.

General Fund Budgetary Highlights

The 2018 General Fund original budget provided for a surplus of \$0.7 million, reflecting revenues of \$24.0 million, expenditures of \$23.6 million and other financing sources of \$0.3 million. The final budget provided for a deficit of \$4.6 million, reflecting revenues of \$27.2 million, expenditures of \$32.6 million and other financing sources of \$0.8 million. The primary changes to the original budget was the addition of \$6.4 million for the purchase of the 255 acres discussed previously and \$1.4 million in rollovers of incomplete capital projects from 2017, partially offset by increased projections in sales tax, permit revenues and fees.

Actual results for 2018 in the General Fund was a surplus of \$0.8 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, 2018, for its governmental and business-type activities amounted to \$399.9 million, a net increase of \$23.0 million from December 31, 2017. The increase in capital assets was the result of \$19.7 million in Town-funded additions and \$14.2 million in infrastructure constructed by developers and contributed to the Town, partially offset by \$11.0 million in depreciation.

Capital Assets as of December 31, 2018 and 2017 *(net of accumulated depreciation, in thousands)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 22,882	\$ 16,182	\$ 5,836	\$ 5,836	\$ 28,718	\$ 22,018
Water rights	-	-	84,390	84,390	84,390	84,390
Buildings	32,646	33,074	74	80	32,720	33,154
Improvements other than buildings	77,098	67,803	158,733	150,224	235,831	218,027
Machinery, equipment, and vehicles	2,717	2,149	1,021	871	3,738	3,020
Construction in progress	3,052	2,641	11,462	13,661	14,514	16,302
Total capital assets	<u>\$ 138,395</u>	<u>\$ 121,849</u>	<u>\$ 261,516</u>	<u>\$ 255,062</u>	<u>\$ 399,911</u>	<u>\$ 376,911</u>

Major capital improvements during the fiscal year ended December 31, 2018, included the following:

Governmental Activities (total additions - \$21.4 million)

- Developer-constructed infrastructure – primarily streets (\$7.3 million)
- Purchase of 255 acres of land along Interstate 25 for future economic development (\$6.4 million)
- Park construction (\$3.1 million)
- Various street improvements (\$1.8 million)

Business-type Activities (total additions - \$12.6 million)

- Developer-constructed infrastructure (\$7.0 million)
- Windy Gap & NISP projects (\$1.9 million)
- Phase 1 of a non-potable water system (\$1.3 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 2018, the Town had \$83.7 million in total outstanding long-term debt, a decrease of \$4.8 million from December 31, 2017. Of this amount, \$15.9 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, 2018, and 2017.

Outstanding Debt as of December 31, 2018 and 2017 (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 15,938	\$ 17,350	\$ -	\$ -	\$ 15,938	\$ 17,350
Revenue bonds and loans	-	-	45,299	48,034	45,299	48,034
Certificates of participation	-	-	22,495	23,145	22,495	23,145
Capital lease obligations	-	22	-	-	-	22
Total debt outstanding	<u>\$ 15,938</u>	<u>\$ 17,372</u>	<u>\$ 67,794</u>	<u>\$ 71,179</u>	<u>\$ 83,732</u>	<u>\$ 88,551</u>

The Town's general obligation bond rating was reviewed by Moody's Investors Service in 2018, resulting in a ratings increase from Aa2 to Aa1. The Town's ratings on its water and wastewater system revenue bonds were increased from A1 to Aa3 by Moody's Investors Services in 2017.

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 \$104.0 million.

Additional information on the Town's long-term debt can be found in Note III.E. on pages 61-64 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 640 dwelling units in 2018. Permits representing 510 dwelling units were budgeted for 2019. The Town will continue to conserve resources until its commercial base grows, providing consistent and higher levels of sales, use and property 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 2019 budget was approved by the Board of Trustees in October 2018. The General Fund, the Town's primary operating fund, has a budgeted surplus of \$924 thousand.

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.

Basic Financial Statements

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Town of Erie, Colorado
Statement of Net Position
December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 49,589,057	\$ 70,542,165	\$120,131,222
Restricted Cash and Investments	2,102,943	2,730,892	4,833,835
Receivables, Net of Allowance for Uncollectibles	10,312,371	2,034,594	12,346,965
Prepaid Items and Other Assets	38,377	424,555	462,932
Capital Assets Not Being Depreciated			
Land and Water Rights	22,881,569	90,226,158	113,107,727
Construction in Progress	3,051,865	11,461,502	14,513,367
Capital Assets, Net of Accumulated Depreciation	112,462,000	159,828,626	272,290,626
Net Pension Asset	492,022	-	492,022
Total Assets	200,930,204	337,248,492	538,178,696
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	696,071	3,496,254	4,192,325
Pensions	610,470	-	610,470
Total Deferred Outflows of Resources	1,306,541	3,496,254	4,802,795
LIABILITIES			
Accounts Payable	1,600,238	1,175,287	2,775,525
Accrued Interest Payable	44,212	285,042	329,254
Accrued Wages Payable	192,328	72,261	264,589
Other Liabilities	1,579,258	99,067	1,678,325
Unearned Revenue	784,798	46,874	831,672
Noncurrent Liabilities:			
Due within one year	1,320,511	3,310,822	4,631,333
Due in more than one year	15,634,993	64,677,031	80,312,024
Total Liabilities	21,156,338	69,666,384	90,822,722
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	7,549,401	-	7,549,401
Pensions	198,721	-	198,721
Total Deferred Inflows of Resources	7,748,122	-	7,748,122
NET POSITION			
Net Investment in Capital Assets	122,702,339	199,949,037	322,651,376
Restricted			
Capital Projects	24,415,477	-	24,415,477
Parks and Open Space	5,342,555	-	5,342,555
Solid Waste/Streets	1,190,061	-	1,190,061
Pension	492,022	-	492,022
Operations and Maintenance Reserves	-	824,000	824,000
Emergencies	1,177,754	-	1,177,754
Unrestricted	18,012,077	70,305,325	88,317,402
Total Net Position	\$ 173,332,285	\$ 271,078,362	\$444,410,647

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, 2018

		Program Revenues			Total
		Charges for	Operating	Capital	
	Expenses	Services	Grants and	Grants and	
			Contributions	Contributions	
FUNCTION ACTIVITIES					
Primary Government					
Governmental Activities					
General Government	\$ 6,372,190	\$ 3,561,877	\$ 59,581	\$ 1,334,764	\$ 4,956,222
Public Safety	4,125,915	275,835	5,310	-	281,145
Public Works	5,912,042	2,720,956	1,223,879	12,385,376	16,330,211
Parks and Recreation	7,658,937	2,199,954	200,291	2,947,564	5,347,809
Interest on Long-Term Debt	547,591	-	-	-	-
Total Governmental Activities	24,616,675	8,758,622	1,489,061	16,667,704	26,915,387
Business-type Activities					
Water	10,127,032	10,251,306	14,000	22,995,540	33,260,846
Wastewater	5,405,865	5,096,131	-	7,173,026	12,269,157
Storm Drainage	1,075,170	1,146,469	-	2,072,426	3,218,895
Airport	289,865	8,475	644	58,323	67,442
Total Business-type Activities	16,897,932	16,502,381	14,644	32,299,315	48,816,340
Total Primary Government	<u>\$ 41,514,607</u>	<u>\$ 25,261,003</u>	<u>\$ 1,503,705</u>	<u>\$ 48,967,019</u>	<u>\$ 75,731,727</u>

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
	\$ (1,415,968)	\$ -	\$ (1,415,968)
	(3,844,770)	-	(3,844,770)
	10,418,169	-	10,418,169
	(2,311,128)	-	(2,311,128)
	(547,591)	-	(547,591)
	<u>2,298,712</u>	<u>-</u>	<u>2,298,712</u>
	-	23,133,814	23,133,814
	-	6,863,292	6,863,292
	-	2,143,725	2,143,725
	-	(222,423)	(222,423)
	<u>-</u>	<u>31,918,408</u>	<u>31,918,408</u>
	<u>2,298,712</u>	<u>31,918,408</u>	<u>34,217,120</u>
GENERAL REVENUES			
Property Taxes	6,337,412	-	6,337,412
Sales and Use Taxes	13,489,158	-	13,489,158
Franchise Taxes	861,850	-	861,850
Specific Ownership Taxes	359,476	-	359,476
Grants and Contributions not Restricted to Specific Programs	128,227	-	128,227
Investment Earnings	925,222	1,131,438	2,056,660
Miscellaneous	<u>1,293,000</u>	<u>132,472</u>	<u>1,425,472</u>
Total General Revenues and Transfers	<u>23,394,345</u>	<u>1,263,910</u>	<u>24,658,255</u>
Changes in Net Position	25,693,057	33,182,318	58,875,375
Net Position - Beginning (as restated)	<u>147,639,228</u>	<u>237,896,044</u>	<u>385,535,272</u>
Net Position - Ending	<u>\$ 173,332,285</u>	<u>\$ 271,078,362</u>	<u>\$ 444,410,647</u>

Town of Erie, Colorado
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Pooled Cash and Investments	\$ 22,936,899	\$ -	\$ 26,652,158	\$ 49,589,057
Restricted Cash and Investments	-	2,102,943	-	2,102,943
Receivables	7,054,398	1,637,497	1,620,476	10,312,371
Prepaid Items and Other Assets	35,049	-	-	35,049
Advances to Other Funds	5,963,848	-	-	5,963,848
Total Assets	<u>\$ 35,990,194</u>	<u>\$ 3,740,440</u>	<u>\$ 28,272,634</u>	<u>\$ 68,003,268</u>
LIABILITIES				
Accounts Payable	\$ 1,060,719	\$ 47,277	\$ 492,241	\$ 1,600,237
Wages Payable	189,592	1,836	900	192,328
Other Liabilities	1,579,258	-	-	1,579,258
Advances from Other Funds	-	5,963,848	-	5,963,848
Unearned Revenue	784,798	-	-	784,798
Total Liabilities	<u>3,614,367</u>	<u>6,012,961</u>	<u>493,141</u>	<u>10,120,469</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,347,198	1,634,233	1,567,970	7,549,401
Unavailable Fund Resources	343,944	-	-	343,944
Total Deferred Inflows of Resources	<u>4,691,142</u>	<u>1,634,233</u>	<u>1,567,970</u>	<u>7,893,345</u>
FUND BALANCES				
Nonspendable				
Interfund Advances - Noncurrent	5,963,848	-	-	5,963,848
Prepaid Items	15,049	-	-	15,049
Restricted for:				
Capital Projects	1,648,000	2,102,943	20,664,534	24,415,477
Parks and Open Space	-	-	5,342,555	5,342,555
Solid Waste/Streets	1,190,061	-	-	1,190,061
Emergency Reserves	1,177,754	-	-	1,177,754
Committed to:				
Cemetery Operations	-	-	204,434	204,434
Assigned to:				
Purchases on Order	253,913	-	-	253,913
Unassigned	17,436,060	(6,009,697)	-	11,426,363
Total Fund Balances	<u>27,684,685</u>	<u>(3,906,754)</u>	<u>26,211,523</u>	<u>49,989,454</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,990,194</u>	<u>\$ 3,740,440</u>	<u>\$ 28,272,634</u>	<u>\$ 68,003,268</u>

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, 2018

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Net Position (page 33) are different because:	
Total Fund Balances - Governmental Funds (page 36)	\$ 49,989,454
Capital assets utilized in Governmental Activities are not financial resources and therefore are not reported in the fund financial statements.	138,395,434
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	343,943
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	(14,960,000)
Unamortized issuance premium	(978,459)
Unamortized deferred refunding loss	696,071
Unamortized bond insurance premiums	3,328
Accrued interest payable	(44,212)
Compensated absences	(566,338)
Other noncurrent liabilities	<u>(450,707)</u>
Total long-term liabilities and related items	(16,300,317)
Net pension asset is not available to pay for current expenditures and, therefore, is not reported in the funds.	492,022
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Changes in assumptions	74,130
Change in experience	354,818
Contributions subsequent to the measurement date	177,032
Change in proportionate share	<u>4,490</u>
Total deferred outflows of resources	610,470
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 investment earnings	(167,058)
Change in experience	(5,452)
Change in proportionate share	<u>(26,211)</u>
Total deferred inflows of resources	<u>(198,721)</u>
Net Position - Governmental Activities (page 33)	<u><u>\$173,332,285</u></u>

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, 2018

	General Fund	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 18,615,903	\$ 1,100,500	\$ 1,331,493	\$ 21,047,896
Intergovernmental	1,435,852	-	203,960	1,639,812
Licenses and Permits	3,699,178	-	-	3,699,178
Fees and Charges for Services	4,753,635	973	29,000	4,783,608
Fines and Forfeitures	275,835	-	-	275,835
Capital Contributions and Fees	-	-	9,377,666	9,377,666
Investment Earnings	510,693	20,408	394,121	925,222
Miscellaneous	765,864	-	3,799	769,663
Total Revenues	30,056,960	1,121,881	11,340,039	42,518,880
EXPENDITURES				
Current Operating:				
General Government	5,615,511	391,803	-	6,007,314
Public Safety	4,041,846	-	-	4,041,846
Public Works	3,028,797	-	-	3,028,797
Parks and Recreation	5,264,703	-	121,049	5,385,752
Capital Outlay	10,269,389	300	4,982,278	15,251,967
Debt Service				
Principal	1,302,230	-	-	1,302,230
Interest	588,833	-	-	588,833
Total Expenditures	30,111,309	392,103	5,103,327	35,606,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,349)	729,778	6,236,712	6,912,141
OTHER FINANCING SOURCES (USES)				
Transfers In	350,064	-	-	350,064
Transfers Out	-	-	(350,064)	(350,064)
Sales of Capital Assets	352,091	-	-	352,091
Insurance Recoveries	139,187	-	-	139,187
Proceeds from Litigation Settlements	45,147	-	-	45,147
Total Other Financing Sources (Uses)	886,489	-	(350,064)	536,425
Net Change in Fund Balance	832,140	729,778	5,886,648	7,448,566
Fund Balance - Beginning (as restated)	26,852,545	(4,636,532)	20,324,875	42,540,888
Fund Balance - Ending	<u>\$ 27,684,685</u>	<u>\$ (3,906,754)</u>	<u>\$ 26,211,523</u>	<u>\$ 49,989,454</u>

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, 2018

	<u>Amount</u>
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)	\$ 7,448,566
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	14,139,847
Depreciation expense	<u>(4,864,367)</u>
Excess of capital outlays over depreciation	9,275,480
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.	7,283,669
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.	(13,085)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(16,155)
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.	1,302,230
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.	
Net book value of disposed assets	
Change in accrued interest payable	4,725
Change in accrued compensated absences	5,474
Amortization of premiums, discounts, deferred refunding losses and bond insurance premiums	32,137
Pension expense	192,984
Employer contribution expense	<u>177,032</u>
Total expenses not requiring current resources	<u>412,352</u>
Change in Net Position - Governmental Activities (page 35)	<u>\$ 25,693,057</u>

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 15,387,100	\$ 16,791,100	\$ 18,615,903	\$ 1,824,803
Intergovernmental	1,140,500	1,351,500	1,435,852	84,352
Licenses and Permits	2,235,000	3,221,000	3,699,178	478,178
Fees and Charges for Services	4,445,600	4,608,700	4,753,635	144,935
Fines and Forfeitures	303,000	278,000	275,835	(2,165)
Investment Earnings	175,000	300,000	510,693	210,693
Miscellaneous	277,000	678,300	765,864	87,564
Total Revenues	23,963,200	27,228,600	30,056,960	2,828,360
EXPENDITURES				
Current Operating:				
General Government				
Legislative	468,700	496,700	444,584	52,116
Town Administration	2,145,000	2,945,200	2,901,693	43,507
Community Development	1,706,000	1,736,600	1,622,332	114,268
Finance	301,800	312,700	304,556	8,144
Central Charges	317,200	325,100	342,346	(17,246)
Public Safety	4,097,700	4,143,052	4,041,846	101,206
Public Works	3,259,100	3,392,100	3,028,797	363,303
Parks and Recreation	5,694,200	5,691,800	5,264,703	427,097
Capital Outlay	3,702,300	11,644,000	10,269,389	1,374,611
Debt Service				
Principal	1,298,600	1,302,500	1,302,230	270
Interest	589,500	589,500	588,833	667
Total Expenditures	23,580,100	32,579,252	30,111,309	2,467,943
Excess (Deficiency) of Revenues Over (Under) Expenditures	383,100	(5,350,652)	(54,349)	5,296,303
OTHER FINANCING SOURCES				
Transfers In	303,700	310,052	350,064	40,012
Sales of Capital Assets	-	344,000	352,091	8,091
Insurance Recoveries	-	99,600	139,187	39,587
Proceeds from Litigation Settlements	-	44,600	45,147	547
Total Other Financing Sources	303,700	798,252	886,489	88,237
Net Change in Fund Balance	\$ 686,800	\$ (4,552,400)	832,140	\$ 5,384,540
Fund Balance - Beginning (as restated)			26,852,545	
Fund Balance - Ending			<u>\$ 27,684,685</u>	

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 1,115,000	\$ 1,093,000	\$ 1,100,500	\$ 7,500
Fees and Charges for Services	1,000	1,000	973	(27)
Investment Earnings	-	5,000	20,408	15,408
Total Revenues	1,116,000	1,099,000	1,121,881	22,881
EXPENDITURES				
Current Operating:				
General Government	418,100	497,600	391,803	105,797
Capital Outlay	-	-	300	(300)
Total Expenditures	418,100	497,600	392,103	105,497
Excess of Revenues over Expenditures	697,900	601,400	729,778	128,378
OTHER FINANCING SOURCES				
Proceeds from Disposition of Capital Assets	1,300,000	-	-	-
Total Other Financing Sources	1,300,000	-	-	-
Net Change in Fund Balance	\$ 1,997,900	\$ 601,400	729,778	\$ 128,378
Fund Balance - Beginning			(4,636,532)	
Fund Balance - Ending			\$ (3,906,754)	

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, 2018

	Business-type Activities - Proprietary Funds				
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Airport Fund	Total Proprietary Funds
ASSETS					
Current Assets					
Pooled Cash and Investments	\$ 44,861,548	\$ 23,312,184	\$ 2,279,807	\$ 88,626	\$ 70,542,165
Restricted Cash and Investments	2,730,892	-	-	-	2,730,892
Receivables	1,128,896	685,402	157,816	62,480	2,034,594
Prepaid Items	377,340	47,215	-	-	424,555
Total Current Assets	49,098,676	24,044,801	2,437,623	151,106	75,732,206
Noncurrent Assets					
Capital Assets					
Construction in Progress	9,360,407	282,606	1,700,000	118,489	11,461,502
Land and Water Rights	89,511,136	59,022	63,705	592,295	90,226,158
Buildings, Property, and Equipment	109,178,703	64,982,875	31,666,717	5,941,935	211,770,230
Accumulated Depreciation	(29,653,628)	(14,466,004)	(5,118,683)	(2,703,289)	(51,941,604)
Total Capital Assets	178,396,618	50,858,499	28,311,739	3,949,430	261,516,286
Total Noncurrent Assets	178,396,618	50,858,499	28,311,739	3,949,430	261,516,286
Total Assets	227,495,294	74,903,300	30,749,362	4,100,536	337,248,492
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	1,497,705	1,998,549	-	-	3,496,254
Total Deferred Outflows of Resources	1,497,705	1,998,549	-	-	3,496,254
LIABILITIES					
Current Liabilities					
Accounts Payable	956,240	163,005	45,562	10,475	1,175,282
Accrued Interest Payable	226,554	54,581	3,907	-	285,042
Wages Payable	38,219	30,476	3,538	28	72,261
Other Liabilities	99,067	-	-	-	99,067
Unearned Revenue	38,344	8,530	-	-	46,874
Compensated Absences	73,633	63,237	3,819	109	140,798
Current Portion of Long Term Debt					
Certificates of Participation Payable	670,000	-	-	-	670,000
Loans Payable	-	142,010	13,015	-	155,025
Bonds Payable	1,820,000	525,000	-	-	2,345,000
Total Current Liabilities	3,922,057	986,839	69,841	10,612	4,989,349
Noncurrent Liabilities					
Compensated Absences	26,339	26,325	-	-	52,664
Long Term Debt, Net of Unamortized Premiums and Discounts					
Certificates of Participation Payable	23,019,634	-	-	-	23,019,634
Loans Payable	-	1,545,468	247,433	-	1,792,901
Bonds Payable	22,601,733	17,210,103	-	-	39,811,836
Total Noncurrent Liabilities	45,647,706	18,781,896	247,433	-	64,677,035
Total Liabilities	49,569,763	19,768,735	317,274	10,612	69,666,384
NET POSITION					
Net Investment in Capital Assets	134,513,849	33,434,467	28,051,291	3,949,430	199,949,037
Restricted					
Operations and Maintenance Reserves	-	824,000	-	-	824,000
Unrestricted	44,909,387	22,874,647	2,380,797	140,494	70,305,325
Total Net Position	\$ 179,423,236	\$ 57,133,114	\$ 30,432,088	\$ 4,089,924	\$ 271,078,362

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, 2018

	Business-type Activities - Proprietary Funds				Total Proprietary Funds
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Airport Fund	
OPERATING REVENUES					
Charges for Services	\$ 10,251,306	\$ 5,096,131	\$ 1,146,469	\$ 8,475	\$ 16,502,381
OPERATING EXPENSES					
Personnel Services	2,256,820	1,894,886	176,568	6,653	4,334,927
Operations and Maintenance	2,565,558	1,154,110	228,754	5,184	3,953,606
Depreciation	3,477,471	1,694,838	664,575	278,028	6,114,912
Total Operating Expenses	8,299,849	4,743,834	1,069,897	289,865	14,403,445
Net Operating Income (Loss)	1,951,457	352,297	76,572	(281,390)	2,098,936
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	699,994	393,174	33,975	4,295	1,131,438
Intergovernmental	14,000	-	-	644	14,644
Other Non-Operating Income	17,704	-	60,011	35,257	112,972
Interest Expense	(1,827,183)	(662,031)	(5,273)	-	(2,494,487)
Insurance Recoveries	-	-	-	12,000	12,000
Gain on Disposition of Capital Assets	-	7,500	-	-	7,500
Total Non-Operating Revenues (Expenses)	(1,095,485)	(261,357)	88,713	52,196	(1,215,933)
Income (Loss) Before Contributions and Transfers	855,972	90,940	165,285	(229,194)	883,003
Capital Contributions	22,995,540	7,173,026	2,072,426	58,323	32,299,315
Change in Net Position	23,851,512	7,263,966	2,237,711	(170,871)	33,182,318
Total Net Position - Beginning (as restated)	155,571,724	49,869,148	28,194,377	4,260,795	237,896,044
Total Net Position - Ending	\$ 179,423,236	\$ 57,133,114	\$ 30,432,088	\$ 4,089,924	\$ 271,078,362

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, 2018

	Business-type Activities - Proprietary Funds				Total Proprietary Funds
	Water Fund	Wastewater Fund	Storm Drainage Operating Fund	Airport Fund	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 10,255,035	\$ 5,028,317	\$ 1,156,741	\$ 40,292	\$ 16,480,385
Payments to Employees	(2,274,125)	(1,909,924)	(175,093)	(6,902)	(4,366,044)
Payments to Suppliers	(2,918,033)	(1,097,775)	(230,184)	(33,511)	(4,279,503)
Net Cash Provided by (Used in) Operating Activities	5,062,877	2,020,618	751,464	(121)	7,834,838
Cash Flows from Non-capital Financing Activities					
Operating Grants	14,000	-	-	346,883	360,883
Advance from Other Funds	-	-	-	(233,578)	(233,578)
Cash Flows Provided by Non-capital Financing Activities	14,000	-	-	113,305	127,305
Cash Flows from Capital and Related Financing Activities					
Capital Grants	-	-	-	35,530	35,530
Acquisition and Construction of Capital Assets	(5,021,145)	(319,258)	(190,299)	(75,817)	(5,606,519)
Proceeds from Sale of Capital Assets	-	7,500	-	-	7,500
Principal Paid on Capital Debt	(2,435,000)	(656,182)	(12,759)	-	(3,103,941)
Interest Paid on Capital Debt	(1,864,344)	(655,444)	(5,464)	-	(2,525,252)
Capital Contributions	20,512,775	3,565,639	-	-	24,078,414
Insurance Recoveries	-	-	-	12,000	12,000
Cash Flows Provided by (Used in) Capital and Related Financing Activities	11,192,286	1,942,255	(208,522)	(28,287)	12,897,732
Cash Flows from Investing Activities					
Earnings on Investments	630,721	379,827	32,203	3,729	1,046,480
Cash Flows Provided by Investing Activities	630,721	379,827	32,203	3,729	1,046,480
Net Increase in Pooled Cash and Investments	16,899,884	4,342,700	575,145	88,626	21,906,355
Pooled Cash and Investments - January 1	27,961,664	18,969,484	1,704,662	-	48,635,810
Pooled Cash and Investments - December 31	\$ 44,861,548	\$ 23,312,184	\$ 2,279,807	\$ 88,626	\$ 70,542,165
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities					
Operating Income (Loss)	\$ 1,951,457	\$ 352,297	\$ 76,572	\$ (281,390)	\$ 2,098,936
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	3,477,471	1,694,838	664,575	278,028	6,114,912
Other Income	17,704	-	60,011	35,257	112,972
(Increase) Decrease in					
Accounts Receivable	(89,782)	(67,814)	(49,739)	(3,440)	(210,775)
Prepaid Items	(6,102)	2,495	-	-	(3,607)
Increase (Decrease) in					
Accounts Payable	(225,993)	53,840	(1,430)	(28,327)	(201,910)
Wages Payable	4,245	2,637	859	(53)	7,688
Compensated Absences Payable	(21,550)	(17,675)	616	(196)	(38,805)
Other Liabilities	(44,573)	-	-	-	(44,573)
Net Cash Provided by (Used In) Operating Activities	\$ 5,062,877	\$ 2,020,618	\$ 751,464	\$ (121)	\$ 7,834,838
Noncash Investing, Capital, and Financing Activities					
Contributions of infrastructure by developers	\$ 2,482,765	\$ 2,407,387	\$ 2,072,426	\$ -	\$ 6,962,578

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, 2018

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.

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.

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

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.

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.

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

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.

The *airport fund* accounts for activities related to the Town's airport, including capital projects and related grant funding.

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.

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

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, 2018. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2019 and are budgeted for in 2019.

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).

Note I. Summary of Significant Accounting Policies (continued)

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

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.

Note I. Summary of Significant Accounting Policies (continued)

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.

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

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

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, 2018.

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.

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.

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

Note II. Stewardship, Compliance, and Accountability (continued)

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 \$6,009,697 as of December 31, 2018. 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	\$ 120,131,222
Restricted cash and investments	<u>4,833,835</u>
Total	<u><u>\$ 124,965,057</u></u>

Cash and investments consist of the following:

Bank checking accounts	\$ 2,962,884
Investments	122,000,248
Cash on hand	<u>1,925</u>
Total	<u><u>\$ 124,965,057</u></u>

Deposits

As of December 31, 2018, the carrying amount of the Town's deposits was \$2,962,884.

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.

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

Investments

As of December 31, 2018, the Town had the following investments:

Investment Type	Rating		Fair Value	Investment Maturities		% of Total
	Moody's	S&P		Less than 1 Year	1 to 5 Years	
U.S. Treasury Notes	Aaa	AA+	\$ 17,049,939	\$ 6,960,651	\$ 10,089,288	14%
Federal Farm Credit Bank	Aaa	AA+	7,620,884	-	7,620,884	6%
Federal Home Loan Bank	Aaa	AA+	11,356,859	4,715,309	6,641,550	9%
Federal Home Loan Mortgage Corp.	Aaa	AA+	6,439,553	2,474,962	3,964,591	5%
Federal National Mortgage Association	Aaa	AA+	5,722,021	4,716,535	1,005,486	5%
International Bank of Reconstruction & Development	Aaa	AAA	2,482,118	2,482,118	-	2%
U.S. Corporate Notes	Aa1	AA+	3,001,070	-	3,001,070	2%
Commercial Paper	P1	A-1/A-1+	4,924,950	4,924,950	-	4%
BlackRock Liquidity Funds - FedFund Series	Aaa-mf	AAAm	35,000,000	35,000,000	-	30%
COLOTRUST PRIME	n/a	AAAm	17,261,151	17,261,151	-	14%
CSAFE	n/a	AAAm	80,036	80,036	-	0%
CSIP Liquid Portfolio	n/a	AAAm	10,191,922	10,191,922	-	8%
Wells Fargo 100% Treasury Money Market Fund	Aaa-mf	AAAm	869,745	869,745	-	1%
Total fair value			<u>\$ 122,000,248</u>	<u>\$ 89,677,379</u>	<u>\$ 32,322,869</u>	<u>100%</u>

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.

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.

Note III. Detailed Notes on All Funds (continued)

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 Government Liquid Asset Trust (COLOTRUST), Colorado Statewide Investment Program (CSIP) and Colorado Surplus Asset Fund Trust (CSAFE) at year-end. COLOTRUST, CSIP and CSAFE 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.

These 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.

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.

Note III. Detailed Notes on All Funds (continued)

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 investment in COLOTRUST PRIME 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. BlackRock Liquidity Funds – FedFund Series, CSAFE, CSIP Liquid Portfolio and the Wells Fargo Treasury Money Market Fund are valued at amortized cost. All other Town investments are valued using Level 2 inputs.

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 Governmental	Water	Wastewater	Storm Drainage	Nonmajor Proprietary	Total
Property taxes	\$ 4,347,198	\$ 1,634,233	\$ 1,567,970	\$ -	\$ -	\$ -	\$ -	\$ 7,549,401
Sales taxes	1,464,163	-	-	-	-	-	-	1,464,163
Other taxes	243,422	-	-	-	-	-	-	243,422
Accounts, net of allowance for uncollectible accounts	287,530	-	5,975	856,498	642,749	153,641	3,491	1,949,884
Intergovernmental	343,944	-	-	191,984	-	-	58,323	594,251
Interest	60,067	3,264	46,531	80,414	42,653	4,175	666	237,770
Other	308,074	-	-	-	-	-	-	308,074
Total receivables	<u>\$ 7,054,398</u>	<u>\$ 1,637,497</u>	<u>\$ 1,620,476</u>	<u>\$ 1,128,896</u>	<u>\$ 685,402</u>	<u>\$ 157,816</u>	<u>\$ 62,480</u>	<u>\$ 12,346,965</u>

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

C. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,640,917	\$ 4,370,530	\$ (3,959,582)	\$ 3,051,865
Land and open space	16,182,269	6,709,300	(10,000)	22,881,569
Total capital assets, not being depreciated	18,823,186	11,079,830	(3,969,582)	25,933,434
Capital assets, being depreciated:				
Buildings	39,030,585	557,501	(33,433)	39,554,653
Streets and other infrastructure	71,046,097	8,751,134	-	79,797,231
Parks and trails	18,800,714	3,813,495	-	22,614,209
Furniture and equipment	3,380,968	861,176	(137,391)	4,104,753
Vehicles	1,529,483	319,961	(104,246)	1,745,198
Total capital assets, being depreciated	133,787,847	14,303,267	(275,070)	147,816,044
Less accumulated depreciation for:				
Buildings	(5,956,636)	(985,945)	33,433	(6,909,148)
Streets and other infrastructure	(14,679,057)	(2,221,809)	-	(16,900,866)
Parks and trails	(7,364,528)	(1,047,614)	-	(8,412,142)
Furniture and equipment	(1,760,858)	(381,121)	134,306	(2,007,673)
Vehicles	(1,000,583)	(227,878)	104,246	(1,124,215)
Total accumulated depreciation	(30,761,662)	(4,864,367)	271,985	(35,354,044)
Total capital assets, being depreciated, net	103,026,185	9,438,900	(3,085)	112,462,000
Governmental activities capital assets, net	\$ 121,849,371	\$ 20,518,730	\$ (3,972,667)	\$ 138,395,434

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 13,660,808	\$ 4,621,807	\$ (6,821,113)	\$ 11,461,502
Land and reservoirs	5,835,861	-	-	5,835,861
Water rights	84,390,297	-	-	84,390,297
Total capital assets, not being depreciated	103,886,966	4,621,807	(6,821,113)	101,687,660
Capital assets, being depreciated:				
Buildings	196,745	-	-	196,745
Improvements other than buildings	195,782,242	14,488,788	(387,958)	209,883,072
Machinery and equipment	1,410,799	279,615	-	1,690,414
Total capital assets, being depreciated	197,389,786	14,768,403	(387,958)	211,770,231
Less accumulated depreciation for:				
Buildings	(117,201)	(5,067)	-	(122,268)
Improvements other than buildings	(45,558,011)	(5,979,882)	387,958	(51,149,935)
Machinery and equipment	(539,439)	(129,963)	-	(669,402)
Total accumulated depreciation	(46,214,651)	(6,114,912)	387,958	(51,941,605)
Total capital assets, being depreciated, net	151,175,135	8,653,491	-	159,828,626
Business-type activities capital assets, net	<u>\$ 255,062,101</u>	<u>\$ 13,275,298</u>	<u>\$ (6,821,113)</u>	<u>\$ 261,516,286</u>

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

Governmental activities:

General government	\$ 279,126
Public safety	395,144
Public works	2,533,344
Parks and recreation	<u>1,656,753</u>
Total depreciation expense - governmental activities	<u>\$4,864,367</u>

Business-type activities:

Water	\$3,477,471
Wastewater	1,694,838
Storm drainage	664,575
Airport	<u>278,028</u>
Total depreciation expense - business-type activities	<u>\$6,114,912</u>

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

D. Interfund Receivables, Payables, and Transfers

There was one advance from the General Fund at December 31, 2018, to the Town's urban renewal authority (EURA) for \$5,963,848. 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 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.

During 2018 there were three transfers to the General Fund from various nonmajor governmental funds, totaling \$350,064. 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 \$340,000 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.

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.

General obligation bonds outstanding at December 31, 2018, are as follows:

Year Issued	Description	Coupon Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2006	General obligation bonds	4.625	2019	\$ 16,800,000	\$ 525,000
2013	General obligation refunding bonds	3.00 - 4.00	2026	8,460,000	8,235,000
2014	General obligation bonds	3.25 - 3.75	2033	6,200,000	6,200,000
Total general obligation bonds					\$ 14,960,000

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

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

Year Ending December 31	Principal	Interest
2019	\$ 960,000	\$ 530,544
2020	1,000,000	493,213
2021	1,025,000	463,213
2022	1,070,000	422,213
2023	1,110,000	379,413
2024-2028	5,220,000	1,281,860
2029-2033	4,575,000	510,963
Total	<u>\$ 14,960,000</u>	<u>\$ 4,081,419</u>

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.

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	\$ 260,449
2009	Wastewater revenue loan	2.00	2030	1,534,700	537,478
2009	Wastewater revenue loan	0.00	2030	2,000,000	1,150,000
2009	Water revenue refunding bonds	3.50 - 4.00	2023	6,390,000	2,580,000
2011	Water revenue refunding bonds	2.75 - 5.00	2023	10,098,045	4,325,000
2015	Water revenue refunding bonds	3.00 - 5.00	2032	12,335,000	12,000,000
2016	Wastewater revenue refunding bonds	2.00 - 5.00	2037	16,670,000	15,880,000
2017	Water revenue refunding bonds	3.24	2032	4,575,000	<u>4,325,000</u>
Total revenue bonds and loans					<u><u>\$ 41,057,927</u></u>

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

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

Year Ending December 31	Principal	Interest
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	2,264,578	1,176,938
2024-2028	11,461,317	4,501,125
2029-2033	11,989,836	2,056,370
2034-2036	4,870,382	368,715
Total	<u>\$ 41,057,927</u>	<u>\$ 13,714,733</u>

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, 2017, 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
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	745,000	850,925	1,595,925
2024-2028	4,245,000	3,731,874	7,976,874
2029-2033	5,265,000	2,717,025	7,982,025
2034-2038	6,460,000	1,515,500	7,975,500
2039-2040	3,010,000	181,800	3,191,800
Total	<u>\$ 22,495,000</u>	<u>\$ 12,611,950</u>	<u>\$ 35,106,950</u>

Note III. Detailed Notes on All Funds (continued)

4. *Defeasance of Debt*

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, 2018, defeased bonds had remaining balances outstanding of \$11,496,181.

5. *Changes in Long-term Liabilities*

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and other debt payable:					
General obligation bonds	\$ 16,240,000	\$ -	\$ (1,280,000)	\$ 14,960,000	\$ 960,000
Capital lease obligations	22,229	-	(22,229)	-	-
Less deferred amounts for issuance premiums	1,110,378	-	(131,919)	978,459	-
Total bonds and other debt payable	17,372,607	-	(1,434,148)	15,938,459	960,000
Compensated absences	571,812	853,824	(859,298)	566,338	360,511
Other long-term liability	450,707	-	-	450,707	-
Total governmental activities	<u>\$ 18,395,126</u>	<u>\$ 853,824</u>	<u>\$ (2,293,446)</u>	<u>\$ 16,955,504</u>	<u>\$ 1,320,511</u>
Business-type activities:					
Bonds, loans and other debt payable:					
Revenue bonds and loans	\$ 43,511,868	\$ -	\$ (2,453,941)	\$ 41,057,927	\$ 2,500,024
Certificates of participation	23,145,000	-	(650,000)	22,495,000	670,000
Less deferred amounts for issuance premiums and discounts	4,521,836	-	(280,372)	4,241,464	-
Total bonds, loans and other debt payable	71,178,704	-	(3,384,313)	67,794,391	3,170,024
Compensated absences	232,268	247,627	(286,433)	193,462	140,798
Total business-type activities	<u>\$ 71,410,972</u>	<u>\$ 247,627</u>	<u>\$ (3,670,746)</u>	<u>\$ 67,987,853</u>	<u>\$ 3,310,822</u>

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

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

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. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. Colorado Revised Statutes (CRS), as amended, establish basic benefit provisions under the plans. FPPA issues an annual, publicly-available financial report that includes the assets of the plans. 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

Note III. Detailed Notes on All Funds (continued)

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 2018 was 10%. For the year ending December 31, 2018 the

Town's contributions to the SDBP was \$177,032, 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, 2018, the Town reported an asset of \$492,022 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability 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 2017 relative to the total contributions of participating employers to the SDBP. At December 31, 2017, the Town's proportion was 0.3420%, which was an increase of 0.0101% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension expense of (\$370,016). At December 31, 2018, 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	\$ 354,818	\$ 5,452
Net difference between projected and actual earnings on pension plan investments	-	167,058
Changes in assumptions	74,130	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,490	26,211
Contributions subsequent to the measurement date	177,032	-
Total	<u>\$ 610,470</u>	<u>\$ 198,721</u>

Note III. Detailed Notes on All Funds (continued)

The \$177,032 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, 2019. 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:

2019	\$ 55,322
2020	47,714
2021	(23,292)
2022	(49,624)
2023	49,295
Thereafter	<u>155,302</u>
Total	<u>\$ 234,717</u>

c. Actuarial Assumptions

The total pension asset in the December 31, 2017, 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.

Note III. Detailed Notes on All Funds (continued)

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 (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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	<u>2%</u>	2.26%
Total	<u>100%</u>	

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.

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:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Proportionate share of the net pension liability (asset)	\$ 535,665	\$ (492,022)	\$ (1,345,384)

Note III. Detailed Notes on All Funds (continued)

f. Pension Plan Fiduciary Net Position

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

g. Changes between the measurement date of the net pension asset and December 31, 2018

The FPPA Board completed an actuarial experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain 2.5%. The investment return assumption will be reduced from 7.5% to 7.0% to reflect the reduced real return expected from recent capital market data. The reduction in the investment return assumption will increase total pension liability.

2. General Employees

The Town contributes to a single employer 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 \$18,500 per year (\$24,500 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 2018, the Town made all required contributions to the plan, contributing \$339,447. Employees contributed \$448,061.

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 \$9,712,000 to various general contractors and vendors. Of this amount, \$6,420,000 represents contractual commitments for construction of a new bridge on Erie Parkway. This project is expected to be completed in 2019.

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District. In 2018, the Town contributed \$1,300,000 to the Northern Integrated Supply Project and \$600,000 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, 2018. 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. Cumulative reimbursements due pursuant to this agreement as of December 31, 2018 were \$41,068.

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. Other Information (continued)

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, 2018, amount of \$1,177,754 is based on the requirements of Article X, Section 20.

Note V. Restatement

During 2018, the Town corrected various errors relating to a prior period. Certain cash payments received in 2018 represented revenues that should been reflected in 2017 results but were omitted in error. As a result, receivables and related revenues were understated in 2017.

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

	<u>As Previously Reported</u>	<u>Prior Period Adjustments</u>	<u>As Adjusted</u>
Fund Financial Statements			
General Fund	\$ 26,760,506	\$ 92,039	\$ 26,852,545
Government-wide Financial Statements			
Governmental Activities	147,547,189	92,039	147,639,228
Fund Financial Statements			
Water Fund	\$ 155,323,384	\$ 248,340	\$ 155,571,724
Wastewater Fund	49,641,727	227,421	49,869,148
Storm Drainage Operating Fund	28,150,404	43,973	28,194,377
Airport Fund	4,225,265	35,530	4,260,795
Government-wide Financial Statements			
Business-Type Activities	237,340,780	555,264	237,896,044

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⁾

	2017	2016	2015	2014	2013
Town's proportion of the net pension liability (asset)	0.3420%	0.3319%	0.3362%	0.3312%	0.3106%
Town's proportionate share of the net pension liability (asset)	\$ (492,022)	\$ 119,905	\$ (5,840)	\$ (373,881)	\$ (277,699)
Covered payroll	2,005,275	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	-24.54%	6.76%	-0.36%	-25.10%	-20.59%
Plan fiduciary net position as a percentage of the total pension liability	106.3%	98.2%	100.1%	106.8%	105.8%

(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⁾

	2018	2017	2016	2015	2014	2013
Statutorily required contributions	\$ 177,032	\$ 160,422	\$ 142,003	\$ 131,094	\$ 119,159	\$ 107,911
Contributions in relation to the statutorily required contribution	<u>177,032</u>	<u>160,422</u>	<u>142,003</u>	<u>131,094</u>	<u>119,159</u>	<u>107,911</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$2,212,900	\$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%	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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Town of Erie

Nonmajor Governmental Funds

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

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. This fund was closed during 2018.

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, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 5,556,298	\$ 21,095,860	\$ 26,652,158
Receivables	1,578,901	41,575	1,620,476
Total Assets	<u>\$ 7,135,199</u>	<u>\$ 21,137,435</u>	<u>\$ 28,272,634</u>
LIABILITIES			
Accounts Payable	\$ 19,340	\$ 472,901	\$ 492,241
Wages Payable	900	-	900
Total Liabilities	<u>20,240</u>	<u>472,901</u>	<u>493,141</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>1,567,970</u>	<u>-</u>	<u>1,567,970</u>
Total Deferred Inflows of Resources	<u>1,567,970</u>	<u>-</u>	<u>1,567,970</u>
FUND BALANCES			
Restricted for:			
Capital Projects	-	20,664,534	20,664,534
Parks and Open Space	5,342,555	-	5,342,555
Committed to:			
Cemetery Operations	<u>204,434</u>	<u>-</u>	<u>204,434</u>
Total Fund Balances	<u>5,546,989</u>	<u>20,664,534</u>	<u>26,211,523</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,135,199</u>	<u>\$ 21,137,435</u>	<u>\$ 28,272,634</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 1,331,493	\$ -	\$ 1,331,493
Intergovernmental	197,591	6,369	203,960
Fees and Charges for Services	29,000	-	29,000
Capital Contributions and Fees	-	9,377,666	9,377,666
Investment Earnings	94,059	300,062	394,121
Miscellaneous	3,799	-	3,799
Total Revenues	1,655,942	9,684,097	11,340,039
EXPENDITURES			
Current Operating:			
Parks and Recreation	121,049	-	121,049
Capital Outlay	235,952	4,746,326	4,982,278
Total Expenditures	357,001	4,746,326	5,103,327
Excess of Revenues Over Expenditures	1,298,941	4,937,771	6,236,712
OTHER FINANCING USES			
Transfers Out	(346,364)	(3,700)	(350,064)
Total Other Financing Uses	(346,364)	(3,700)	(350,064)
Net Change in Fund Balance	952,577	4,934,071	5,886,648
Fund Balance - Beginning	4,594,412	15,730,463	20,324,875
Fund Balance - Ending	<u>\$ 5,546,989</u>	<u>\$ 20,664,534</u>	<u>\$ 26,211,523</u>

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails & Natural Areas Fund
ASSETS				
Pooled Cash and Investments	\$ 716,496	\$ 204,070	\$ -	\$ 4,628,629
Receivables	1,318	364	-	1,577,219
Total Assets	<u>\$ 717,814</u>	<u>\$ 204,434</u>	<u>\$ -</u>	<u>\$ 6,205,848</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 19,340
Wages Payable	900	-	-	-
Total Liabilities	<u>900</u>	<u>-</u>	<u>-</u>	<u>19,340</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	1,567,970
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,567,970</u>
FUND BALANCES				
Restricted for:				
Parks and Open Space	716,914	-	-	4,618,538
Committed to:				
Cemetery Operations	-	204,434	-	-
Total Fund Balances	<u>716,914</u>	<u>204,434</u>	<u>-</u>	<u>4,618,538</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 717,814</u>	<u>\$ 204,434</u>	<u>\$ -</u>	<u>\$ 6,205,848</u>

Erie Community Civic Fund		Total
\$ 7,103	\$ 5,556,298	
-	1,578,901	
<u>\$ 7,103</u>	<u>\$ 7,135,199</u>	
\$ -	\$ 19,340	
-	900	
-	20,240	
-	1,567,970	
-	1,567,970	
7,103	5,342,555	
-	204,434	
7,103	5,546,989	
<u>\$ 7,103</u>	<u>\$ 7,135,199</u>	

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Trails & Natural Areas Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,331,493
Intergovernmental	197,591	-	-	-
Fees and Charges for Services	-	29,000	-	-
Investment Earnings	12,573	3,387	42	78,057
Miscellaneous	-	-	-	-
Total Revenues	210,164	32,387	42	1,409,550
EXPENDITURES				
Current Operating:				
Parks and Recreation	96,036	-	-	25,013
Capital Outlay	61,800	-	-	174,152
Total Expenditures	157,836	-	-	199,165
Excess of Revenues Over Expenditures	52,328	32,387	42	1,210,385
OTHER FINANCING USES				
Transfers Out	-	-	(6,364)	(340,000)
Total Other Financing Uses	-	-	(6,364)	(340,000)
Net Change in Fund Balance	52,328	32,387	(6,322)	870,385
Fund Balance - Beginning	664,586	172,047	6,322	3,748,153
Fund Balance - Ending	\$ 716,914	\$ 204,434	\$ -	\$ 4,618,538

Erie Community	
Civic	
Fund	Total
\$ -	\$ 1,331,493
-	197,591
-	29,000
-	94,059
3,799	3,799
3,799	1,655,942
-	121,049
-	235,952
-	357,001
3,799	1,298,941
-	(346,364)
-	(346,364)
3,799	952,577
3,304	4,594,412
<u>\$ 7,103</u>	<u>\$ 5,546,989</u>

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 170,000	\$ 190,000	\$ 197,591	\$ 7,591
Investment Earnings	3,000	3,000	12,573	9,573
Total Revenues	173,000	193,000	210,164	17,164
EXPENDITURES				
Current Operating:				
Parks and Recreation	150,500	150,500	96,036	54,464
Capital Outlay	48,900	48,900	61,800	(12,900)
Total Expenditures	199,400	199,400	157,836	41,564
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,400)	(6,400)	52,328	58,728
Net Change in Fund Balance	<u>\$ (26,400)</u>	<u>\$ (6,400)</u>	52,328	<u>\$ 58,728</u>
Fund Balance - Beginning			<u>664,586</u>	
Fund Balance - Ending			<u>\$ 716,914</u>	

Town of Erie, Colorado
Cemetery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Fees and Charges for Services	\$ 25,000	\$ 25,000	\$ 29,000	\$ 4,000
Investment Earnings	1,000	1,000	3,387	2,387
Total Revenues	26,000	26,000	32,387	6,387
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues				
Over Expenditures	26,000	26,000	32,387	6,387
Net Change in Fund Balance	\$ 26,000	\$ 26,000	32,387	\$ 6,387
Fund Balance - Beginning			172,047	
Fund Balance - Ending			\$ 204,434	

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, 2018

	Budgeted Amounts			Variance With
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ -	\$ 30	\$ 42	\$ 12
Total Revenues	-	30	42	12
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	30	42	12
OTHER FINANCING USES				
Transfers Out	-	(6,352)	(6,364)	(12)
Total Other Financing Uses	-	(6,352)	(6,364)	(12)
Net Change in Fund Balance	\$ -	\$ (6,322)	(6,322)	\$ -
Fund Balance - Beginning			6,322	
Fund Balance - Ending			\$ -	

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, 2018

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Taxes	\$ 1,322,000	\$ 1,322,000	\$ 1,331,493	\$ 9,493
Investment Earnings	15,000	50,000	78,057	28,057
Total Revenues	1,337,000	1,372,000	1,409,550	37,550
EXPENDITURES				
Current Operating:				
Parks and Recreation	29,800	29,800	25,013	4,787
Capital Outlay	1,290,000	3,298,000	174,152	3,123,848
Total Expenditures	1,319,800	3,327,800	199,165	3,128,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,200	(1,955,800)	1,210,385	3,166,185
OTHER FINANCING USES				
Transfers Out	(300,000)	(300,000)	(340,000)	(40,000)
Total Other Financing Uses	(300,000)	(300,000)	(340,000)	(40,000)
Net Change in Fund Balance	\$ (282,800)	\$ (2,255,800)	870,385	\$ 3,126,185
Fund Balance - Beginning			3,748,153	
Fund Balance - Ending			\$ 4,618,538	

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
ASSETS				
Pooled Cash and Investments	\$ 2,509,249	\$ 9,616,718	\$ 4,286,807	\$ 564,682
Receivables	4,289	16,100	7,029	6,984
Total Assets	<u>\$ 2,513,538</u>	<u>\$ 9,632,818</u>	<u>\$ 4,293,836</u>	<u>\$ 571,666</u>
LIABILITIES				
Accounts Payable	<u>\$ 2,590</u>	<u>\$ 45,534</u>	<u>\$ 411,712</u>	<u>\$ 11,475</u>
Total Liabilities	<u>2,590</u>	<u>45,534</u>	<u>411,712</u>	<u>11,475</u>
FUND BALANCES				
Restricted for:				
Capital Projects	<u>2,510,948</u>	<u>9,587,284</u>	<u>3,882,124</u>	<u>560,191</u>
Total Fund Balances	<u>2,510,948</u>	<u>9,587,284</u>	<u>3,882,124</u>	<u>560,191</u>
Total Liabilities and Fund Balances	<u>\$ 2,513,538</u>	<u>\$ 9,632,818</u>	<u>\$ 4,293,836</u>	<u>\$ 571,666</u>

Storm Drainage Impact Fund	Total
\$ 4,118,404	\$ 21,095,860
7,173	41,575
<u>\$ 4,125,577</u>	<u>\$ 21,137,435</u>
\$ 1,590	\$ 472,901
1,590	472,901
4,123,987	20,664,534
4,123,987	20,664,534
<u>\$ 4,125,577</u>	<u>\$ 21,137,435</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
REVENUES				
Intergovernmental	\$ -	\$ 6,369	\$ -	\$ -
Capital Contributions and Fees	1,334,764	4,192,901	2,680,564	192,000
Investment Earnings	39,530	117,648	68,358	9,150
Total Revenues	1,374,294	4,316,918	2,748,922	201,150
EXPENDITURES				
Capital Outlay	1,054,682	571,484	3,044,403	75,757
Total Expenditures	1,054,682	571,484	3,044,403	75,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	319,612	3,745,434	(295,481)	125,393
OTHER FINANCING USES				
Transfers Out	(3,700)	-	-	-
Total Other Financing Uses	(3,700)	-	-	-
Net Change in Fund Balance	315,912	3,745,434	(295,481)	125,393
Fund Balance - Beginning	2,195,036	5,841,850	4,177,605	434,798
Fund Balance - Ending	<u>\$ 2,510,948</u>	<u>\$ 9,587,284</u>	<u>\$ 3,882,124</u>	<u>\$ 560,191</u>

Storm Drainage Impact Fund	Total
\$ -	\$ 6,369
977,437	9,377,666
65,376	300,062
<u>1,042,813</u>	<u>9,684,097</u>
<u>-</u>	<u>4,746,326</u>
<u>-</u>	<u>4,746,326</u>
<u>1,042,813</u>	<u>4,937,771</u>
<u>-</u>	<u>(3,700)</u>
<u>-</u>	<u>(3,700)</u>
1,042,813	4,934,071
<u>3,081,174</u>	<u>15,730,463</u>
<u>\$ 4,123,987</u>	<u>\$ 20,664,534</u>

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, 2018

	Budgeted Amounts			Variance With
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Capital Contributions and Fees	\$ 1,339,100	\$ 1,202,000	\$ 1,334,764	\$ 132,764
Investment Earnings	15,000	25,000	39,530	14,530
Total Revenues	1,354,100	1,227,000	1,374,294	147,294
EXPENDITURES				
Capital Outlay	368,000	1,301,200	1,054,682	246,518
Total Expenditures	368,000	1,301,200	1,054,682	246,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	986,100	(74,200)	319,612	393,812
OTHER FINANCING USES				
Transfers Out	(3,700)	(3,700)	(3,700)	-
Total Other Financing Uses	(3,700)	(3,700)	(3,700)	-
Net Change in Fund Balance	<u>\$ 982,400</u>	<u>\$ (77,900)</u>	315,912	<u>\$ 393,812</u>
Fund Balance - Beginning			<u>2,195,036</u>	
Fund Balance - Ending			<u>\$ 2,510,948</u>	

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 6,369	\$ 6,369
Capital Contributions and Fees	4,139,900	3,610,200	4,192,901	582,701
Investment Earnings	-	65,000	117,648	52,648
Total Revenues	4,139,900	3,675,200	4,316,918	641,718
EXPENDITURES				
Capital Outlay	1,450,000	3,724,100	571,484	3,152,616
Total Expenditures	1,450,000	3,724,100	571,484	3,152,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,689,900	(48,900)	3,745,434	3,794,334
Net Change in Fund Balance	\$ 2,689,900	\$ (48,900)	3,745,434	\$ 3,794,334
Fund Balance - Beginning			5,841,850	
Fund Balance - Ending			\$ 9,587,284	

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, 2018

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	2,578,600	2,260,500	2,680,564	420,064
Investment Earnings	-	50,000	68,358	18,358
Total Revenues	2,578,600	2,310,500	2,748,922	438,422
EXPENDITURES				
Capital Outlay	215,000	3,907,700	3,044,403	863,297
Total Expenditures	215,000	3,907,700	3,044,403	863,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,363,600	(1,597,200)	(295,481)	1,301,719
Net Change in Fund Balance	\$ 2,363,600	\$ (1,597,200)	(295,481)	\$ 1,301,719
Fund Balance - Beginning			4,177,605	
Fund Balance - Ending			\$ 3,882,124	

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, 2018

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 195,000	\$ 170,000	\$ 192,000	\$ 22,000
Investment Earnings	2,000	6,000	9,150	3,150
Total Revenues	197,000	176,000	201,150	25,150
EXPENDITURES				
Capital Outlay	118,000	166,400	75,757	90,643
Total Expenditures	118,000	166,400	75,757	90,643
Excess of Revenues				
Over Expenditures	79,000	9,600	125,393	115,793
Net Change in Fund Balance	\$ 79,000	\$ 9,600	125,393	\$ 115,793
Fund Balance - Beginning			434,798	
Fund Balance - Ending			\$ 560,191	

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, 2018

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 1,023,100	\$ 842,000	\$ 977,437	\$ 135,437
Investment Earnings	5,000	42,000	65,376	23,376
Total Revenues	1,028,100	884,000	1,042,813	158,813
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues				
Over Expenditures	1,028,100	884,000	1,042,813	158,813
OTHER FINANCING USES				
Transfers Out	-	(2,326,900)	-	2,326,900
Total Other Financing Uses	-	(2,326,900)	-	2,326,900
Net Change in Fund Balance	\$ 1,028,100	\$ (1,442,900)	1,042,813	\$ 2,485,713
Fund Balance - Beginning			3,081,174	
Fund Balance - Ending			\$ 4,123,987	

Town of Erie
Proprietary Funds

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

This section presents budgetary comparisons for the following funds:

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 8,648,000	\$ 9,342,000	\$ 10,251,306	\$ 909,306
Capital Contributions and Fees	15,477,000	18,316,000	20,512,775	2,196,775
Intergovernmental	-	14,000	14,000	-
Investment Earnings	240,000	385,000	699,994	314,994
Miscellaneous	58,800	58,800	17,704	(41,096)
Total Revenues	24,423,800	28,115,800	31,495,779	3,379,979
EXPENDITURES				
Operating Expenditures				
Personnel Services	2,294,400	2,336,900	2,278,370	58,530
Operations and Maintenance	2,693,300	2,814,600	2,243,263	571,337
Capital Outlay	7,774,600	9,878,500	5,337,164	4,541,336
Debt Related Expenses				
Principal Payments	2,487,900	2,435,000	2,435,000	-
Interest Expense	2,352,300	1,864,800	1,864,344	456
Total Expenditures	17,602,500	19,329,800	14,158,141	5,171,659
Change in Net Position, Budget Basis	\$ 6,821,300	\$ 8,786,000	17,337,638	\$ 8,551,638
Reconciliation to GAAP Basis:				
Bond Principal Payments			2,435,000	
Change in Accrued Interest Payable			7,212	
Change in Compensated Absences Payable			21,550	
Developer Contributions			2,482,765	
Capital Outlay			5,021,145	
Depreciation and Amortization			(3,453,798)	
Change in Net Position, GAAP Basis			23,851,512	
Total Net Position - Beginning (as restated)			155,571,724	
Total Net Position - Ending			\$ 179,423,236	

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 4,386,000	\$ 5,019,000	\$ 5,096,131	\$ 77,131
Capital Contributions and Fees	2,591,800	3,176,000	4,765,639	1,589,639
Investment Earnings	150,000	275,000	393,174	118,174
Miscellaneous	33,800	33,800	-	(33,800)
Total Revenues	7,161,600	8,503,800	10,254,944	1,751,144
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,977,200	2,018,700	1,912,561	106,139
Operations and Maintenance	1,279,800	1,278,800	1,032,344	246,456
Capital Outlay	3,640,700	1,747,000	438,529	1,308,471
Debt Related Expenses				
Principal Payments	656,200	656,200	656,182	18
Interest Expense	656,200	656,200	655,444	756
Total Expenditures	8,210,100	6,356,900	4,695,060	1,661,840
OTHER FINANCING SOURCES				
Proceeds from Disposition of Capital Assets	-	-	7,500	7,500
Total Other Financing Sources	-	-	7,500	7,500
Change in Net Position, Budget Basis	\$ (1,048,500)	\$ 2,146,900	5,567,384	\$ 3,420,484
Reconciliation to GAAP Basis:				
Principal Payments			656,182	
Change in Accrued Interest Payable			996	
Change in Compensated Absences Payable			17,675	
Developer Contributions			2,407,387	
Capital Outlay			319,259	
Depreciation and Amortization			(1,704,917)	
Change in Net Position, GAAP Basis			7,263,966	
Total Net Position - Beginning (as restated)			49,869,148	
Total Net Position - Ending			\$ 57,133,114	

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 969,000	\$ 987,000	\$ 1,146,469	\$ 159,469
Investment Earnings	-	25,000	33,975	8,975
Miscellaneous	33,800	33,800	60,011	26,211
Total Revenues	1,002,800	1,045,800	1,240,455	194,655
EXPENDITURES				
Operating Expenditures				
Personnel Services	194,900	202,800	175,952	26,848
Operations and Maintenance	239,900	237,500	154,634	82,866
Capital Outlay	485,000	3,791,200	264,419	3,526,781
Debt Related Expenses				
Principal Payments	12,800	12,800	12,759	41
Interest Expense	5,500	5,500	5,464	36
Total Expenditures	938,100	4,249,800	613,228	3,636,572
OTHER FINANCING SOURCES				
Transfers In	-	2,326,900	-	(2,326,900)
Total Other Financing Sources	-	2,326,900	-	(2,326,900)
Change in Net Position, Budget Basis	\$ 64,700	\$ (877,100)	627,227	\$ 1,504,327
Reconciliation to GAAP Basis:				
Principal Payments			12,759	
Change in Accrued Interest Payable			191	
Change in Compensated Absences Payable			(616)	
Developer Contributions			2,072,426	
Capital Outlay			190,299	
Depreciation and Amortization			(664,575)	
Change in Net Position, GAAP Basis			2,237,711	
Total Net Position - Beginning (as restated)			28,194,377	
Total Net Position - Ending			\$ 30,432,088	

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, 2018

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 5,800	\$ 5,800	\$ 8,475	\$ 2,675
Capital Contributions and Fees	-	641,600	58,323	(583,277)
Intergovernmental	316,700	-	644	644
Investment Earnings	-	1,500	4,295	2,795
Miscellaneous	40,000	40,000	35,257	(4,743)
Total Revenues	362,500	688,900	106,994	(581,906)
EXPENDITURES				
Operating Expenditures				
Personnel Services	3,600	5,100	6,850	(1,750)
Operations and Maintenance	27,000	27,800	5,184	22,616
Capital Outlay	333,400	631,000	75,817	555,183
Total Expenditures	364,000	663,900	87,851	576,049
OTHER FINANCING SOURCES				
Insurance Recoveries	-	-	12,000	12,000
Total Other Financing Sources	-	-	12,000	12,000
Change in Net Position, Budget Basis	\$ (1,500)	\$ 25,000	31,143	\$ 6,143
Reconciliation to GAAP Basis:				
Change in Compensated Absences Payable			197	
Capital Outlay			75,817	
Depreciation and Amortization			(278,028)	
Change in Net Position, GAAP Basis			(170,871)	
Total Net Position - Beginning (as restated)			4,260,795	
Total Net Position - Ending			\$ 4,089,924	

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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.

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Financial Trends <i>These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.</i>	109
Revenue Capacity <i>These schedules contain trend information to help the reader assess the Town’s most significant local revenue sources, property and sales taxes.</i>	113
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.</i>	121
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.</i>	126
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services that the Town provides and activities it performs.</i>	128

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

	Fiscal Year									
	2009	2010	2011	2012	2013 ⁽¹⁾	2014	2015 ⁽²⁾	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 122,702,339
Restricted	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	32,617,869
Unrestricted	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	18,012,077
Total Governmental Activities Net Position	\$ 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	\$ 173,332,285
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 199,949,037
Restricted	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	824,000
Unrestricted	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	70,305,325
Total Business-type Activities Net Position	\$ 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	\$ 271,078,362
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 322,651,376
Restricted	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	33,441,869
Unrestricted	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	88,317,402
Total Primary Government Net Position	\$ 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	\$ 444,410,647

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									
	2009	2010	2011	2012	2013 (1)	2014	2015 (2)	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 6,372,190
Public Safety	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	4,125,915
Public Works	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	5,912,042
Parks & Recreation	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	7,658,937
Interest on Long-Term Debt	868,802	854,380	819,064	780,479	649,304	681,174	720,371	657,411	604,011	547,591
Total Governmental Activities Expenses	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	24,616,675
Business-type Activities:										
Water	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	10,127,032
Wastewater	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	5,405,865
Storm Drainage	381,752	372,769	400,859	418,621	447,151	412,940	664,028	932,686	809,794	1,075,170
Airport	320,180	265,896	314,911	299,977	445,648	263,355	337,969	307,283	668,087	289,865
Housing Authority	109,513	114,313	117,270	107,136	111,463	119,300	112,370	116,252	335,939	-
Total Business-type Activities Expenses	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	16,897,932
Total Primary Government Expenses	\$ 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	\$ 41,514,607
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 656,516	\$ 572,119	\$ 636,727	\$ 619,763	\$ 1,028,882	\$ 1,199,010	\$ 1,607,509	\$ 1,952,378	\$ 2,169,570	\$ 3,561,877
Public Safety	121,429	135,506	162,864	176,375	246,843	249,004	219,581	299,055	268,853	275,835
Public Works	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	2,720,956
Parks and Recreation	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	2,199,954
Operating Grants and Contributions	128,680	73,748	128,031	1,002,109	1,020,806	1,095,717	1,127,940	1,198,439	1,249,172	1,489,061
Capital Grants and Contributions	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	16,667,704
Total Governmental Activities Program Revenues	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	26,915,387
Business-type Activities:										
Charges for Services										
Water	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	10,251,306
Wastewater	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	5,096,131
Storm Drainage	380,023	387,275	392,907	401,146	411,862	427,761	514,714	660,450	795,580	1,146,469
Other Activities	172,369	173,394	136,988	98,477	86,138	82,478	85,794	89,736	21,928	8,475
Operating Grants and Contributions	-	-	-	73,455	66,438	54,829	74,100	20,190	346,239	14,644
Capital Grants and Contributions	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	32,299,315
Total Business-type Activities Program Revenues	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	48,816,340
Total Primary Government Program Revenues	\$ 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	\$ 75,731,727
Net (Expense) Revenue										
Governmental Activities	\$ (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	\$ 2,298,712
Business-type Activities	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	31,918,408
Total Primary Government Net (Expense) Revenue	\$ (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	\$ 34,217,120
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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	\$ 6,337,412
Sales & Use Taxes	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	13,489,158
Franchise Taxes	571,130	684,352	561,740	638,792	685,918	708,894	717,589	749,480	815,245	861,850
Specific Ownership Taxes	253,376	221,453	234,005	258,258	239,435	286,551	279,094	266,745	325,357	359,476
Intergovernmental - Unrestricted	-	-	-	107,617	103,540	207,505	249,784	91,578	78,323	128,227
Investment Earnings	621,372	262,564	250,191	182,476	102,215	169,030	127,840	201,007	376,733	925,222
Other Miscellaneous	84,860	207,953	556,947	423,901	212,691	613,890	379,013	403,763	258,643	1,293,000
Transfers In/Out	-	(19,813)	(21,547)	(20,087)	(18,137)	(228,157)	(9,349)	(33,719)	(3,207,559)	-
Total Governmental Activities	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	23,394,345
Business-type Activities:										
Investment Earnings	438,286	155,037	113,452	122,303	82,977	132,694	127,247	252,507	477,847	1,131,438
Other Miscellaneous	92,529	99,970	101,533	49,538	376,272	61,202	65,952	121,267	176,374	132,472
Transfers In/Out	-	19,813	21,547	20,087	18,137	228,157	9,349	33,719	3,207,559	-
Total Business-type Activities	530,815	274,820	236,532	191,928	477,386	422,053	202,548	407,493	3,861,780	1,263,910
Total Primary Government General Revenue and Other Changes in Net Position	\$ 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	\$ 24,658,255
Changes in Net Position										
Governmental Activities	\$ 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	\$ 25,693,057
Business-type Activities	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	33,182,318
Total Primary Government Changes in Net Position	\$ 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	\$ 58,875,375

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)

	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 128,000	\$ 1,477,677	\$ 4,030,672	\$ 4,596,194	\$ 5,202,240	\$ 5,563,854	\$ 5,654,209	\$ 5,978,897
Restricted/Reserved	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	4,015,815
Assigned	-	-	1,026,106	1,462,004	1,118,949	131,230	41,842	250,058	230,835	253,913
Unassigned/Unreserved	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	17,436,060
Total General Fund	\$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	\$27,684,685
All Other Governmental Funds										
Restricted/Reserved	\$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	\$28,110,032
Committed	-	-	137,963	143,579	17,987	151,996	130,154	141,528	172,047	204,434
Unassigned/Unreserved	133,606	-	(55,925)	(1,255,208)	(4,065,293)	(4,408,588)	(5,012,977)	(5,382,532)	(5,656,411)	(6,009,697)
Total of All Other Governmental Funds	\$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	\$22,304,769

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 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	\$ 21,047,896
Intergovernmental	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	1,639,812
Licenses and Permits	501,629	536,684	603,482	723,393	1,308,271	1,534,533	1,855,274	2,209,044	2,837,483	3,699,178
Charges for Services	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	4,783,608
Fines and Forfeitures	121,429	135,506	162,864	176,375	246,843	249,004	219,581	299,055	268,853	275,835
Capital Contributions and Fees	1,301,715	2,107,334	1,349,889	1,670,547	2,153,798	2,604,363	4,331,583	4,432,454	8,943,896	9,377,666
Investment Earnings	621,373	262,564	250,191	182,476	102,215	169,030	127,840	201,007	376,732	925,222
Miscellaneous	262,669	304,083	387,386	374,370	232,919	203,135	315,850	303,042	555,948	769,663
Total Revenues	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	42,518,880
Expenditures										
General Government	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	6,007,314
Public Safety	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	4,041,846
Public Works	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	3,028,797
Parks & Recreation	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	5,385,752
Capital Outlay	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	15,251,967
Debt Service										
Principal	845,000	880,000	915,000	950,000	1,800,062	1,125,320	1,177,108	1,225,393	1,281,999	1,302,230
Interest	889,731	857,444	820,681	782,756	673,681	683,515	748,037	697,864	645,055	588,833
Bond Issuance Costs	-	-	-	-	123,357	110,693	-	-	-	-
Total Expenditures	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	35,606,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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	6,912,141
Other Financing Sources (Uses)										
Transfers In	98,200	109,400	131,200	457,800	4,965,891	1,803,700	2,390,626	657,893	328,700	350,064
Transfers Out	(98,200)	(129,213)	(152,747)	(477,887)	(4,984,028)	(2,031,857)	(2,399,975)	(691,612)	(3,536,259)	(350,064)
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	352,091
Insurance Recoveries & Related	-	41,331	22,084	46,446	171,510	33,374	21,146	72,421	33,333	139,187
Proceeds from Litigation Settlements	-	-	-	-	-	370,000	-	-	-	45,147
Total Other Financing Sources (Uses)	-	40,603	113,888	724,444	582,243	6,691,313	53,811	67,007	(3,069,226)	536,425
Net Changes in Fund Balance	\$ (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	\$ 7,448,566
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	15.01%	14.46%	13.57%	13.16%	16.16%	11.77%	10.24%	11.24%	10.12%	8.81%

Source: Town of Erie Finance Department

⁽¹⁾Included in noncapital expenditures for this calculation are certain expenditures classified for budgeting purposes as capital but do not qualify to be capitalized.

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
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
2018	6,337,412	10,014,132	3,475,026	861,850	359,476	21,047,896

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 2018 the levy was 0.652 mills.

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

Boulder County							
Year ⁽¹⁾	Residential	Commercial	Vacant		Less:	Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
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
2018	115,094,833	10,156,615	18,400,076	12,400,193	5,531,996	150,519,721	1,718,471,789

Weld County							
Year ⁽¹⁾	Residential	Commercial	Vacant		Less:	Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
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
2018	130,164,270	29,902,290	5,512,400	38,221,720	23,990,010	179,810,670	1,969,952,922

Boulder County and Weld County				
Year ⁽¹⁾	Grand Total Assessed	Grand Total Actual	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Taxable Value	Taxable Value		
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
2018	330,330,391	3,688,424,711	8.96%	15.800

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: 2018 taxes assessed will be collected in the 2019 calendar year.

**Town of Erie
Principal Property Taxpayers
December 31**

Taxpayer	Boulder County					
	2018			2009		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
HT Flatiron LP	\$ 5,807,660	1	3.86 %	\$ -	-	%
Public Service Co. of Colorado (Xcel)	4,058,073	2	2.70	-	-	
Calatlantic Group Inc.	3,703,822	3	2.46	-	-	
Arapahoe Ridge Property LLC	2,626,069	4	1.74	-	-	
LCF1 LLC	2,389,281	5	1.59	-	-	
JMJC Eleven LLC	2,317,165	6	1.54	-	-	
Crestone Peak Resources	2,130,573	7	1.42	-	-	
Lennar Colorado LLC	1,705,946	8	1.13	-	-	
Meritage Homes of Colorado Inc.	1,355,779	9	0.90	-	-	
Standard Pacific of Colorado Inc.	1,354,683	10	0.90	-	-	
Encana Oil & Gas Usa Inc	-	-	-	4,050,460	1	4.50
Arapahoe Ridge Retail Center LLC	-	-	-	2,669,050	2	2.97
Public Service Co of Colorado	-	-	-	2,267,800	3	2.52
Richmond American Homes of Colorado	-	-	-	1,147,420	4	1.28
Muhr Partnership Three	-	-	-	1,139,760	5	1.27
Alande Company	-	-	-	912,090	6	1.01
Westpac Realty Fund II LLC	-	-	-	869,040	7	0.97
Boulder Valley Investment LLC	-	-	-	672,580	8	0.75
CVH Investments LLC	-	-	-	666,620	9	0.74
Richard E & Deborah L Oliver	-	-	-	503,040	10	0.56
	<u>\$ 27,449,051</u>		<u>18.24 %</u>	<u>\$ 14,897,860</u>		<u>16.57 %</u>
Taxpayer	Weld County					
	2018			2009		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Dillon Companies	\$ 4,067,610	1	2.12 %	\$ -	-	%
Kerr-McGee Gathering LLC	3,602,960	2	1.87	-	-	
Crestone Peak Resources, LP	2,252,880	3	1.17	-	-	
Public Service Co. of Colorado (Xcel)	1,843,360	4	0.96	-	-	
Kerr-McGee Oil & Gas Onshore LP	1,662,610	5	0.87	-	-	
King Soopers Inc.	1,411,460	6	0.73	-	-	
Waste Connections Inc.	1,299,210	7	0.68	-	-	
Ensign United States Drilling Inc.	1,276,000	8	0.66	-	-	
KP Kaufmann Company Inc.	874,570	9	0.46	-	-	
Colorado National Golf Club HQ LLC	871,050	10	0.45	-	-	
Encana Oil & Gas (USA) Inc	-	-	-	7,456,740	1	6.22
Noble Energy Inc	-	-	-	1,920,310	2	1.60
WL Homes	-	-	-	1,300,480	3	1.09
Vista Ridge Development LLC	-	-	-	1,296,670	4	1.08
Vista Ridge Development Corp	-	-	-	1,131,120	5	0.94
Colorado National Golf Club LLC	-	-	-	978,530	6	0.82
Comcast of Colorado I LLC	-	-	-	885,370	7	0.74
VRC Development LLC	-	-	-	851,980	8	0.71
Woodcrest Homes Inc	-	-	-	774,040	9	0.65
1010 Redevelopment Inc	-	-	-	737,160	10	0.62
	<u>\$ 19,161,710</u>		<u>9.97 %</u>	<u>\$ 17,332,400</u>		<u>14.47 %</u>

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									
	General	General	Trails &	Total		St. Vrain	Boulder	Mountain	Northern
Year	Operating	Obligation	Natural	Direct	Boulder	Valley School	Valley School	View	Colorado
		Bonds	Areas		County	District	District	District	Water
									Conservation
Rates (In mills) ⁽¹⁾									
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
2018	7.288	4.512	4.000	15.800	22.726	56.394	47.780	11.747	1.000

Weld County									
Town of Erie									
	General	General	Trails &	Total		St. Vrain	Mountain	Northern	
Year	Operating	Obligation	Natural	Direct	Weld	Valley School	View	Colorado	High
		Bonds	Areas		County	District	District	Water	Plains
								Conservation	Library
Rates (In mills) ⁽¹⁾									
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
2018	7.288	4.512	4.000	15.800	15.800	56.394	11.747	1.000	3.256

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: 2018 taxes assessed will be collected in the 2019 calendar year.

⁽²⁾ Includes the following metro districts: Erie Farm, Flatiron Meadows, Four Corners, Rex Ranch and Wise Farm #'s 1-2.

⁽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
0.528	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	-	103.218 - 155.989
0.599	3.261	50.000	103.894 - 161.847
0.608	3.264	50.000	103.678 - 161.985
0.632	3.267	50.000	106.373 - 162.477
0.553	3.308	50.000	101.465 - 159.538
0.559	3.271	50.000	106.150 - 164.134
0.500	3.256	50.000	102.809 - 166.700

Metro Districts ⁽³⁾	(Range) Total
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
15.000 - 77.388	103.997 - 181.385

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
2009	\$ 3,727,878	\$ 3,720,315	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	3,987,059	99.42
2014	3,994,213	3,993,379	99.98
2015 ⁽³⁾	4,252,002	4,254,354	100.06
2016	4,756,706	4,757,945	100.03
2017	4,701,081	4,669,385	99.33
2018	5,219,221	5,220,932	100.03

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: 2018 taxes assessed will be collected in the 2019 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 2018 the levy was 0.652 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
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
2018	2,456,510	7,557,622	3,475,026	13,489,158	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
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
2018	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
		%		%		%		%	
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
2018	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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Aggregate top ten filers ⁽¹⁾	\$ 857,218	\$ 1,009,572	\$ 942,292	\$ 994,891	\$ 1,096,938	\$ 1,137,611	\$ 1,217,909	\$ 1,547,514	\$ 4,202,529	\$ 5,193,369
Aggregate all other filers	869,881	728,288	921,355	972,826	973,689	1,113,540	1,359,852	1,929,602	2,025,377	2,364,253
Total sales tax ⁽²⁾	\$ 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	\$ 7,557,622

Top ten filers as a percentage of total tax

49.6%

58.1%

50.6%

50.6%

53.0%

50.5%

47.2%

44.5%

67.5%

68.7%

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

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita
	General Obligation Bonds	Capital Leases	Revenue Bonds/Loans ⁽¹⁾	Certificates of Participation		Capital Leases	Mortgages & Other Loans Payable				
2009	\$18,235,000	-	\$	\$ 61,988,088	\$ 29,955,000	\$ 2,648,691	\$ 838,939	\$ 113,665,718	12.92%	\$ 6,315	
2010	17,623,254	-		60,542,625	29,522,550	2,582,378	819,154	111,089,961	12.24%	6,126	
2011	16,692,986	-		58,734,280	29,026,374	2,513,192	803,667	107,770,499	11.23%	5,825	
2012	15,727,719	-		56,086,691	28,465,197	2,441,007	781,683	103,502,297	10.10%	5,505	
2013	15,923,684	250,790		54,983,075	28,295,000	-	758,942	100,211,491	9.40%	5,166	
2014	21,249,523	195,470		54,126,668	25,105,000	-	745,832	101,422,493	8.52%	5,021	
2015	20,010,049	138,363		51,331,253	25,768,158	-	735,843	97,983,666	7.20%	4,622	
2016	18,707,714	82,969		49,398,754	25,088,650	-	665,499	93,943,586	6.41%	4,175	
2017	17,350,378	22,229		46,784,562	24,394,142	-	-	88,551,311	5.40%	3,674	
2018	15,938,459	-		44,104,764	23,689,627	-	-	83,732,850	N/A	3,233	

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⁾ Current year 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
2009	18,000	\$ 2,171,063,406	\$ 18,235,000	0.84	\$ 1,013
2010	18,135	2,170,060,087	17,623,254	0.81	972
2011	18,500	2,193,817,240	16,692,986	0.76	902
2012	18,800	2,184,304,274	15,727,719	0.72	837
2013	19,400	2,217,560,030	15,923,684	0.72	821
2014	20,200	2,270,916,138	21,249,523	0.94	1,052
2015	21,200	2,341,433,467	20,010,049	0.85	944
2016	22,500	2,854,121,861	18,707,714	0.66	831
2017	24,100	2,962,790,731	17,350,378	0.59	720
2018	25,900	3,688,424,711	15,938,459	0.43	615

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, 2018

	Outstanding General Bonded Debt	Percentage Applicable to the Town⁽²⁾	Share of Debt Applicable to the Town
Direct Debt			
Town of Erie	<u>\$ 14,960,000</u>	100 %	<u>\$ 14,960,000</u>
Overlapping Debt ⁽¹⁾			
Boulder Valley School District	685,175,000	1	6,851,750
Carbon Valley Recreation	2,975,000	1	29,750
Colliers Hill Metro District #2	24,126,000	100	24,126,000
Erie Highlands Metro District #1	9,156,000	100	9,156,000
Erie Highlands Metro District #2	17,144,000	100	17,144,000
Frederick-Firestone Fire Protection District	1,175,000	1	11,750
St. Vrain Valley School District	548,690,000	5	27,434,500
Vista Ridge Metropolitan District	<u>41,110,420</u>	100	<u>41,110,420</u>
Total Overlapping Debt	<u>1,329,551,420</u>		<u>125,864,170</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 1,344,511,420</u>		<u>\$ 140,824,170</u>

Source: Provided by each government entity

⁽¹⁾The following governments had no outstanding general bonded debt as of December 31, 2018:

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 Vista 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 Farms 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 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	\$ 118,914,195
Less: Net Debt Applicable to Limit	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	14,960,000
Legal Debt Margin	\$ 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	\$ 103,954,195

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

27.42%	26.03%	24.46%	23.14%	21.21%	27.99%	25.47%	19.46%	17.12%	12.58%
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Legal Debt Margin Calculation for Fiscal Year 2018

Actual Valuation	
Boulder County	\$ 1,738,758,300
Weld County	2,225,048,215
Total Actual Valuation	\$ 3,963,806,515
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	\$ 118,914,195
Debt Applicable to Limitation:	
Outstanding Balance of General	
Obligation Bonds	14,960,000
Legal Debt Margin	\$ 103,954,195

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			Coverage
				Principal	Interest	Total	
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
2018	31,495,779	4,942,758	26,553,021	1,785,000	914,506	2,699,506	9.84 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			Coverage
				Principal	Interest	Total	
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
2018	10,262,444	3,048,996	7,213,448	656,182	655,143	1,311,325	5.50 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
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ⁽¹⁾	Personal	Per Capita Income ⁽²⁾	Median Age ⁽¹⁾	School Enrollment	Unemployment Rate ⁽³⁾
		Income ⁽²⁾ (in thousands)				
2009	18,000	\$ 880,038	\$ 48,891	36.3	3,273	6.4
2010	18,135	907,312	50,031	35.8	3,532	6.9
2011	18,500	960,021	51,893	36.2	3,636	6.0
2012	18,800	1,024,638	54,502	36.4	3,852	5.7
2013	19,400	1,066,379	54,968	35.2	4,085	4.6
2014	20,200	1,190,123	58,917	36.9	4,602	3.3
2015	21,200	1,360,976	64,197	36.0	4,903	2.7
2016	22,500	1,465,875	65,150	37.0	5,172	2.1
2017	24,100	1,639,451	68,027	37.0	5,700	2.5
2018	25,900	-	-	37.0	5,757	3.3

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. 2018 data not yet available.

⁽³⁾ Source - Economic Research - Federal Reserve Bank of St. Louis

Town of Erie
Principal Employers
Current Year and Ten Years Ago

<u>Employer</u>	<u>2018</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
St. Vrain Valley School District	290	1	6.07 %
King Soopers	280	2	5.86
Town of Erie	208	3	4.35
Safeway	83	4	1.74
Colorado National Golf Club	50	5	1.05
Magnum Plastics	45	6	0.94
Lazy Dog	45	7	0.94
Primrose	42	8	0.88
Aspen Ridge Prep School	42	9	0.88
Living Design Studios	29	10	0.61
Total	<u>1,114</u>		<u>23.32 %</u>

	<u>2009</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
Town of Erie	258	1	10.32 %
St Vrain Valley School District	250	2	10.00
Safeway	180	3	7.20
Colorado National Golf Club	75	4	3.00
Magnum Plastics	24	5	0.96
John Murphy Millworks	20	6	0.80
Starbucks	17	7	0.68
Walgreens	17	8	0.68
County Line Lumber	10	9	0.40
Papa Murphy's	7	10	0.28
	<u>858</u>		<u>34.32 %</u>

Source: Town of Erie Economic Development

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	13.2	13.2	13.2	14.2	15.2					
Town Administration						5.0	5.0	5.0	6.0	6.0
Economic Development						1.0	1.0	1.0	1.0	1.0
Finance						6.0	6.0	7.0	8.0	8.0
Human Resources						2.0	2.0	2.0	3.0	3.0
Information Technology						3.0	3.0	3.6	3.6	4.0
Planning & Development						15.0	16.0	18.0	23.0	26.0
Parks & Recreation	62.1	65.1	69.0	69.6	74.3	71.2	72.1	75.0	79.4	84.0
Public Safety	23.8	24.8	25.0	25.0	27.0	25.9	27.4	30.0	32.0	40.5
Public Works	39.6	39.6	40.6	42.6	45.6	35.6	35.7	37.4	43.0	43.0
Total	138.7	142.7	147.8	151.4	162.1	164.7	168.2	179.0	199.0	215.5

Note: Beginning in 2014 FTE's are reflected based on the primary organizational structure. Personnel costs of certain employees in General Government and Public Works are allocated to the Water, Wastewater, Storm Drainage and Airport Funds and the Town's urban renewal authority based on the estimated portion of their time dedicated to supporting these activities.

Source: Town of Erie Finance Department

Town of Erie
Operating Indicators by Function
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Parks										
Total Acres of Parks Maintained	91	148	148	149	149	136	136	136	136	209
Total Acres of Open Space Maintained	204	272	272	607	607	1,075	1,075	1,096	1,096	1,150
Recreation										
Participation in Recreation Activities	5,512	40,862	70,250	67,815	70,262	68,975	64,038	69,712	54,926	64,195
Participation in Sports	2,161	3,303	4,782	6,375	6,954	4,988	5,725	5,818	5,895	5,657
Participation in Senior Activities	5,459	3,667	5,779	14,136	17,211	16,086	9,532	10,516	9,103	9,239
Senior Lunches	2,059	2,636	2,677	2,364	2,383	1,770	2,510	2,499	2,574	2,667
Police										
Traffic Violations	840	1,021	1,091	1,138	1,573	1,255	1,420	1,897	1,474	1,852
Criminal Violations	173	158	247	239	263	275	385	404	211	183
Water										
Number of Service Connections	6,383	6,503	6,546	6,765	6,990	7,195	7,561	8,048	8,547	9,193
Average Daily Flow (million gallons per day)	2.36	2.53	2.64	2.94	2.64	2.63	2.75	3.15	3.25	3.80
Wastewater										
Number of Service Connections	6,106	6,216	6,298	6,491	6,716	6,912	7,242	7,732	8,220	8,875
Average Daily Flows (million gallons per day)	0.964	1.007	1.070	1.090	1.216	1.190	1.190	1.300	1.490	1.500

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Parks and Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	10	10	10	10	10	10	10	10	10	16
Park Acreage	81	136	136	136	136	136	136	136	150	209
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	8	8	8	8	8	9	9	10	10	11
Public Works										
Streets (miles)	132.0	130.0	121.0	122.4	134.0	134.0	134.0	135.0	154.0	173.5
Water										
Water Mains (miles)	111.0	111.0	125.5	132.7	132.7	137.0	149.5	157.0	165.0	181.0
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)	94.0	94.0	87.7	89.7	90.9	94.0	100.8	103.5	109.0	122.0
Maximum Daily Capacity (million gallons per day)	1.8	1.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	1.5
Storm Drainage										
Storm Sewers (miles)	34.0	34.0	40.1	40.1	39.9	44.0	49.7	53.0	59.0	64.0
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 Construction		Residential Construction	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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	19,393,000	465	123,766,000
2017	103,321,654	2,853,165,694	2,956,487,348	10	6,344,000	631	168,432,000
2018	138,133,645	3,578,300,793	3,716,434,438	11	12,468,000	640	164,695,000

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

	2014	2015	2016	2017	2018
Gross Revenues					
Charges for services	\$ 6,514,590	\$ 7,131,476	\$ 8,278,284	\$ 9,044,664	\$ 10,251,306
Tap fees	7,244,159	11,027,144	14,374,273	15,702,821	20,416,574
Interest income	62,563	69,333	156,900	285,093	699,994
Other income	444,158	39,855	14,784	42,588	127,905
Total Gross Revenues	14,265,470	18,267,808	22,824,241	25,075,166	31,495,779
Operation and Maintenance Expenses (1)	4,090,660	3,755,288	4,769,246	4,211,555	4,822,378
Net Revenues	<u>\$ 10,174,810</u>	<u>\$ 14,512,520</u>	<u>\$ 18,054,995</u>	<u>\$ 20,863,611</u>	<u>\$ 26,673,401</u>
Combined Maximum Annual Principal and Interest Requirements	\$ 2,693,979	\$ 2,693,979	\$ 2,693,979	\$ 2,693,979	\$ 2,693,979
Pro-Forma Coverage Ratio	3.78x	5.39x	6.70x	7.74x	9.90x
Current year debt service					\$ 2,699,506
Coverage Ratio - current year					9.88x
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
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	511	631	14,976,375	9	726,446	520	15,702,821
2018	637	640	19,309,796	11	1,106,778	648	20,416,574

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

History of Water Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Irrigation Accounts</u>	<u>Total Accounts</u>
2014	6,939	126	145	7,210
2015	7,246	124	151	7,521
2016	7,757	141	154	8,052
2017	8,233	150	169	8,552
2018	8,856	163	184	9,203

Note: Irrigation accounts based on summer usage activity.

Largest Customers of the Water System

<u>Type of Business</u>	<u>2018 Revenue</u>	<u>% of Total (1)</u>
The Town	\$ 217,956	2.13%
School District	214,179	2.09%
Homeowner's Association	177,262	1.73%
Homeowner's Association	126,202	1.23%
Homeowner's Association	88,918	0.87%
Construction Company	85,042	0.83%
Homeowner's Association	55,009	0.54%
Construction Company	54,127	0.53%
School District	53,665	0.52%
O&G services	49,789	0.49%
Total	<u><u>\$ 1,122,149</u></u>	<u><u>10.95%</u></u>

(1) Based on total charges for service of \$10,251,306.

Budget Summary and Comparison - Water Fund

	2017 Final Budget	2017 Actual	2018 Final Budget	2018 Actual
Beginning Working Capital (1)	\$ 28,273,936	\$ 28,273,936	\$ 27,651,563	\$ 27,651,563
Revenues				
Charges for services	8,611,000	9,044,664	9,342,000	10,251,306
Connection fees	15,547,700	15,702,821	18,220,000	20,416,574
Interest income	220,000	285,093	385,000	699,994
Other income	30,700	43,181	168,800	127,904
Total revenues	24,409,400	25,075,759	28,115,800	31,495,778
Total funds available	52,683,336	53,349,695	55,767,363	59,147,341
Operating Expenses				
Administration	2,776,200	3,284,227	3,203,100	3,332,704
Distribution	289,500	199,313	321,000	264,407
Treatment	1,255,400	1,129,038	1,397,000	1,184,014
Meters	205,400	170,012	230,400	217,141
Debt service (1)	8,962,100	8,963,645	4,299,800	4,299,343
Capital outlay	23,653,500	17,261,926	9,878,500	4,860,531
Total operating expenses	37,142,100	31,008,161	19,329,800	14,158,140
Other Financing Sources				
Proceeds from debt issuance (2)	4,575,000	4,575,000	-	-
Total other financing sources	4,575,000	4,575,000	-	-
Other changes in working capital	-	486,689	-	(28,081)
Net change in working capital	(8,157,700)	(870,713)	8,786,000	17,309,557
Ending Working Capital	<u>\$ 20,116,236</u>	<u>\$ 27,403,223</u>	<u>\$ 36,437,563</u>	<u>\$ 44,961,120</u>

(1) The 2018 beginning balance reflects a prior period adjustment related to 2017 year-end accruals of customer billings..

(2) 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,				
	2014	2015	2016	2017	2018
Operating Revenues					
Charges for services	\$ 6,514,590	\$ 7,131,476	\$ 8,278,284	\$ 9,044,664	\$ 10,251,306
Operating Expenses					
Personnel services	1,523,281	1,641,891	1,684,788	2,038,669	2,256,820
Operations and maintenance	2,567,379	2,113,397	3,084,458	2,172,886	2,565,558
Depreciation	2,508,658	2,626,283	2,821,610	3,105,037	3,477,471
Total Operating Expenses	6,599,318	6,381,571	7,590,856	7,316,592	8,299,849
Net Operating Income (Loss)	(84,728)	749,905	687,428	1,728,072	1,951,457
Nonoperating Revenues (Expenses)					
Interest income	62,563	69,333	156,900	285,093	699,994
Other, net (1)	59,060	(2,013,951)	14,784	42,588	31,704
Interest expense (2)	(2,389,405)	(2,443,958)	(2,014,864)	(1,946,105)	(1,827,183)
Total Nonoperating Expenses, net	(2,267,782)	(4,388,576)	(1,843,180)	(1,618,424)	(1,095,485)
Loss before Contributions	(2,352,510)	(3,638,671)	(1,155,752)	109,648	855,972
Capital contributions (3)	7,629,257	11,040,531	17,246,744	18,262,084	22,995,540
Change in Net Position	5,276,747	7,401,860	16,090,992	18,371,732	23,851,512
Total Net Position - Beginning	106,253,567	111,530,314	118,932,174	136,951,652	155,323,384
Prior Period Adjustments (4) (5)	-	-	1,928,486	-	248,340
Total Net Position - Ending	<u>\$ 111,530,314</u>	<u>\$ 118,932,174</u>	<u>\$ 136,951,652</u>	<u>\$ 155,323,384</u>	<u>\$ 179,423,236</u>

(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 \$2,872,000 in 2016, \$2,559,000 in 2017 and \$2,483,000 in 2018.

(4) In 2016 a prior period adjustment was made to record developer contributions of infrastructure that should have been reflected in 2015.

(5) In 2018 a prior period adjustment was made to record adjustments to 2017 year-end customer billing accruals.

Budget Summary and Comparison - General Fund

	2017 Final Budget	2017 Actual	2018 Final Budget	2018 Actual
Revenues				
Taxes	\$ 14,640,600	\$ 16,179,942	\$ 16,791,100	\$ 18,615,903
Intergovernmental	1,097,500	1,138,700	1,351,500	1,435,852
Licenses and Permits	2,683,000	2,837,483	3,221,000	3,699,178
Fees and Charges for Services	4,264,400	4,570,432	4,608,700	4,753,635
Fines and Forfeitures	278,000	268,853	278,000	275,835
Investment Earnings	175,000	209,518	300,000	510,692
Miscellaneous	316,700	552,644	678,300	765,864
Total Revenues	23,455,200	25,757,572	27,228,600	30,056,959
Expenditures				
Current Operating:				
General Government	5,298,200	4,349,177	5,816,300	5,615,511
Public Safety	3,676,200	3,482,081	4,143,052	4,041,846
Public Works	3,158,300	2,991,570	3,392,100	3,028,797
Parks and Recreation	5,164,000	5,023,118	5,691,800	5,264,703
Capital Outlay (1)	3,252,500	2,082,586	11,644,000	10,269,388
Debt Service				
Principal	1,289,500	1,281,999	1,302,500	1,302,230
Interest	643,500	645,055	589,500	588,833
Total Expenditures	22,482,200	19,855,586	32,579,252	30,111,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	973,000	5,901,986	(5,350,652)	(54,349)
Other Financing Sources (Uses)				
Transfers In	308,700	328,700	310,052	350,064
Transfers Out	(82,900)	(77,046)	-	-
Sales of Capital Assets	105,000	105,000	344,000	352,091
Insurance Recoveries	25,000	33,333	99,600	139,187
Proceeds from Litigation Settlements	-	-	44,600	45,147
Total Other Financing Sources (Uses)	355,800	389,987	798,252	886,489
Net Change in Fund Balance	1,328,800	6,291,973	(4,552,400)	832,140
Fund Balance, Beginning	20,532,568	20,532,568	26,760,506	26,760,506
Prior Period Adjustments (2) (3)	-	(64,035)	-	92,039
Fund Balance, Ending	\$ 21,861,368	\$ 26,760,506	\$ 22,208,106	\$ 27,684,685

(1) 2018 reflects the purchase of 255 acres of land along I-25 and Erie Parkway for \$6.4 million for future economic development.

(2) In 2017 a prior period adjustment was made to reflect the correction of parks capital contribution fees recorded in the General Fund in error..

(3) In 2018 a prior period adjustment was made to record adjustments to 2017 year-end revenue accruals.

General Fund - History of Revenues, Expenses and Changes in Fund Balance

	Year Ended December 31,				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 9,658,292	\$ 11,033,487	\$ 12,925,001	\$ 16,179,942	\$ 18,615,903
Intergovernmental	1,274,677	1,454,903	1,322,006	1,138,700	1,435,852
Licenses and Permits	1,534,533	1,855,274	2,209,044	2,837,483	3,699,178
Fees and Charges for Services	1,938,471	3,918,891	4,138,040	4,570,432	4,753,635
Fines and Forfeitures	249,004	219,581	299,055	268,853	275,835
Capital Contributions and Fees	17,649	-	-	-	-
Investment Earnings	71,712	62,898	105,882	209,518	510,692
Miscellaneous	203,135	315,850	260,717	552,644	765,864
Total Revenues	14,947,473	18,860,884	21,259,745	25,757,572	30,056,959
Expenditures					
Current Operating:					
General Government (1)	2,591,795	5,881,034	3,120,399	4,349,177	5,615,511
Public Safety	2,699,615	2,977,558	3,244,415	3,482,081	4,041,846
Public Works	3,851,553	2,793,781	2,980,586	2,991,570	3,028,797
Parks and Recreation	3,028,518	4,428,109	4,710,210	5,023,118	5,264,703
Capital Outlay (2)	3,483,712	6,190,605	2,071,521	2,082,586	10,269,388
Debt Service					
Principal	1,125,320	1,177,108	1,225,393	1,281,999	1,302,230
Interest	683,515	748,037	697,864	645,055	588,833
Debt Issuance Costs (3)	110,693	-	-	-	-
Total Expenditures	17,574,721	24,196,232	18,050,388	19,855,586	30,111,308
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,627,248)	(5,335,348)	3,209,357	5,901,986	(54,349)
Other Financing Sources (Uses)					
Transfers In	1,803,700	2,390,626	326,700	328,700	350,064
Transfers Out	(228,157)	(9,349)	(13,400)	(77,046)	-
Bonds Issued (3)	6,200,000	-	-	-	-
Premium on Bonds Issued (3)	308,716	-	-	-	-
Sales of Capital Assets	7,380	42,014	28,305	105,000	352,091
Insurance Recoveries	33,374	21,146	72,421	33,333	139,187
Proceeds from Litigation Settlements	81,878	-	-	-	45,147
Total Other Financing Sources (Uses)	8,206,891	2,444,437	414,026	389,987	886,489
Net Change in Fund Balance	5,579,643	(2,890,911)	3,623,383	6,291,973	832,140
Fund Balance, Beginning	14,220,453	19,800,096	16,909,185	20,532,568	26,760,506
Prior Period Adjustments (4) (5)	-	-	-	(64,035)	92,039
Fund Balance, Ending	\$ 19,800,096	\$ 16,909,185	\$ 20,532,568	\$ 26,760,506	\$ 27,684,685

(1) 2015 reflects a \$3.0 million incentive payment related to the construction of a King Soopers in the Town.

(2) 2018 reflects the purchase of 255 acres of land along I-25 and Erie Parkway for \$6.4 million for future economic development.

(3) Reflects issuance of \$6.2 million in general obligation bonds for the financing of construction of a public safety building to house the Town's police department and municipal court.

(4) In 2017 a prior period adjustment was made to reflect the correction of parks capital contribution fees recorded in the General Fund in error.

(5) In 2018 a prior period adjustment was made to record adjustments to 2017 year-end revenue accruals.

Wastewater Enterprise Fund Continuing Disclosures:

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

	2014	2015	2016	2017	2018
Gross Revenues					
Charges for services	\$ 4,267,375	\$ 4,143,696	\$ 4,320,614	\$ 4,439,911	\$ 5,096,131
Tap fees	1,289,860	2,241,200	2,508,135	2,757,730	3,407,731
Interest income	64,116	53,377	88,916	178,651	393,174
Other	206,510	272,444	471,246	608,428	1,365,408
Total Gross Revenues	5,827,861	6,710,717	7,388,911	7,984,720	10,262,444
Operation and Maintenance Expenses (1)					
	2,488,132	2,557,448	2,510,334	2,780,013	3,048,996
Net Revenues	<u>\$ 3,339,729</u>	<u>\$ 4,153,269</u>	<u>\$ 4,878,577</u>	<u>\$ 5,204,707</u>	<u>\$ 7,213,448</u>
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	2.43x	3.02x	3.54x	3.78x	5.24x
Current year debt service					\$ 1,311,325
Coverage Ratio - current year					5.50x
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
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
2018	621	3,289,865	11	117,866	632	3,407,731

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

History of Wastewater Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Total Accounts</u>
2014	6,802	110	6,912
2015	7,108	110	7,218
2016	7,609	124	7,733
2017	8,090	128	8,218
2018	8,716	139	8,855

History of Wastewater Operating Revenues by Category

<u>Year</u>	<u>Residential Revenues</u>	<u>Commercial Revenues</u>	<u>Total Revenues</u>
2014	\$ 4,026,327	\$ 241,048	\$ 4,267,375
2015	3,947,626	196,070	4,143,696
2016	4,096,196	224,418	4,320,614
2017	4,211,801	228,110	4,439,911
2018	4,798,347	297,784	5,096,131

Largest Customers of the Wastewater System

<u>Type of Business</u>	<u>2018 Revenue</u>	<u>% of Total (1)</u>
Homeowner's Association	\$ 107,977	2.12%
The Town	47,404	0.93%
School District	32,006	0.63%
Commercial Business	24,632	0.48%
School District	24,444	0.48%
Homeowner's Association	22,715	0.45%
Homeowner's Association	17,070	0.33%
Homebuilder	14,414	0.28%
Homeowner's Association	13,783	0.27%
Homebuilder	12,455	0.24%
Total	<u>\$ 316,900</u>	<u>6.22%</u>

(1) Based on total charges for service of \$5,096,131.

Budget Summary and Comparison - Wastewater Fund

	2017 Final Budget	2017 Actual	2018 Final Budget	2018 Actual
Beginning Working Capital (1)	\$ 15,915,452	\$ 15,915,452	\$ 17,386,614	\$ 17,386,614
Revenues				
Charges for services	4,300,000	4,439,911	5,019,000	5,096,131
Tap fees	2,732,000	2,757,730	3,036,000	3,407,731
Interest income	135,000	178,651	275,000	393,174
Other income	546,000	614,633	173,800	1,365,408
Total revenues	7,713,000	7,990,925	8,503,800	10,262,444
Total funds available	23,628,452	23,906,377	25,890,414	27,649,058
Operating Expenses				
Administration	1,527,400	1,427,895	1,742,000	1,696,256
Collection	260,500	150,826	290,900	206,969
Treatment	1,357,200	1,109,486	1,264,600	1,041,681
Debt service (1)	1,307,800	1,307,336	1,312,400	1,311,625
Capital outlay	4,174,700	2,749,633	1,747,000	438,529
Total operating expenses	8,627,600	6,745,176	6,356,900	4,695,060
Other changes in working capital	-	(2,008)	-	(37,003)
Net change in working capital	(914,600)	1,243,741	2,146,900	5,530,381
Ending Working Capital	<u>\$ 15,000,852</u>	<u>\$ 17,159,193</u>	<u>\$ 19,533,514</u>	<u>\$ 22,916,995</u>

(1) The 2018 beginning balance reflects a prior period adjustment related to 2017 year-end accruals of customer billings..

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

	Year Ended December 31,				
	2014	2015	2016	2017	2018
Operating Revenues					
Charges for services	\$ 4,267,375	\$ 4,143,696	\$ 4,320,614	\$ 4,439,911	\$ 5,096,131
Operating Expenses					
Personnel services	1,335,957	1,438,353	1,465,748	1,663,310	1,894,886
Operations and maintenance	1,152,175	1,119,095	1,044,586	1,116,703	1,154,110
Depreciation	1,546,140	1,447,349	1,418,963	1,543,024	1,694,838
Total Operating Expenses	4,034,272	4,004,797	3,929,297	4,323,037	4,743,834
Net Operating Income	233,103	138,899	391,317	116,874	352,297
Nonoperating Revenues (Expenses)					
Investment income	64,116	53,377	88,916	178,651	393,174
Other, net (1)	-	(5,611,491)	9,873	13,795	7,500
Interest expense (2)	(946,136)	(924,719)	(956,740)	(672,334)	(662,031)
Total Nonoperating Expenses, net	(882,020)	(6,482,833)	(857,951)	(479,888)	(261,357)
Loss before Contributions	(648,917)	(6,343,934)	(466,634)	(363,014)	90,940
Capital contributions (3)	1,496,370	2,500,734	3,858,449	6,122,913	7,173,026
Change in Net Position (1)	847,453	(3,843,200)	3,391,815	5,759,899	7,263,966
Total Net Position - Beginning	41,198,092	42,045,545	38,202,345	43,881,828	49,641,727
Prior Period Adjustments (4)(5)	-	-	2,287,668	-	227,421
Total Net Position - Ending	<u>\$ 42,045,545</u>	<u>\$ 38,202,345</u>	<u>\$ 43,881,828</u>	<u>\$ 49,641,727</u>	<u>\$ 57,133,114</u>

(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, \$2,771,000 in 2017 and \$2,407,000 in 2018.

(4) In 2016 a prior period adjustment was made to record developer contributions of infrastructure that should have been reflected in 2015.

(5) In 2018 a prior period adjustment was made to record adjustments to 2017 year-end customer billing accruals.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:			
		Town of Erie			
		YEAR ENDING:			
December 2018					
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)	2,224,296		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,692,342		
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	866,188	b. Snow and ice removal			
3. Other local imposts (from page 2)	7,088,694	c. Other	362,173		
4. Miscellaneous local receipts (from page 2)	111,954	d. Total (a. through c.)	362,173		
5. Transfers from toll facilities		4. General administration & miscellaneous	869,007		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	5,147,818		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	-	a. Interest	35,000		
7. Total (1 through 6)	8,066,836	b. Redemption	360,000		
B. Private Contributions		c. Total (a. + b.)	395,000		
C. Receipts from State government (from page 2)	1,221,416	2. Notes:			
D. Receipts from Federal Government (from page 2)	-	a. Interest			
E. Total receipts (A.7 + B + C + D)	9,288,252	b. Redemption			
		c. Total (a. + b.)	-		
		3. Total (1.c + 2.c)	395,000		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	5,542,818		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	360,000	-	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
	5,841,850	9,288,252	5,542,818	9,587,284	-
Notes and Comments:					

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LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2018	
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	111,954
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	4,192,901	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,895,793	g. Other Misc. Receipts	-
6. Total (1. through 5.)	7,088,694	h. Other	
c. Total (a. + b.)	7,088,694	i. Total (a. through h.)	111,954
	(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	942,492	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	86,905	d. Federal Transit Admin	
d. Other - Road & Bridge Taxes	192,019	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	278,924	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	1,221,416	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		487,347	487,347
(3). System Preservation		1,635,311	1,635,311
(4). System Enhancement & Operation		101,638	101,638
(5). Total Construction (1) + (2) + (3) + (4)	-	2,224,296	2,224,296
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	2,224,296	2,224,296
			(Carry forward to page 1)
Notes and Comments:			

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