ANNUAL

COMPREHENSIVE FINANCIAL **REPORT**

For the year ending Dec. 31, 2022
Town of Erie, Colorado

TOWN OF ERIE
1874

About the cover:

The Final Phase of Erie Community Park was completed in June of 2022 and culminated in a giant grand opening party. Families from across Erie and from nearby cities came out to enjoy the new amenities.

Town of Erie, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended
December 31, 2022

Prepared by the Finance Department

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Town of Erie, Colorado

Annual Comprehensive Financial Report
For the fiscal year ended December 31, 2022

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Introductory Section

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TOWN OF ERIE
1874

June 9, 2023

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

State Law requires all general-purpose local governments to 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 annual comprehensive financial report of the Town of Erie (the Town) for the fiscal year ended December 31, 2022.

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 a 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, Certified Public Accountants, have issued unmodified ("clean") opinions on the Town's financial statements for the year ended December 31, 2022. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

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, 2022, is approximately 31,420, 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.

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 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 police protection; public works, engineering, and street maintenance; parks, trails, open space, and recreational activities; planning and building services; and administration. 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 (URA).

Other traditional municipal services such as fire protection and library services are provided to Erie's residents 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, but not between funds. Transfers of appropriations between funds, and appropriations increasing the budget, require Board of Trustee approval.

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 residents. 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. However, since 2000 the Town's population has quadrupled, primarily reflecting growth in single-family residential homes. Residential construction activity was strong, though slightly slower than the prior year, with 708 permits for new residential properties issued compared to 796 permits in 2021. To support the continued 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. In 2019, a change in internet sales tax regulations resulted in another sales tax increase as the Town began collecting taxes on online sales to Erie residents. In 2020, construction activity finally began on the southeast corner of Highway 287 and Arapahoe Road. The development – called Nine Mile – includes a Lowe's, mixed retail and commercial, and multi-family housing, which opened in 2022. The second phase of this development includes a King Soopers which is set to open in 2024. The Town continues to work on implementing a long-range plan for developing the Town's eastern edge along Interstate 25, which includes 255 acres that was strategically purchased to be a critical element in the economic development of this area. The Town continues to work on increasing the number of businesses throughout the community, including initiatives to enhance Historic Downtown Erie, Town Center/Four Corners, and the Highway 7 corridor, among other areas of potential development.

The immediate vicinity, including the Town, Boulder County, and Weld County, has an employed labor force of about 369,000. The Town's major employers range from retail to engineering to education to healthcare to light manufacturing. As of December 31, 2022, the Town government had 289 budgeted 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 high-quality residential construction. This growth should translate into corresponding growth in the number and variety of businesses in the community.

Long-term Financial Planning

As indicated above and discussed elsewhere in this report, the Town continues to maintain strong fund balance positions in its various funds. The Board and management believe it is prudent to conserve its level of reserves in the General Fund 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 Firming Project and the Northern Integrated Supply Project, part of its efforts to ensure adequate water supplies as the Town grows.

Relevant Financial Policies

The Town has adopted various financial policies over the years, with periodic revisions when appropriate. 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 plus 2% of the net book value of capital assets. All funds exceeded reserve requirements as of December 31, 2022.

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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the 18th consecutive year the Town has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. We believe that our current annual comprehensive 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

Stefanie Furman

Malcolm Fleming
Town Administrator

Stefanie Furman, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

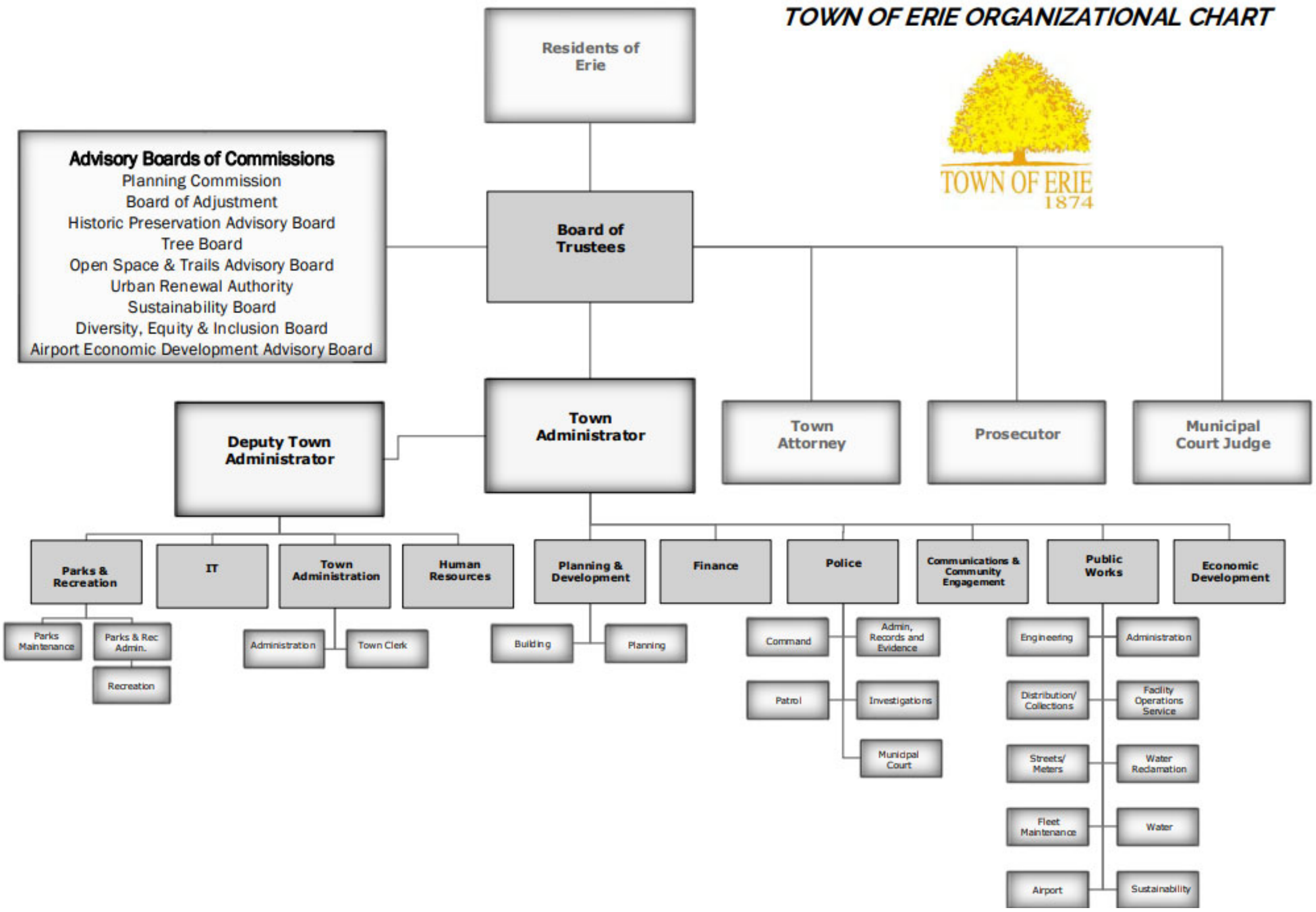
Town of Erie
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Executive Director/CEO

Organizational Chart



Town of Erie, Colorado
List of Town Officials

Elected Officials - Mayor & Board of Trustees

Justin Brooks	Mayor	April 2024
Sara Loflin	Mayor Pro Tem	April 2024
Ari Harrison	Trustee	April 2024
Emily Baer	Trustee	April 2026
Andrew Sawusch	Trustee	April 2026
Brandon Bell	Trustee	April 2024
Dan Hoback	Trustee	April 2026

Appointed Officials

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

Senior Staff

Melissa Wiley	Deputy Town Administrator
Stefanie Furman	Director of Finance
Todd Fessenden	Director of Public Works
Denise Jakan	Director of Information Technology
Debbie Stamp	Town Clerk
Gabi Rae	Communications & Community Engagement Director
Alicia Melendez	Director of Human Resources
Julian Jacquin	Director of Economic Development
Sarah Nurmela	Director of Planning & Development
Kim Stewart	Chief of Police
Amy Teetzel	Administrative Operations Director

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

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Erie
Erie, Colorado

Report on the Audit of the Financial Statements

Opinions

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 (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, Grants Fund, and the Erie Urban Renewal Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I to the financial statements, effective January 1, 2022, the Town adopted new accounting guidance for leases. This resulted in a restatement of the Town's net position for governmental activities, business-type activities, the water fund and the aggregate remaining fund information due to implementation of this new standard. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

Board of Trustees
Town of Erie

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the Water and Wastewater enterprise funds' continuing disclosures but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Trustees
Town of Erie

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2023, on our consideration of the Town'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'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's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
June 9, 2023

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, 2022. 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 2022 by $728.8 million (net position). Of this amount, $165.8 million (unrestricted net position) may be used to meet the Town's ongoing obligations in accordance with financial policies.
- The Town's total net position increased by $72 million, or 11%, compared to 2021. Governmental net position increased by $33.2 million, or 13%, and business-type net position increased by $38.8 million, or 10%.
- At December 31, 2022, the Town's governmental funds reported combined ending fund balances of $115.1 million, an increase of $12 million from 2021. This increase reflects higher levels of sales tax revenues, increased grant funding, and expense control efforts.
- The General Fund, the Town's primary operating fund, reported unassigned fund balance of $39 million, representing 110% of actual operating expenditures for 2022.

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 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 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 user 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 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 2022 the Town had 13 individual governmental funds, including the Town's urban renewal authority (URA). The General Fund is considered a *major fund*, as are the Grants Fund, Transportation Impact Fund, Parks Improvement Fund, and the URA. Their fund information is presented separately in the governmental fund balance sheet and 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 the major special revenue funds 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 – 42 of this report.

The Town maintains two types of ***proprietary funds*** - enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater, storm drainage and airport operations.

Internal service funds are accounting devices used to accumulate and allocate costs internally among the Town's various functions. At the end of 2019 the Town created its first internal service fund, to be used to account for its fleet of vehicles and heavy equipment. These services predominantly benefit the governmental rather than business-type functions. As such, they are included within the governmental-activities in the government-wide financial statements. The activity in the Fleet and Equipment Acquisition Fund is used for monitoring the Town's fleet of vehicles and heavy equipment and is allocated between the governmental and business-type activities based upon actual usage. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 43 – 45 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 47 – 76 of this report.

Required Supplementary Information providing certain supporting pension schedules can be found on pages 77 – 80.

Supplementary Information, including combining statements for the nonmajor governmental funds (referred to earlier) are presented following the required supplementary information. In addition, budget schedules for proprietary funds are also presented in this section. This information can be found on pages 81 – 108.

Government-wide Financial Analysis

Statement of Net Position. As noted above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2022, the Town's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was $728.8 million, an increase of $72 million over the total at December 31, 2021. The Town reported positive balances in net position for both governmental and business-type activities. Net position increased by $33.2 million in its governmental activities and $38.8 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 142,997	$ 123,840	$ 134,887	$ 117,839	$ 277,884	$ 241,679
Capital assets	199,109	178,375	352,577	331,644	551,686	510,019
Total assets	342,106	302,215	487,464	449,483	829,570	751,698
Deferred Outflows of Resources	1,726	1,790	2,464	2,722	4,190	4,512
Liabilities						
Long-term liabilities	18,900	18,270	54,025	57,473	72,925	75,743
Other liabilities	14,159	9,070	5,437	3,099	19,596	12,169
Total liabilities	33,059	27,340	59,462	60,572	92,521	87,912
Deferred Inflows of Resources	12,463	11,535	-	-	12,463	11,535
Net Position						
Net investment in capital assets	184,877	164,364	301,985	277,609	486,862	441,973
Restricted	71,345	61,250	1,070	794	72,415	62,044
Unrestricted	42,088	39,516	127,411	113,230	169,499	152,746
Total net position	$ 298,310	$ 265,130	$ 430,466	$ 391,633	$ 728,776	$ 656,763

The Town's net investment in capital assets represents 66.8% of its net position. These capital assets are used to provide necessary services to residents 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 10% of 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 23% 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)*

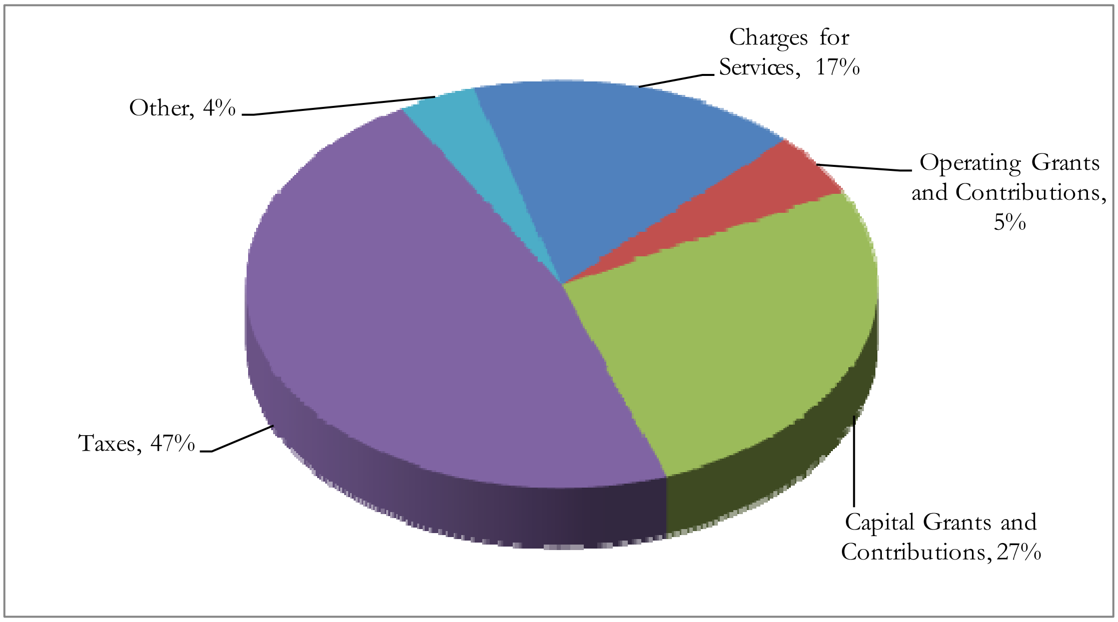
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	$ 13,020	$ 8,868	$ 21,458	$ 20,053	$ 34,478	$ 28,921
Operating grants and contributions	3,710	2,040	-	54	3,710	2,094
Capital grants and contributions	21,252	20,550	36,940	42,842	58,192	63,392
General revenues						
Taxes	36,721	33,628	-	-	36,721	33,628
Grants	-	-	-	-	-	-
Investment earnings	842	(48)	852	(70)	1,694	(118)
Other	2,415	1,359	139	134	2,554	1,493
Total revenues	77,960	66,397	59,389	63,013	137,349	129,410
Expenses						
General government	13,282	8,351	-	-	13,282	8,351
Public safety	8,543	6,995	-	-	8,543	6,995
Public works	11,181	8,088	-	-	11,181	8,088
Parks and recreation	11,110	9,294	-	-	11,110	9,294
Interest on long-term debt	559	423	-	-	559	423
Water	-	-	12,643	11,827	12,643	11,827
Wastewater	-	-	5,927	5,372	5,927	5,372
Storm drainage	-	-	1,676	1,506	1,676	1,506
Airport	-	-	313	324	313	324
Total expenses	44,675	33,151	20,559	19,029	65,234	52,180
Increase in net position before transfers	33,285	33,246	38,830	43,984	72,115	77,230
Transfers	(12)	(2,786)	12	2,786	-	-
Increase in net position	33,273	30,460	38,842	46,770	72,115	77,230
Net position - beginning	265,130	234,670	391,633	344,863	656,763	579,533
Prior period adjustment	(93)	-	(9)	-	(102)	-
Net position - ending	$ 298,310	$ 265,130	$ 430,466	$ 391,633	$ 728,776	$ 656,763

Governmental Activities – Revenues: During 2022, the Town's primary revenue sources for governmental operations included taxes, accounting for 47% of total governmental revenues. In addition, capital grants and contributions represented 27% of total governmental revenues while charges for services made up 17%. Program revenues of $38 million were $6.6 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 $78 million had an increase of $11.6 million, or 17.4%, compared to 2021. Contributing to the increase was sales, use, and property tax, which increased a total of $3.1 million, or 9.2% compared to 2021.

The following chart provides the breakdown of revenues by source for 2022:

Revenues by Source – Governmental Activities



Governmental Activities – Expenses: Total governmental activities expenses were $44.7 million in 2022, an increase of $11.5 million, or 35%, compared to 2021. The increase in expenses was due to the following:

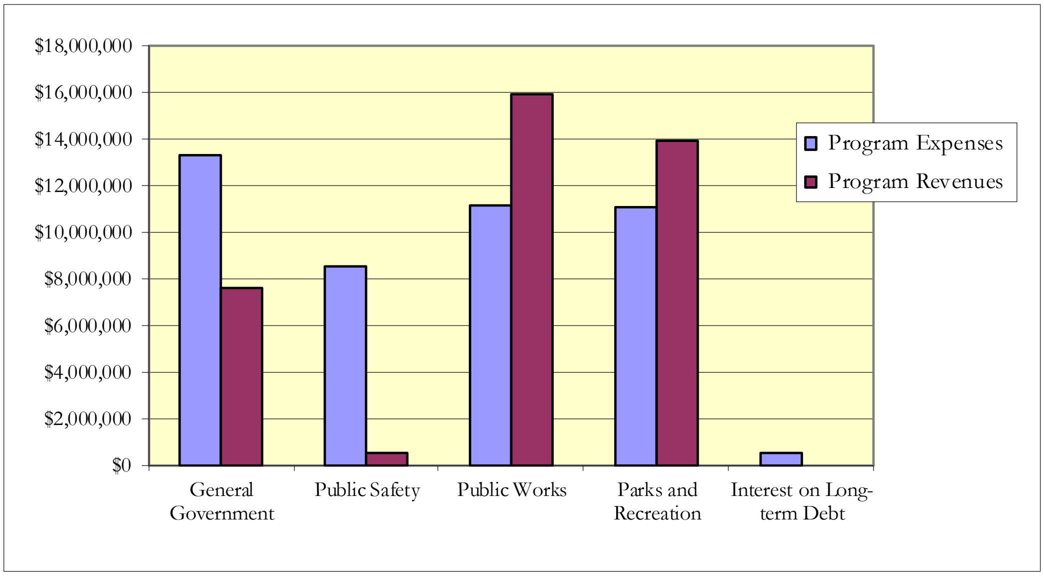
- Parks & Recreation expenses increased $1.8 million, or 20%, compared to 2021. This reflects the rebound of parks & recreation activities to pre-pandemic levels and continued growth of the Town.

- Public Safety expenses increased $1.6 million, or 22%, compared to 2021. This reflects the additional patrol officers as well as salary and benefit cost increases.

- All other expenses increased $8.1 million, or 48%, compared to 2021. This reflects the additional staff and service level needed to support a growing town.

The following chart provides a comparison of 2022 expenses by function compared to the related program revenues for governmental activities:

Expenses and Offsetting Program Revenues – Governmental Activities

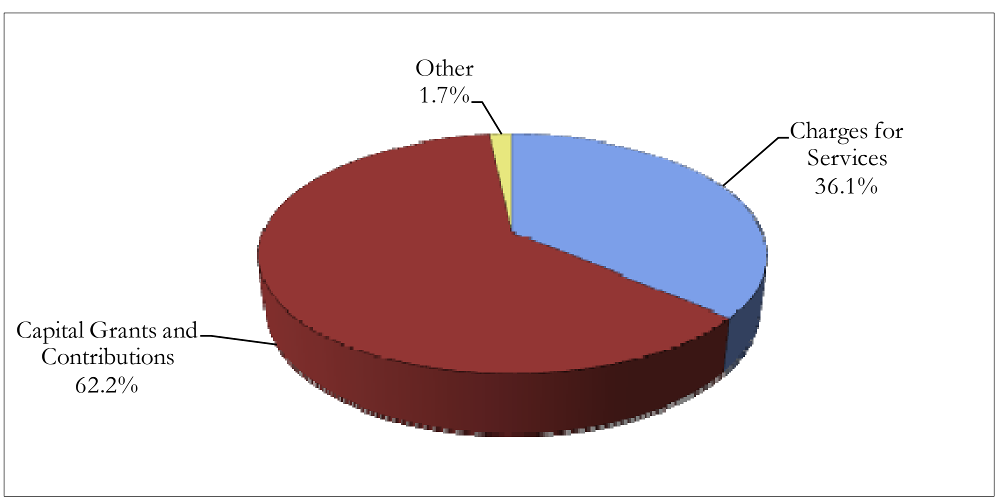


Business-type Activities – Revenues: Business-type activities primarily rely on charges for services to support related expenses. Charges for services of $21.5 million for business-type activities represented 36.2% of total 2022 business-type revenues. Charges for services increased $1.4 million, or 7%, compared to 2021. This is due to the continued growth of the Town and the related increase in utility consumption.

The other primary source of revenue, representing 62.2% 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 $36.9 million in 2022, a decrease of $5.9 million, or 14%, compared to 2021. This is due to a decrease in tap fees associated with new building development when compared to the prior year.

The following chart provides the breakdown of revenues by source for business-type activities for 2022:

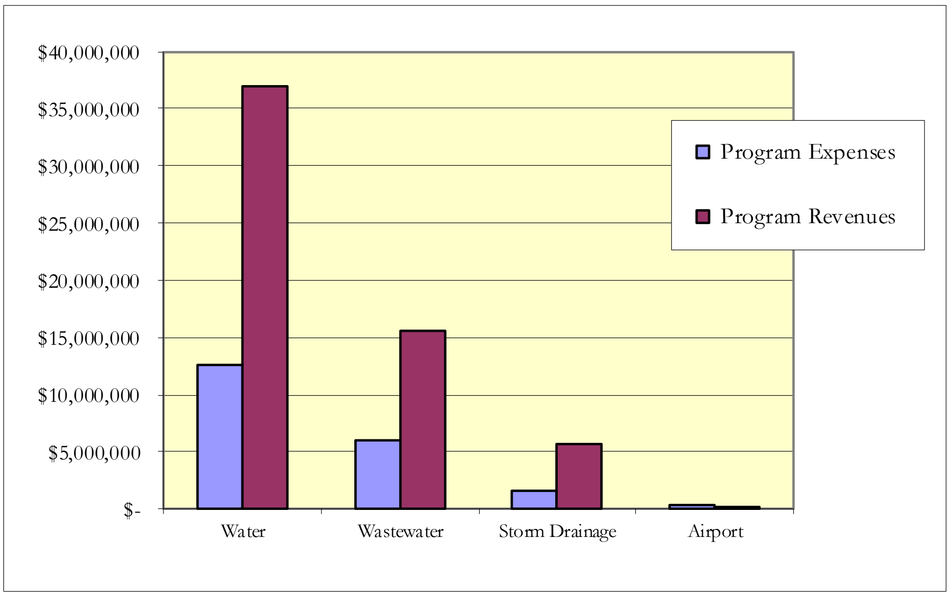
Revenues by Source – Business-type Activities



Business-type Activities – Expenses: Business-type expenses were $20.6 million in 2022, an increase of $1.6 million, or 8%, compared to 2021. Contributing to this increase were increased personnel, operations and maintenance, and depreciation expenses in the Water, Wastewater, and Storm Drainage funds, all reflecting the continued growth of the Town.

The following chart provides a comparison of 2022 expenses by function compared to the related program revenues for business-type activities:

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. 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 $115.1 million. Of that amount, $1.9 million was nonspendable, $72.7 million was restricted, $0.3 million was committed, $3.5 million was assigned and $36.6 million was unassigned fund balance.

The General Fund, the primary operating fund of the Town, had a fund balance at December 31, 2022, of $48.8 million, of which $1.9 million was nonspendable, $4.3 million was restricted, $3.5 million was assigned and $39 million, was unassigned.

As just noted, the General Fund has $1.9 million in nonspendable fund balance. This amount primarily represents the noncurrent portion of advances to the URA, 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 64 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 $39 million represents 111% of General Fund 2022 actual operating expenditures and 89% of 2023 budgeted operating expenditures.

The Town has two General Fund reserve policies. The first requires a reserve of 25% of operating expenditures be maintained. Based on 2023 budgeted expenditures, the required reserve is $11 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 to prevent significant reduction in services. In addition to unassigned fund balance, a portion of the 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 $1 million for the current year. Total General Fund revenues of $48 million increased $7 million, or 17%, compared to 2021, primarily reflecting strong growth in sales, use and property taxes.

General Fund expenditures of $48.5 million increased approximately $17 million, or 54%, compared to the prior year. This is mainly driven by General Fund capital expenditures of $11.6 million, which increased $6.6 million, or 132%, compared to the prior year.

In 2022, the Town had four other major governmental funds. Essentially all the revenues of the Parks Improvement Fund come from impact fee revenues used to construct and acquire parks and related improvements, Similarly, the revenues of the Transportation Impact Fund come from impact fee revenues used to construct and acquire transportation infrastructure and related improvements. The revenues of the Grants Fund come from grants awarded to the Town from federal, state, and local agencies.

The fund balance of the Transportation Impact Fund increased $2.7 million, or 14% when compared to the prior year. This is due to continued inflows of impact fee revenue related to development, while there was only one major capital project that occurred in 2022. Accumulated fund balance will be used to acquire and improve transportation infrastructure in the coming years.

The fund balance of the Parks Improvement Fund increased by $136,000, or 1.5% compared to the prior year. Continued inflows of impact fees from development were offset by expenditures associated with capital improvements to park infrastructure.

The remaining major governmental fund in 2022 was the Town's urban renewal authority. Prior to 2012 the URA had no significant activities. Since then, the URA has expended approximately $7 million for the purchase and improvement of real estate for future urban renewal projects, almost all of which were related to the Nine Mile project, a mixed commercial/retail/multi-family development planned for the southwest corner of Highway 287 and Arapahoe Road. In addition, the URA has expended over $3 million in operating expenses since inception, primarily for incentive agreements, legal and consulting fees to identify various urban renewal areas along with other related activities, and allocated personnel costs of Town support staff. In 2022, the fund balance of the URA increased by $1.9 million, or 19%, compared to the prior year. This is due to the increase of property tax revenue in the Colliers Hill area related to growth in the area, as well as an increase in property and sales tax revenue in the Nine Mile area as development was completed in that area and businesses opened mid-year.

A total of $24.7 million in fund balances are restricted or committed for future capital outlays and similar purposes in the other (nonmajor) governmental funds.

See Note I.D. starting on page 52 and Note III.D. starting on page 64 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. The total net position of all enterprise funds as of December 31, 2022, was $430.5 million, of which $127.4 million was unrestricted net position. Total net position increased $38.8 million over the prior year, with unrestricted net position decreasing $9 million.The $38.8 million increase in total net position is attributable primarily to an increase in the donation of developer constructed infrastructure across all enterprise funds. In the Water Fund, net position increased $25 million. In the Wastewater Fund, net position increased $9.9 million. In the Storm Drainage and Airport Funds, net position increased $3.8 million.

General Fund Budgetary Highlights

The 2022 General Fund original budget provided for a surplus of $10,000, reflecting revenues of $41.4 million, expenditures of $36.2 million, and other financing uses of $5.3 million. The final budget provided for a deficiency, or use of fund balance, of $15.3 million, reflecting revenues of $41.4 million, expenditures of $57.2 million, and other financing sources of $431,000. The expenditure budget increased $21 million to $57.2 million in the final budget. The primary expenditure changes were related to capital construction projects that were started in 2021 but rolled forward to 2022 in the first supplemental budget appropriation.

Actual results for 2022 in the General Fund was a surplus of $1 million. Revenues exceeded budget in almost all categories, with particularly favorable outcomes in sales and use tax, and licenses and permits. Expenditures were under budget primarily due to the timing of capital projects. 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, storm drainage and airport infrastructure. Capital assets net of accumulated depreciation as of December 31, 2022, for its governmental and business-type activities amounted to $552 million, a net increase of $42 million from December 31, 2021. The increase in capital assets was the result of $37.6 million in Town-funded additions and $17 million in infrastructure constructed by developers and contributed to the Town, partially offset by $13.8 million in depreciation.

Capital Assets as of December 31, 2022 and 2021 (net of accumulated depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 30,869	$ 26,823	$ 6,562	$ 6,562	$ 37,431	$ 33,385
Water rights	-	-	84,413	84,413	84,413	84,413
Buildings	29,108	29,853	723	749	29,831	30,602
Improvements other than buildings	120,158	105,423	179,594	173,741	299,752	279,164
Machinery, equipment, and vehicles	3,469	4,344	2,211	2,222	5,680	6,566
Construction in progress	13,851	11,932	78,597	63,956	92,448	75,888
Leased assets	1,654	-	478	-	2,132	-
Total capital assets	$ 199,109	$ 178,375	$ 352,578	$ 331,643	$ 551,687	$ 510,018

Major capital improvements during the fiscal year ended December 31, 2022, included the following:

Governmental Activities (total additions - $21 million)

- Developer-constructed infrastructure – primarily streets ($6 million)
- Erie Parkway and WCR 7 Intersection ($7 million)
- Coal Creek Park ($5.9 million)
- Various street improvements ($1.8 million)
- Fleet vehicles ($1.4 million)

Business-type Activities (total additions - $21 million)

- Expansion of the wastewater treatment plant ($9.6 million)
- Developer-constructed infrastructure ($10.7 million)
- Windy Gap & NISP projects ($4.5 million)

Additional information on the Town's capital assets can be found in Note III.C. starting on page 61 of this report.

Long-Term Debt

At the end of 2022, the Town had $72.9 million in total outstanding long-term debt, a decrease of $3.2 million from December 31, 2021. Of this amount, $10.9 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 Town's general obligation bond rating was last reviewed by Moody's Investors Service in 2018, resulting in a rating increase from Aa2 to Aa1. The Town's ratings on its water system revenue bonds were reviewed in 2021, resulting in a rating increase from Aa3 to Aa2. The wastewater system revenue bonds were increased from A+ to AA- by S&P Global in 2022.

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current general obligation debt limitation for the Town is $171 million.

During 2022, the Town implemented GASB Statement No. 87, *Leases*. This changed the presentation of the Town's leased vehicle assets and the related liability. Beginning net position decreased $93,000 for governmental activities and $9,000 for business-type activities.

Additional information on the Town's long-term debt can be found in Note III.E. starting on page 65 of this report.

Economic Factors and Next Year's Budget

Several factors 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. Throughout 2022, the Town saw increased financial performance as the area began the long recovery from the global COVID-19. Our ending financial position and the outlook for 2023 remains positive.

The 2023 budget was approved by the Board of Trustees in December 2022. The General Fund, the Town's primary operating fund, had a budgeted deficit, or use of fund balance, of $4.3 million, related to one-time capital costs. Revenue forecasts reflect a moderate increase in sales taxes, development related revenues, and recreation activities.

The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services in the event of an economic downturn. The Town will continue to conserve resources until its commercial base grows, providing consistent and higher levels of sales, use, and property taxes.

On February 15, 2023, the Town completed the purchase of the 765 Cheesman property, a key step in meeting the affordable housing goals of the Town.

Financial Contact

This financial report is designed to provide users (residents, 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, Erie, CO, 80516.

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Basic Financial Statements

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Town of Erie, Colorado
Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 108,628,611	$ 129,272,912	$ 237,901,523
Restricted Cash and Investments	14,412,211	2,870,468	17,282,679
Receivables	17,592,419	2,314,575	19,906,994
Prepaid Items and Other Assets	26,820	428,472	455,292
Net Pension Asset	2,336,210	-	2,336,210
Capital Assets Not Being Depreciated			
Land and Water Rights	30,869,331	90,975,006	121,844,337
Construction in Progress	13,850,722	78,597,137	92,447,859
Capital Assets & Right-to-Use Assets, Net of Accumulated Depreciation and Amortization	154,389,372	183,005,044	337,394,416
Total Assets	342,105,696	487,463,614	829,569,310
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	344,372	2,464,248	2,808,620
Pension Related Items	1,381,851	-	1,381,851
Total Deferred Outflows of Resources	1,726,223	2,464,248	4,190,471
LIABILITIES			
Accounts Payable	4,520,002	4,803,535	9,323,537
Accrued Interest Payable	45,284	243,283	288,567
Accrued Wages Payable	707,538	80,120	787,658
Other Liabilities	1,879,036	243,363	2,122,399
Unearned Revenue	7,007,509	67,154	7,074,663
Noncurrent Liabilities:			
Due within one year	2,610,668	3,475,855	6,086,523
Due in more than one year	16,289,257	50,548,789	66,838,046
Total Liabilities	33,059,294	59,462,099	92,521,393
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	9,661,258	-	9,661,258
Lease Related	981,893	-	981,893
Pension Related Items	1,819,899	-	1,819,899
Total Deferred Inflows of Resources	12,463,050	-	12,463,050
NET POSITION			
Net Investment in Capital Assets	184,876,753	301,984,842	486,861,595
Restricted			
Capital Projects	59,546,209	-	59,546,209
Parks and Open Space	7,562,382	-	7,562,382
Pension	2,336,210	-	2,336,210
Operations and Maintenance Reserves	-	1,069,630	1,069,630
Emergencies	1,899,988	-	1,899,988
Unrestricted	42,088,033	127,411,291	169,499,324
Total Net Position	$ 298,309,575	$ 430,465,763	$ 728,775,338

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, 2022

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
FUNCTIONS/PROGRAMS					
Primary Government					
Governmental Activities					
General Government	$ 13,281,516	$ 6,633,468	949,751	$ -	$ 7,583,219
Public Safety	8,542,802	176,163	31,424	312,731	520,318
Public Works	11,180,655	3,723,357	1,872,966	10,362,187	15,958,510
Parks and Recreation	11,110,189	2,485,001	856,228	10,576,886	13,918,115
Interest on Long-Term Debt	558,517	-	-	-	-
Total Governmental Activities	44,673,679	13,017,989	3,710,369	21,251,804	37,980,162
Business-type Activities					
Water	12,643,055	13,193,795	-	23,797,944	36,991,739
Wastewater	5,927,439	6,470,593	-	9,177,883	15,648,476
Storm Drainage	1,675,517	1,787,794	-	3,964,566	5,752,360
Airport	312,615	4,847	-	-	4,847
Total Business-type Activities	20,558,626	21,457,029	-	36,940,393	58,397,422
Total Primary Government	$ 65,232,305	$ 34,475,018	$ 3,710,369	$ 58,192,197	$ 96,377,584

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
	$ (5,698,297)	$ -	$ (5,698,297)
	(8,022,484)	-	(8,022,484)
	4,777,855	-	4,777,855
	2,807,926	-	2,807,926
	(558,517)	-	(558,517)
	(6,693,517)	-	(6,693,517)
	-	24,348,684	24,348,684
	-	9,721,037	9,721,037
	-	4,076,843	4,076,843
	-	(307,768)	(307,768)
	-	37,838,796	37,838,796
	$ (6,693,517)	$ 37,838,796	$ 31,145,279
GENERAL REVENUES			
Property Taxes	10,199,933	-	10,199,933
Sales and Use Taxes	24,882,376	-	24,882,376
Franchise Taxes	1,218,424	-	1,218,424
Specific Ownership Taxes	420,524	-	420,524
Investment Earnings	841,978	851,660	1,693,638
Miscellaneous	2,415,198	139,358	2,554,556
Transfers In (Out)	(12,037)	12,037	-
Total General Revenues	39,966,396	1,003,055	40,969,451
Changes in Net Position	33,272,878	38,841,851	72,114,729
Net Position - Beginning	265,129,925	391,632,684	656,762,609
Accounting Changes (See Note I.D.12)	(93,228)	(8,772)	(102,000)
Net Position - Beginning (Restated)	265,036,697	391,623,912	656,660,609
Net Position - Ending	$ 298,309,575	$ 430,465,763	$ 728,775,338

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

Town of Erie, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Grants Fund	Transportation Impact Fund	Parks Improvement	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	$ 46,842,227	$ 5,300,462	$ 22,130,286	$ 9,393,956	$ -	$ 24,948,454	$ 108,615,385
Restricted Cash and Investments	-	-	-	-	14,412,211	-	14,412,211
Receivables	12,201,836	1,309,640	15,331	5,375	1,761,907	2,298,330	17,592,419
Due From Other Funds	1,913,450	-		-	-	-	1,913,450
Prepaid Items and Other Assets	26,820	-	-	-	-	-	26,820
Total Assets	$ 60,984,333	$ 6,610,102	$ 22,145,617	$ 9,399,331	$ 16,174,118	$ 27,246,784	$ 142,560,285
LIABILITIES							
Accounts Payable	2,315,419	1,150	561,422	678,104	671,832	258,821	4,486,748
Wages Payable	707,538	-	-	-	-	-	707,538
Other Liabilities	1,879,036	-	-	-	-	-	1,879,036
Advances from Other Funds	-	-	-	-	1,913,450	-	1,913,450
Unearned Revenue	370,451	6,608,952	12,338	8,120	-	7,648	7,007,509
Total Liabilities	5,272,444	6,610,102	573,760	686,224	2,585,282	266,469	15,994,281
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	5,631,160	-	-	-	1,756,910	2,273,188	9,661,258
Lease Related	981,893	-	-	-	-	-	981,893
Unavailable Fund Resources - Grants	343,944	482,624	-	-	-	-	826,568
Total Deferred Inflows of Resources	6,956,997	482,624	-	-	1,756,910	2,273,188	11,469,719
FUND BALANCES							
Nonspendable							
Interfund Advances - Noncurrent	1,913,450	-	-	-	-	-	1,913,450
Prepaid Items	26,820	-	-	-	-	-	26,820
Restricted for:							
Capital Projects	1,648,000	-	21,571,857	8,713,107	13,753,090	17,591,039	63,277,093
Parks and Open Space	756,132	-	-	-	-	6,806,250	7,562,382
Emergency Reserves	1,899,988	-	-	-	-	-	1,899,988
Committed to:							
Cemetery Operations	-	-	-	-	-	309,838	309,838
Assigned to:							
Purchases on Order	3,491,184	-	-	-	-	-	3,491,184
Unassigned	39,019,318	(482,624)	-	-	(1,921,164)	-	36,615,530
Total Fund Balances	48,754,892	(482,624)	21,571,857	8,713,107	11,831,926	24,707,127	115,096,285
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 60,984,333	$ 6,610,102	$ 22,145,617	$ 9,399,331	$ 16,174,118	$ 27,246,784	$ 142,560,285

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, 2022

			Amount
The amounts reported as Governmental Activities on the Statement of Net Position (page 33) are different because:			
Total Governmental Fund Balances (page 36)		$	115,096,285
Capital assets utilized in Governmental Activities are not financial resources and, therefore, are not reported in the fund financial statements.			196,298,865
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			826,568
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	(15,005,000)		
Leases payable	(68,369)		
Unamortized bond issuance premium and discounts (net)	(456,285)		
Unamortized deferred refunding loss	344,372		
Accrued interest payable	(45,284)		
Compensated absences	(1,420,077)		
Other noncurrent liabilities	(450,707)		
Total long-term liabilities and related items			(17,101,350)
Net pension asset is not available to pay for current expenditures and, therefore, is not reported in the funds.			2,336,210
Deferred outflows of resources related to pensions used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Changes in assumptions	333,160		
Change in experience	668,980		
Contributions subsequent to the measurement date	377,537		
Change in proportionate share	2,174		
Total deferred outflows of resources			1,381,851
Deferred inflows of resources related to pensions 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	(1,563,524)		
Change in experience	(54,487)		
Change in proportionate share	(201,888)		
Total deferred inflows of resources			(1,819,899)
The internal service fund is used by management to charge the capital asset acquisition to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.			1,291,045
Net Position - Governmental Activities (page 33)		$	298,309,575

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, 2022

	General Fund	Grants Fund	Transportation Impact Fund	Parks Improvement	Erie Urban Renewal Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 31,349,334	$ -	$ -	$ -	$ 3,288,680	$ 2,083,243	$ 36,721,257
Intergovernmental	2,514,356	1,737,991	-	-	-	349,648	4,601,995
Licenses and Permits	3,618,380	-	-	-	-	-	3,618,380
Fees and Charges for Services	9,188,962	-	-	-	3,734	30,750	9,223,446
Fines and Forfeitures	176,163	-	-	-	-	-	176,163
Capital Contributions and Fees	-	-	5,718,290	3,489,460	-	4,529,958	13,737,708
Investment Earnings	304,256	49,380	136,742	41,827	139,803	169,970	841,978
Miscellaneous	1,140,303	-	-	-	-	-	1,140,303
Total Revenues	48,291,754	1,787,371	5,855,032	3,531,287	3,432,217	7,163,569	70,061,230
EXPENDITURES							
Current Operating:							
General Government	11,297,718	253,765	-	-	1,077,623	-	12,629,106
Public Safety	8,021,645	9,402	-	-	-	-	8,031,047
Public Works	7,154,892	42,067	-	-	-	-	7,196,959
Parks and Recreation	8,859,126	16,956	-	-	-	125,238	9,001,320
Capital Outlay	10,883,991	1,886,365	3,185,720	3,395,737	248,253	461,455	20,061,521
Debt Service							
Principal	1,090,442	-	-	-	-	-	1,090,442
Interest	427,863	-	-	-	164,000	-	591,863
Debt Issuance Costs	-	-	-	-	-	-	-
Total Expenditures	47,735,677	2,208,555	3,185,720	3,395,737	1,489,876	586,693	58,602,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	556,077	(421,184)	2,669,312	135,550	1,942,341	6,576,876	11,458,972
OTHER FINANCING SOURCES (USES)							
Transfers In	462,919	-	-	-	-	-	462,919
Transfers Out	(700,000)	(61,615)	-	-	-	(413,341)	(1,174,956)
Leases	88,811	-	-	-	-	-	88,811
Sale of Capital Assets	516,903	-	-	-	-	-	516,903
Insurance Recoveries	117,587	-	-	-	-	-	117,587
Total Other Financing Sources (Uses)	486,220	(61,615)	-	-	-	(413,341)	11,264
Net Change in Fund Balance	1,042,297	(482,799)	2,669,312	135,550	1,942,341	6,163,535	11,470,236
Fund Balance - Beginning	47,712,595	175	18,902,545	8,577,557	9,889,585	18,543,592	103,626,049
Fund Balance - Ending	$ 48,754,892	$ (482,624)	$ 21,571,857	$ 8,713,107	$ 11,831,926	$ 24,707,127	$ 115,096,285

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, 2022

		Amount
The amounts reported as Governmental Activities on the Statement of Activities (pages 34-35) are different because:		
Net Changes in Fund Balances - Governmental Funds (page 38)		$ 11,470,236
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 and amortization expense.		
Capital outlays	20,061,521	
Depreciation and amortization expense	(6,390,011)	
Excess of capital outlays over depreciation		13,671,510
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.		6,139,845
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		482,624
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.		1,090,442
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	(28,348)	
Change in accrued interest payable	3,568	
Change in accrued compensated absences	(295,230)	
Amortization of premiums, discounts, deferred refunding losses and bond insurance premiums	13,025	
Pension expense	668,753	
Total expenses not requiring current resources		361,768
Governmental Funds report proceeds from borrowings as other financing sources. However, in the Statement of Net Position these proceeds are reflected as debt obligations.		(88,811)
The Town's internal service fund is used by management to charge costs related to fleet and equipment acquisition to individual funds. The net revenue of the internal service fund is reported in governmental activities.		145,265
Change in Net Position - Governmental Activities (page 35)		$ 33,272,878

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes	$27,324,000	$27,324,000	$31,349,334	$4,025,334
Intergovernmental	1,497,000	1,497,000	2,514,356	1,017,356
Licenses and Permits	2,796,500	2,796,500	3,618,380	821,880
Fees and Charges for Services	8,476,636	8,476,636	9,188,962	712,326
Fines and Forfeitures	240,000	240,000	176,163	(63,837)
Investment Earnings	325,000	325,000	304,256	(20,744)
Miscellaneous	785,000	785,000	1,140,303	355,303
Total Revenues	$41,444,136	41,444,136	48,291,754	6,847,618
EXPENDITURES				
Current Operating:				
General Government				
Legislative	273,996	285,996	215,208	70,788
Town Administration	6,607,945	7,031,855	6,155,826	876,029
Community Development	2,390,823	4,021,621	2,759,489	1,262,132
Finance	1,694,945	1,722,421	1,644,867	77,554
Central Charges	(405,241)	(324,578)	522,328	(846,906)
Public Safety	7,997,568	8,198,624	8,021,645	176,979
Public Works	7,417,879	8,288,353	7,154,892	1,133,461
Parks and Recreation	8,615,262	8,963,424	8,859,126	104,298
Capital Outlay	68,700	17,480,881	10,883,991	6,596,890
Debt Service				
Principal	1,070,000	1,070,000	1,090,442	(20,442)
Interest	422,213	422,213	427,863	(5,650)
Total Expenditures	36,154,090	57,160,810	47,735,677	9,425,133
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,290,046	(15,716,674)	556,077	16,272,751
OTHER FINANCING SOURCES (USES)				
Transfers In	1,170,000	1,210,000	462,919	(747,081)
Transfers Out	(6,450,048)	(1,112,048)	(700,000)	412,048
Financing from Leases	-	-	88,811	88,811
Sale of Capital Assets	-	332,600	516,903	184,303
Insurance Recoveries	-	-	117,587	117,587
Total Other Financing Sources (Uses)	(5,280,048)	430,552	486,220	55,668
Net Change in Fund Balance	$ 9,998	$ (15,286,122)	1,042,297	$ 16,328,419
Fund Balance - Beginning			47,712,595	
Fund Balance - Ending			$ 48,754,892	

Public Safety, Public Works, and Parks and Recreation are considered departments of the Government.
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, 2022

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Taxes	$ 3,912,928	$ 3,912,928	$ 3,288,680	$ (624,248)
Fees and Charges for Services	1,500	1,500	3,734	2,234
Investment Earnings	-	-	139,803	139,803
Total Revenues	3,914,428	3,914,428	3,432,217	(482,211)
EXPENDITURES				
Current Operating:				
General Government	1,753,272	1,813,272	1,077,623	735,649
Capital Outlay	-	6,192,774	248,253	5,944,521
Debt Service				
Interest	164,000	164,000	164,000	-
Total Expenditures	1,917,272	8,170,046	1,489,876	6,680,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,997,156	(4,255,618)	1,942,341	6,197,959
Net Change in Fund Balance	$ 1,997,156	$ (4,255,618)	1,942,341	$ 6,197,959
Fund Balance - Beginning			9,889,585	
Fund Balance - Ending			$ 11,831,926	

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

Town of Erie, Colorado
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	$ -	$ 2,779,000	1,737,991	$ (1,041,009)
Capital Contributions and Fees	-	4,408,151	-	(4,408,151)
Investment Earnings	-	(5,000)	49,380	54,380
Total Revenues	-	7,182,151	1,787,371	(5,394,780)
EXPENDITURES				
Current Operating:				
General Government	-	120,750	253,765	(133,015)
Public Safety	-	-	9,402	(9,402)
Public Works	-	38,000	42,067	(4,067)
Parks and Recreation	-	-	16,956	(16,956)
Capital Outlay	-	3,210,071	1,886,365	1,323,706
Total Expenditures	-	3,368,821	2,208,555	1,160,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,813,330	(421,184)	(4,234,514)
OTHER FINANCING USES				
Transfers Out	-	(3,819,080)	(61,615)	3,757,465
Total Other Financing Sources (Uses)	-	(3,819,080)	(61,615)	3,757,465
Net Change in Fund Balance	$ -	$ (5,750)	(482,799)	$ (477,049)
Fund Balance - Beginning			175	
Fund Balance - Ending			$ (482,624)	

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, 2022

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund (1)
ASSETS					
Current Assets					
Pooled Cash and Investments	$ 101,081,872	$ 22,970,812	$ 5,220,228	$ 129,272,912	$ 13,226
Restricted Cash and Investments	2,870,468	-	-	2,870,468	-
Receivables	1,198,876	876,102	239,597	2,314,575	-
Prepaid Items	391,242	37,230	-	428,472	-
Total Current Assets	105,542,458	23,884,144	5,459,825	134,886,427	13,226
Noncurrent Assets					
Capital Assets					
Construction in Progress	43,911,263	30,009,266	4,676,608	78,597,137	-
Land and Water Rights	90,259,984	59,022	656,000	90,975,006	-
Buildings, Property, and Equipment	130,292,773	78,788,929	52,487,779	261,569,481	1,606,301
Accumulated Depreciation	(44,416,492)	(22,215,300)	(12,410,978)	(79,042,770)	(383,438)
Total Capital Assets, Net	220,047,528	86,641,917	45,409,409	352,098,854	1,222,863
Right-to-Use Assets					
Leased Vehicles & Equipment	490,455	45,063	57,360	592,878	1,880,241
Accumulated Amortization	(96,820)	(6,950)	(10,775)	(114,545)	(292,544)
Total Right-to-Use Assets, Net	393,635	38,113	46,585	478,333	1,587,697
Total Noncurrent Assets	220,441,163	86,680,030	45,455,994	352,577,187	2,810,560
Total Assets	325,983,621	110,564,174	50,915,819	487,463,614	2,823,786
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	888,300	1,575,948	-	2,464,248	-
Total Deferred Outflows of Resources	888,300	1,575,948	-	2,464,248	-
LIABILITIES					
Current Liabilities					
Accounts Payable	2,400,975	2,360,051	42,509	4,803,535	33,254
Accrued Interest Payable	191,210	48,971	3,102	243,283	-
Wages Payable	38,011	29,878	12,231	80,120	-
Other Liabilities	243,363	-	-	243,363	-
Unearned Revenue	53,424	13,730	-	67,154	-
Compensated Absences	54,504	30,284	13,977	98,765	-
Current Portion of Long Term Debt					
Certificates of Participation Payable	799,508	-	-	799,508	-
Loans Payable	-	145,490	14,088	159,578	-
Bonds Payable	1,637,360	688,067	-	2,325,427	-
Leases Payable	78,807	5,713	8,057	92,577	342,186
Total Current Liabilities	5,497,162	3,322,184	93,964	8,913,310	375,440
Noncurrent Liabilities					
Compensated Absences	20,327	11,294	5,213	36,834	-
Long Term Debt, Net of Unamortized Premiums and Discounts					
Certificates of Participation Payable	19,902,094	-	-	19,902,094	-
Loans Payable	-	968,815	192,709	1,161,524	-
Bonds Payable	14,623,204	14,459,768	-	29,082,972	-
Leases Payable	305,201	29,515	30,649	365,365	1,157,301
Total Noncurrent Liabilities	34,850,826	15,469,392	228,571	50,548,789	1,157,301
Total Liabilities	40,347,988	18,791,576	322,535	59,462,099	1,532,741
NET POSITION					
Net Investment in Capital Assets	186,566,007	70,210,334	45,208,501	301,984,842	1,311,073
Restricted					
Operations and Maintenance Reserves	-	1,069,630	-	1,069,630	
Unrestricted	99,957,926	22,068,582	5,384,783	127,411,291	(20,028)
Total Net Position	$ 286,523,933	$ 93,348,546	$ 50,593,284	$ 430,465,763	$ 1,291,045

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

(1) Fleet and Equipment Acquisition Fund

Town of Erie, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities				Governmental Activities
	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund (1)
OPERATING REVENUES					
Charges for Services	$ 13,193,795	$ 6,470,593	$ 1,792,641	$ 21,457,029	$ -
OPERATING EXPENSES					
Personnel Services	1,209,060	698,474	319,655	2,227,189	-
Operations and Maintenance	5,825,302	2,578,850	430,697	8,834,849	4,076
Depreciation	4,056,950	2,040,821	1,230,479	7,328,250	479,488
Total Operating Expenses	11,091,312	5,318,145	1,980,831	18,390,288	483,564
Net Operating Income (Loss)	2,102,483	1,152,448	(188,190)	3,066,741	(483,564)
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	691,342	127,073	33,245	851,660	-
Other Non-Operating Income	13,900	78,644	46,814	139,358	-
Interest Expense	(1,551,743)	(609,294)	(7,301)	(2,168,338)	(71,171)
Gain (Loss) on Disposition of Capital Assets	41,000	45,000	48,000	134,000	-
Total Non-Operating Revenues (Expenses)	(805,501)	(358,577)	120,758	(1,043,320)	(71,171)
Income (Loss) Before Contributions	1,296,982	793,871	(67,432)	2,023,421	(554,735)
Capital Contributions and Grants	23,756,944	9,132,883	3,916,566	36,806,393	-
Transfers In	12,037	-	-	12,037	700,000
Change in Net Position	25,065,963	9,926,754	3,849,134	38,841,851	145,265
Total Net Position - Beginning	261,466,742	83,421,792	46,744,150	391,632,684	1,239,007
Accounting Changes (See Note I.D.12)	(8,772)	-	-	(8,772)	(93,228)
Total Net Position - Beginning (Restated)	261,457,970	83,421,792	46,744,150	391,623,912	1,145,779
Total Net Position - Ending	$ 286,523,933	$ 93,348,546	$ 50,593,284	$ 430,465,763	$ 1,291,044

(1) Fleet and Equipment Acquisition Fund

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, 2022

	Water Fund	Wastewater Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund (1)
Cash Flows from Operating Activities					
Receipts from Customers and Users	$ 13,148,620	$ 6,456,074	$ 1,823,618	$ 21,428,312	$ -
Payments to Employees	(1,212,317)	(681,745)	(303,882)	(2,197,944)	-
Payments to Suppliers	(4,017,822)	(1,926,288)	(555,970)	(6,500,080)	29,179
Net Cash Provided (Used) in Operating Activities	7,918,481	3,848,041	963,766	12,730,288	29,179
Cash Flows from Non-capital Financing Activities					
Operating Grants	15,000	-	-	15,000	-
Transfer from Other Funds	12,037	-	-	12,037	700,000
Cash Flows Provided by/(Used in) Non-capital Financing Activities	27,037	-	-	27,037	592,649
Cash Flows from Capital and Related Financing Activities					
Receipts from Capital Grants	356,537	-	10,000	366,537	-
Acquisition and Construction of Capital Assets	(7,270,872)	(9,625,044)	(212,410)	(17,108,326)	(1,525,880)
Proceeds from Sales of Capital Assets	41,000	45,000	48,000	134,000	-
Principal Paid on Capital Debt	(2,836,448)	(724,428)	(32,465)	(3,593,341)	(380,754)
Interest Paid on Capital Debt	(1,599,335)	(600,789)	(7,508)	(2,207,632)	(71,171)
Capital Contributions	19,377,186	6,315,397	-	25,692,583	-
Cash Flows Provided by (Used in) Capital and Related Financing Activities	8,068,068	(4,589,864)	(194,383)	3,283,821	(608,602)
Cash Flows from Investing Activities					
Earnings on Investments	684,203	129,332	32,114	845,649	-
Cash Flows Provided by Investing Activities	684,203	129,332	32,114	845,649	-
Net Increase (Decrease) in Pooled Cash and Investments	16,697,789	(612,491)	801,497	16,886,795	13,226
Pooled Cash and Investments - January 1	87,254,551	23,583,303	4,418,731	115,256,585	-
Pooled Cash and Investments - December 31	$ 103,952,340	$ 22,970,812	$ 5,220,228	$ 132,143,380	$ 13,226
Reconciliation of Operating Loss to Net Cash Used in Operating Activities					
Operating Income (Loss)	$ 2,102,483	$ 1,152,448	$ (188,190)	$ 3,066,741	$ (483,564)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities					
Depreciation Expense	4,056,950	2,040,821	1,230,479	7,328,250	479,488
Other Income	13,900	78,644	46,814	139,358	-
Decrease in					
Accounts Receivable	(59,074)	(93,165)	(15,838)	(168,077)	-
Increase (Decrease) in					
Accounts Payable	1,807,479	652,562	(125,273)	2,334,768	33,255
Wages Payable	(791)	11,494	13,280	23,983	-
Compensated Absences Payable	(2,466)	5,237	2,494	5,265	-
Net Cash Provided (Used) In Operating Activities	$ 7,918,481	$ 3,848,041	$ 963,766	$ 12,730,288	$ 29,179
Noncash Investing, Capital, and Financing Activities					
Capital Assets Acquired through Contributions	$ 4,024,574	$ 2,817,486	$ 3,906,566	$ 10,748,626	$ -
Capital Assets Acquired through Leases	$ 311,398	$ 45,063	$ 57,360	$ 413,821	$ 1,369,203

(1) Fleet and Equipment Acquisition Fund

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

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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, 2022

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: police, public works, parks and recreation, community development, administration, finance, human resources, 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 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. Component units are considered special revenue governmental funds and are reported on a modified accrual basis.

Brief descriptions of the blended component units follow:

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

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

Erie Community Civic Fund (ECCF) – The ECCF is a nonprofit organization established fully for the benefit of the Town, 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. Separate audited financial statements of the ECCF are not available but are included as a blended fund.

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 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 enterprise 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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, and all other revenues to be available if they are collected within 120 days of the end of the current fiscal period.

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

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 fees, other 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 measurable and available only when cash is received by the Town.

The fund financial statements provide information about the Town's funds, including its blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

The G*eneral 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 *Grants Fund* accounts for revenues received from federal, state, and local granting agencies. It is used to fulfill the requirements of the grant awards and/or contracts associated with the funds.

The *Transportation Impact Fund* accounts for impact fee revenues used to construct and acquire transportation related improvements.

The *Parks Improvement Fund* accounts for impact fee revenues used to construct and acquire parks and related improvements.

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

Proprietary funds – which include enterprise funds and internal service 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.

The Town reports the following major enterprise funds:

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

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

Additionally, the Town utilizes an internal service fund to account for the acquisition of new and replacement vehicles and equipment, primarily for the benefit of its governmental activities.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are 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 URA are included in receivables and deferred inflows at December 31, 2022. These taxes are classified as deferred inflows since they are not normally available to the Town until the middle of the following year and are budgeted for in the year in which they are collected.

Lease receivables result when the Town leases certain assets, primarily agricultural land and cellular antenna sites, to various third parties. Lease receivables are recognized at the commencement of the lease term, along with a deferred inflow of resources, with certain exceptions for short-term leases and leases that transfer ownership of the underlying asset and is measured at the present value of the lease payments expected to be received during the lease term. See Note I.D.12 for more information.

3. Prepaid Items

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

4. Restricted Assets

Certain proceeds from the issuance of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. In addition, unexpended property tax receipts of the Town's urban renewal authority are classified as restricted assets because their use is restricted for various urban renewal activities.

5. Capital and Right-to-Use 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 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 of three years or more. Such assets are recorded at acquisition cost or estimated acquisition cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Right-to-use assets under lease arrangements are measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The related amortization is included with depreciation expense in the accompanying financial statements.

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, and right-to-use assets are amortized, using the straight-line method with estimated useful lives as follows:

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

Asset Type	Years
Buildings and Improvements	5-50
Improvements Other Than Buildings	5-50
Machinery and Equipment	3-10
Vehicles	3-5
Right-to-use assets	Varies *

* The shorter of the lease term or useful life of the underlying asset

6. Compensated Absences

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

7. Long-term Obligations

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

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

8. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net assets 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, reimbursement-based grants, and leases 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. Deferred inflows of resources related to leases is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. Interest revenue on the lease receivable and revenue from the deferred inflows of resources is recognized in a systematic and rational manner over the term of the lease.

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

9. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Plan (SWDB), administered by the Fire & Police Pension Association of Colorado (FPPA), and additions to/deductions from the SWDB'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 and Net Position

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.

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

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.

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.

<u>Minimum Fund Balances</u> – The Town has established minimum unrestricted fund balances for certain of its funds. For the General Fund, the minimum fund balance is 25% of annual budgeted operating expenditures. Proprietary funds are to maintain a 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. 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 to prevent a 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, 2022.

The Grants Fund had a negative fund balance as of December 31, 2022. This is due to revenues that were considered earned and recognized on the government-wide financial statements but were not collected within the 120 days after the end of the current fiscal period and therefore recognized as a deferred inflow of resources for the governmental fund financial statements. This negative fund balance will be cleared in 2023 when the grant funds are received.

Net Position - Net investment in capital assets represent the Town's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents resources with legal or contractual obligations to spend in accordance with restrictions imposed by external third parties. The unrestricted classification includes all net position not invested in capital assets or restricted.

11. Use of Estimates

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

12. Adoption of New and Future Accounting Standards

The Town adopted the provisions of Statement No. 87, *Leases* (Statement No. 87) retroactive to January 1, 2022. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under Statement No. 87, the Town, as lessee, is required to recognize a lease liability and an intangible right-to-use lease asset, and the Town, as lessor, is required to recognize a lease receivable and a deferred inflow of resources.

As a result of implementing Statement No. 87, beginning net position for business-type activities decreased $8,772, related to the water fund, and beginning net position for governmental activities decreased $93,228, related to the Fleet & Equipment Acquisition Fund (Internal Service Fund).

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, residents, 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, and the Town Administrator and/or Finance Director can make transfers between departments without Board approval. Any changes between funds require Board approval. The Board made supplemental appropriations during the year, which are reflected in the final budget columns of the financial statements and schedules.

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	$	237,901,523
Restricted cash and investments		17,282,679
Total	$	255,184,202

Cash and investments consist of the following:

Bank checking accounts		5,693,933
Investments		249,487,369
Cash on hand		2,900
Total	$	255,184,202

Note III. Detailed Notes on All Funds (continued)

Deposits

As of December 31, 2022, the carrying amount of the Town's deposits was $5,693,933 .

Custodial Credit Risk

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

Investments

As of December 31, 2022, the Town had the following investments:

	Rating			Investment Maturities		
				Less than		% of
Investment Type	Moody's	S&P	Fair Value	1 Year	1 to 5 Years	Total
U.S. Treasury Notes			$30,634,422	$4,685,198	$25,949,224	12.3%
Agency	Aaa	AA+	20,293,122	13,195,095	7,098,027	8.1%
U.S. Corporate Notes	Aaa	AA+	1,966,957	-	1,966,957	0.8%
Commercial Paper	P-1	A-1+	1,925,427	1,925,427	-	0.8%
Supranational	Aaa	AAA	720,869	720,869	-	0.3%
BlackRock Liquidity Funds - FedFund Series	Aaa-mf	AAAm	37,200,000	37,200,000	-	14.9%
COLOTRUST PLUS+	n/a	AAAm	84,411,721	84,411,721	-	33.8%
CSAFE	n/a	AAA	1,971,458	1,971,458	-	0.8%
CSIP Liquid Portfolio	n/a	AAAm	66,347,161	66,347,161	-	26.6%
UMB MSILF Treasury Money Market	Aaa-mf	AAAm	3,117,221	3,117,221	-	1.3%
Wells Fargo 100% Treasury Money Market Fund	Aaa-mf	AAAm	899,011	899,011	-	0.4%
Total fair value			$249,487,369	$214,473,161	$35,014,208	100.0%

It is the policy of the Town to invest its funds in a manner that 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 activities of the Town, under the control of the finance director. The Town Municipal Code, Section 2-1-4, authorizes the investments that the Town can hold. Investments of the Town may include obligations of the United States of America or its agencies thereof, certificates of deposit, bankers' acceptances, commercial paper, investment-grade obligations of state and local governments, repurchase agreements collateralized by any of the foregoing securities, money market mutual funds, local government investment pools, corporate securities, and supranational securities.

Note III. Detailed Notes on All Funds (continued)

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

Local Government Investment Pools

As shown in the table on the 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 similarly to money market funds and each share is valued at $1.00. Fund investments include U.S. Treasury bills, notes, note strips, repurchase agreements collateralized by U.S. Treasury securities and commercial paper. 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.

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 PLUS+ 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 and Leases Receivable

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

Governmental:	General	Grants	Transportation Impact	Parks Improvement	Urban Renewal Authority	Nonmajor Governmental	Total Governmental
Property taxes	$ 5,631,160	$ -	$ -	$ -	$ 1,756,910	$ 2,280,651	$ 9,668,721
Sales taxes	3,478,360	-	-	-	-	-	3,478,360
Other taxes	139,636	-	-	-	-	-	139,636
Customers	87,941	-	-	-	-	-	87,941
Intergovernmental	343,944	1,305,259	-	-	-	-	1,649,203
Interest	33,859	4,381	15,331	5,375	4,997	17,679	81,622
Leases	981,893	-	-	-	-	-	981,893
Other	1,505,043	-	-	-	-	-	1,505,043
Total receivables	$ 12,201,836	$ 1,309,640	$ 15,331	$ 5,375	$ 1,761,907	$ 2,298,330	$ 17,592,419

Business-type:	Water	Wastewater	Storm Drainage	Airport	Total Business-type
Customers	$ 936,645	$ 860,121	$ 235,331	$ -	$ 2,032,097
Intergovernmental	191,985	-	-	-	191,985
Interest	70,246	15,981	3,486	120	89,833
Other	-	-	-	660	660
Total receivables	$ 1,198,876	$ 876,102	$ 238,817	$ 780	$ 2,314,575

Note III. Detailed Notes on All Funds (continued)

Leases Receivable

The Town leases certain assets, primarily agricultural land and cellular antenna site leases, to various third parties, expiring in 2024 – 2045. Payments are generally fixed monthly or annually with certain variable payments not included in the measurement of the lease receivable. The University recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Town measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The lease receivable as of December 31, 2022 is $981,893. The Town recorded deferred inflows of resources for lease revenue related to leasing arrangements that occurred during the year. As of December 31, 2022, the Town recorded deferred inflows of resources of $981,893.

During the year ended December 31, 2022, the Town recognized lease revenue related to its leases of $47,721 and interest income related to its leases of $28,343.

Principal and interest on leases receivables is as follows:

	Governmental Activities	
Year Ending December 31,	Principal	Interest
2023	$53,051	$29,030
2024	57,074	27,411
2025	55,325	25,670
2026	58,982	23,980
2027	53,384	22,179
2028 - 2032	190,996	89,627
2033 - 2037	155,884	67,926
2038 - 2042	216,558	40,823
2043 - 2047	140,638	8,608
	$ 981,893	$ 335,253

C. Capital and Right-to-Use Assets

Capital and Right-to-Use Asset activity for Governmental Activities for the year ended December 31, 2022, was as follows:

Note III. Detailed Notes on All Funds (continued)

	Balance at January 1, 2022 *	Increases	Decreases	Balance at December 31, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 11,932,378	$ 14,521,728	$ (12,603,384)	$ 13,850,722
Land and open space	26,822,686	4,046,645	-	30,869,331
Total capital assets, not being depreciated	38,755,064	18,568,374	(12,603,384)	44,720,053
Capital assets, being depreciated:				
Buildings	39,759,208	255,667	-	40,014,875
Streets and other infrastructure	116,100,815	10,392,939	-	126,493,754
Parks and trails	27,359,742	9,154,996	-	36,514,738
Furniture and equipment	4,801,779	500,642	-	5,302,421
Vehicles	3,081,222	-	(666,748)	2,414,474
Total capital assets, being depreciated	191,102,766	20,304,243	(666,748)	210,740,261
Less accumulated depreciation for:				
Buildings	(9,906,451)	(1,000,182)	-	(10,906,633)
Streets and other infrastructure	(25,811,767)	(3,451,927)	-	(29,263,694)
Parks and trails	(12,225,589)	(1,361,635)	-	(13,587,224)
Furniture and equipment	(2,552,822)	(450,051)	-	(3,002,873)
Vehicles	(1,592,211)	(290,987)	638,400	(1,244,798)
Total accumulated depreciation	(52,088,840)	(6,554,783)	638,400	(58,005,223)
Total capital assets, being depreciated, net	139,013,926	13,749,460	(28,348)	152,735,038
Governmental activities capital assets, net	177,768,990	32,317,834	(12,631,732)	197,455,091
Right-to-Use Assets				
Vehicles	511,038	1,369,203	-	1,880,241
Equipment	-	88,811	-	88,811
Total Right-to-Use Assets	511,038	1,458,014	-	1,969,052
Less accumulated amortization for:				
Vehicles	-	(292,544)	-	(292,544)
Equipment	-	(22,173)	-	(22,173)
Total accumulated amortization	-	(314,718)	-	(314,718)
Total right-to-use assets, net	511,038	1,143,296	-	1,654,334
Governmental activities capital and right-to-use assets, net	$ 178,280,028	$ 33,461,130	$ (12,631,732)	$ 199,109,425

*As a result of implementing GASB 87, the beginning balances were restated as follows: Capital Asset - Vehicles decreased $738,572 and related accumulated depreciation decreased $132,671; Right-to-Use Assets increased $511,038.

Note III. Detailed Notes on All Funds (continued)

Capital and Right-to-Use Asset activity for Business-Type Activities for the year ended December 31, 2022, was as follows:

	Balance at January 1, 2022 *	Increases	Decreases	Balance at December 31, 2022
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 63,956,193	$ 16,616,623	$ (1,975,679)	$ 78,597,137
Land and reservoirs	6,562,209	-	-	6,562,209
Water rights	84,412,797	-	-	84,412,797
Total capital assets, not being depreciated	154,931,199	16,616,623	(1,975,679)	169,572,143
Capital assets, being depreciated:				
Buildings	936,579	-	-	936,579
Improvements other than buildings	244,260,124	12,724,306	-	256,984,430
Machinery and equipment	3,343,582	491,701	(186,811)	3,648,472
Total capital assets, being depreciated	248,540,285	13,216,007	(186,811)	261,569,481
Less accumulated depreciation for:				
Buildings	(187,144)	(26,504)	-	(213,648)
Improvements other than buildings	(70,518,864)	(6,872,688)	-	(77,391,552)
Machinery and equipment	(1,309,867)	(314,514)	186,811	(1,437,570)
Total accumulated depreciation	(72,015,875)	(7,213,706)	186,811	(79,042,770)
Total capital assets, being depreciated, net	176,524,410	6,002,301	-	182,526,711
Business-type activities capital assets, net	331,455,609	22,618,924	(1,975,679)	352,098,854
Right-to-Use Assets				
Vehicles	179,057	413,821	-	592,878
Total Right-to-Use Assets	179,057	413,821	-	592,878
Less accumulated amortization for:				
Vehicles	-	(114,545)	-	(114,545)
Total accumulated amortization	-	(114,545)	-	(114,545)
Total right-to-use assets, net	179,057	299,276	-	478,333
Business type activities capital and right-to-use assets, net	$ 331,634,666	$ 22,918,200	$ (1,975,679)	$ 352,577,187

* As a result of implementing GASB 87, beginning balances were restated as follows: Machinery & Equipment decreased $233,445 and the related accumulated depreciation decreased $44,950; Right-to-Use Assets increased $179,057.

Depreciation and amortization expense charged to functions /programs of the primary government are as follows:

General Government	$ 269,257
Public Safety	511,746
Public Works	3,979,630
Parks and Recreation	2,108,868
Total Depreciation & Amortization expense - governmental activities	$ 6,869,501
Water	$ 4,056,951
Wastewater	2,040,821
Storm Drainage	963,003
Airport	267,476
Total Depreciation and Amortization expense - business-type activities	$ 7,328,251

Note III. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

There was an advance from the General Fund at December 31, 2022, to the Town's urban renewal authority (URA) for $1,913,450.

The advance to the URA was made to pay for purchases of certain properties and for operating expenditures of the URA. This advance is responsible for the negative unassigned fund balance in the URA fund. Repayment of the remaining advance is anticipated primarily pursuant to the development agreement for the development of the Nine Mile property at the corner of Highway 287 and Arapahoe Road. The exact timing, amount, and/or mechanism of repayment remains subject to terms and conditions as specified in the development agreement. As the advance is repaid, the unassigned fund balance in the URA will be replenished.

Interfund transfers for the year ending December 31, 2022 consisted of the following:

	Transfer To			
Transfer From	General Fund	Fleet & Equipment Acquisition Fund	Water Fund	Total
General Fund	$ -	$ 700,000	$ -	$ 700,000
Grants Fund	49,578	-	12,037	61,615
Nonmajor Governmental Funds	413,341	-	-	413,341
Total	$ 462,919	$ 700,000	$ 12,037	$ 1,174,956

As part of the budget process, the Board of Trustees appropriates transfers between funds to allocate the Town's resources to support various programs across the Town.

The $700,000 transfer from the General Fund to the Fleet & Equipment Acquisition Fund was to fund replacements and additions of vehicles and equipment.

The transfers from the Grants Fund to the General Fund and Water Fund, totaling $61,615 were related to grant funding received to support operations and capital projects normally occurring in those funds and the transfer of unrestricted interest earnings.

The transfer from the Trails & Natural Areas Fund to the General Fund in the amount of $413,341 was to fund trail and open space maintenance expenditures.

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 from real property taxes. These bonds are issued as serial bonds with varying

Note III. Detailed Notes on All Funds (continued)

amounts of principal maturing each year. 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.

Long-term debt outstanding for general obligation bonds at December 31, 2022, was as follows:

Year Issued	Description	Coupon Interest Rate (%)	Effective Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2013	General obligation refunding bonds	2.00 - 4.00	2.14	2026	$8,460,000	4,705,000
2014	General obligation bonds	3.25 - 3.75	3.24	2033	6,200,000	6,200,000
	Total general obligation bonds					$ 10,905,000

2. Notes from Direct Borrowings and Direct Placements

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 also can use other resources to pay debt service. There are no unused lines of credit.

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

Year Issued	Description	Coupon Interest Rate (%)	Effective Interest Rate (%)	Final Maturity Date	Issued	Outstanding
1995	Storm drainage revenue loan	2.00	2.00	2035	$ 498,512	$ 206,796
2009	Wastewater revenue loan	2.00	n/a	2030	1,534,700	364,305
2009	Wastewater revenue loan	0.00	0.00	2030	2,000,000	750,000
2009	Water revenue refunding bonds	2.00 - 4.00	n/a	2023	6,390,000	555,000
2011	Water revenue refunding bonds	2.00 - 5.00	2.51	2023	10,098,045	480,000
2015	Water revenue refunding bonds	2.00 - 5.00	3.17	2032	12,335,000	10,715,000
2016	Wastewater revenue refunding bonds	2.00 - 5.00	2.91	2037	16,670,000	13,685,000
2017	Water revenue refunding bonds	3.24	3.12	2032	4,575,000	3,830,000
2021	Urban Renewal Authority Revenue Bonds	4.00	4.00	2038	4,100,000	4,100,000
	Total revenue bonds and loans					$ 34,686,101

Note III. Detailed Notes on All Funds (continued)

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%. There are no collateralized assets. COPs outstanding at year end are as follows:

Year Issued	Description	Coupon Interest Rate (%)	Effective Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2014	Water certificates of participation	2.00 - 5.00	3.76	2040	$ 25,105,000	$ 19,725,000
	Total certificates of participation					$ 19,725,000

Annual debt service requirements to maturity for general obligation bonds and direct borrowings and direct placements are as follows:

	Governmental Activities		**Governmental Activities**		**Business-Type Activities**		**Business-Type Activities**	
	General Obligation Bonds		**Revenue Bonds of Urban Renewal Authority**		**Revenue Bonds and Loans from Direct Borrowings and Direct Placements**		**Certificates of Participation from Direct Borrowings and Direct Placements**	
Year Ending December 31,	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 1,110,000	$ 379,413	$ -	$ 164,000	$ 2,264,578	$ 1,176,938	$ 745,000	$ 850,925
2024	1,155,000	335,013	-	164,000	2,105,774	1,085,318	775,000	821,125
2025	1,200,000	288,813	-	164,000	2,191,994	1,002,833	805,000	790,125
2026	1,240,000	252,813	45,000	164,000	2,288,239	906,601	845,000	749,875
2027	800,000	215,613	145,000	162,200	2,384,508	805,857	890,000	707,625
2028 - 2032	4,420,000	663,825	1,260,000	689,600	13,363,467	2,555,782	5,055,000	2,922,950
2033 - 2037	980,000	36,750	1,805,000	395,400	5,987,541	569,815	6,180,000	1,795,500
2038 - 2042	-	-	845,000	33,800	-	-	4,430,000	359,000
	$ 10,905,000	$ 2,172,240	$ 4,100,000	$ 1,937,000	$ 30,586,101	$ 8,103,144	$ 19,725,000	$ 8,997,125

3. Other Long-Term Debt

Lease Liability

The Town leases certain assets from various third parties. The Town recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lese payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

The assets leased include vehicles, copiers, and a mail machine. Payments are fixed monthly. Lease assets are reported with other capital assets on the statement of net position. Lease asset activity of the Town is included in Note III.C.

The Town monitors change in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. As of December 31, 2022, the Town had an outstanding liability for all its leases of $2,025,799.

Other Liability

The other long-term liability of $450,707 represents a reimbursement due in 2024 related to infrastructure constructed by a developer.

Principal and interest lease payments to maturity are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending December 31,	**Principal**	**Interest**	**Principal**	**Interest**
2023	$365,383	$111,754	$ 92,577	$29,834
2024	371,644	84,030	103,896	23,087
2025	333,984	56,058	104,475	15,524
2026	288,710	31,071	89,885	8,404
2027	208,136	9,692	67,109	1,612
	$ 1,567,857	$ 292,605	$ 457,942	$ 78,460

4. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

Note III. Detailed Notes on All Funds (continued)

	Balance at January 1, 2022 *	Increases	Decreases	Balance at December 31, 2022	Due within One Year
Governmental activities:					
Bonds and other debt payable:					
General obligation bonds	$ 11,975,000	$ -	$ (1,070,000)	$ 10,905,000	$ 1,110,000
Revenue bonds	4,100,000	-	-	4,100,000	-
Deferred Premiums & Discounts	557,235	-	(100,950)	456,285	100,950
Lease Liability	511,038	1,458,014	(401,195)	1,567,857	365,383
Total bonds, leases, and other liabilities	17,143,273	1,458,014	(1,572,145)	17,029,142	1,576,333
Compensated Absences	1,124,846	1,728,347	(1,433,117)	1,420,076	1,034,335
Other long-term liability	450,707	-	-	450,707	-
Total governmental activities	$ 18,718,826	$ 3,186,361	$ (3,005,262)	$ 18,899,925	$ 2,610,668
Business-type activities:					
Direct placements and direct borrowings					
Revenue bonds and loans	$ 33,329,506	$ -	$ (2,743,405)	$ 30,586,101	$ 2,264,578
Certificates of participation	20,440,000	-	(715,000)	19,725,000	745,000
Deferred Premiums & Discounts	3,400,368	-	(280,368)	3,120,000	274,935
Total direct placements and direct borrowings	57,169,874	-	(3,738,773)	53,431,101	3,284,513
Lease Liability	179,057	413,821	(134,936)	457,942	92,577
Compensated Absences	124,029	163,588	(152,016)	135,601	98,765
Total business-type activities	$ 57,472,960	$ 577,409	$ (4,025,725)	$ 54,024,644	$ 3,475,855

* Beginning balance was restated due to the implementation of GASB 87. Lease Liability for Governmental Activities, previously reflected as Capital Lease Obligations, decreased $1,636. Lease Liability for Business-type Activities, previously reflected as Capital Lease Obligations, decreased $667.

The liability attributable to the governmental funds is recorded as governmental activities - noncurrent liability. Liabilities relating to employees of governmental funds are liquidated out of the associated fund.

5. Defeasance of Debt

In a prior year, the Town defeased certain water revenue bonds by placing the proceeds of new bonds into an irrevocable trust 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. This transaction resulted in an economic gain to the Town. On December 31, 2022, defeased bonds had remaining balances outstanding of $683,301.

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, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. 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. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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 or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement at age 50 with at least five years of credited service 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 - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of base salary for a total contribution rate of 21 percent in 2022. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. Contributions to the SWDB plan from the Town were $377,537 for the year ended December 31, 2022.

b. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related To Pensions

Note III. Detailed Notes on All Funds (continued)

At December 31, 2022, the Town reported a net pension asset of $2,336,210 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the Town's proportion was 0.4311 percent, which was an increase of 0.0476 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense of $291,217. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$668,980	$54,487
Changes of Assumptions or other Inputs	333,160	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,563,524
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	2,174	201,888
Contributions Subsequent to the Measurement Date	377,537	-
Total	$ 1,381,851	$ 1,819,899

$377,537 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

Year Ended December 31,	Amount
2023	($239,442)
2024	(401,169)
2025	(236,828)
2026	(85,168)
2027	113,000
Thereafter	34,022

c. Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Note III. Detailed Notes on All Funds (continued)

	Total Pension Liability	**Actuarial Determined Contributions**
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25 - 11.25%	4.25 - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 (assumed at 2.5 percent). 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00 %	8.23 %
Equity Long/Short	8.00	6.87
Private Markets	26.00	10.63
Fixed Income - Rates	10.00	4.01
Fixed Income - Credit	5.00	5.25
Absolute Return	10.00	5.60
Cash	2.00	2.32
Total	100.00	

Note III. Detailed Notes on All Funds (continued)

d. Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. 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 Colorado statutes. Based on those assumptions, the SWDB plan 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 Liability (Asset) to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	($322,178)	($2,336,210)	($4,004,724)

f. Pension Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at http://www.fppaco.org.

g. Changes Between the Measurement Date of the Net Pension Asset and December 31, 2021

During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. The stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of $123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension asset of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

2. General Employees

The Town contributes to an employer defined contribution plan established for non-police employees.

Plan name:	The Town of Erie Savings Plan
Plan administrator:	Town Finance Director
Recordkeeper:	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 Town 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 457(b) (employee contributions) and 401(a) (employer contributions). Employees are eligible to participate on the first day of each month after their date of hire.

Under the terms of the plan the Town is the only non-employee contributor and matches dollar-for-dollar up to the first 5% of employee contributions. Participants are not required to contribute to the plan but may contribute up to $19,500 per year ($26,000 for employees over 50). Employer contributions are based on the participant's salary (salary, pay, or earned income less salary reductions made under IRC §125). During 2022, the Town made all required contributions to the plan, contributing $594,907. Employees contributed $1,653,266 (including voluntary contributions).

Employees vest immediately. Employees have a non-forfeitable interest in the employer contributions to their accounts held by the plan recordkeeper. Voluntary pre-tax and Roth (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 risks 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 and Encumbrances

At year-end, commitments and encumbrances by fund were as follows:

Note IV. Other Information (continued)

	Governmental	Enterprise	Total
General Fund	$ 3,491,184	$ -	$ 3,491,184
Grants Fund	14,812	-	14,812
Trails & Natural Areas Fund	8,240	-	8,240
Conservation Trust Fund	5,883	-	5,883
Transportation Impact Fund	1,559,876	-	1,559,876
Public Facilities Improvement Fund	792,090		792,090
Parks Improvement Fund	56,074	-	56,074
Fleet & Equipment Acquisition Fund	153,200		153,200
Urban Renewal Authority	354,595	-	354,595
Water Fund	-	4,011,826	4,011,826
Wastewater Fund	-	3,040,480	3,040,480
Storm Drainage Operating	-	218,879	218,879
Total Commitments	$ 6,435,954	$ 7,271,185	$13,707,139

The commitments and encumbrances reflected in the above table technically lapse at the end of the year but are expected to be reappropriated and become part of the subsequent year's budget because performance under the various executory contracts is expected in the next year.

Most of the amounts reflected in the above table are related to capital projects, representing $12.4 million of the total. Of this amount, $3 million represents contractual commitments for the expansion of the Town's wastewater treatment plant. This project is expected to be completed in 2023.

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District. In 2022, the Town contributed $3.1 million to the Northern Integrated Supply Project and $1.4 million 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, 2022. If any costs are disallowed in the future, the Town expects them to be insignificant.

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 the 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 an agreement with Dillon Companies Inc. (Dillon) 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 Dillon. During 2022, the Town paid Dillon $191,387 pursuant to this agreement. Cumulative reimbursements since inception pursuant to this agreement were $483,448 as of December 31, 2022.

The Town, through the URA, 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 URA, in 2017 two tax abatement agreements were entered into to provide incentives for development in Historic Old Town through reimbursements of incremental property taxes. The first was for the construction of a commercial/retail/office building at 105 Wells St. with D&H Erie, LLC, and the second was with Four Lakes, LLC (d/b/a Echo Brewing Cask and Barrel) for the expansion of and improvements to 600/620 Briggs St. The maximum reimbursement under each of these agreements is $1,500,000. During 2022, the Town reimbursed D&H Erie, LLC $104,232 pursuant to this agreement. Reimbursements under the agreement for Echo Brewing will begin in 2023.

In 2019 the URA entered into a property tax sharing agreement with 615 Briggs LLC for construction of a new building to house a restaurant and retail/office space in Historic Old Town. The agreement has a cap of $446,050 and has a term of up to 10 years, beginning with the date the certificate of occupancy is issued. During 2022, the Town paid 615 Briggs LLC $49,479 pursuant to this agreement.

In 2019 the URA also entered into a reimbursement agreement with RTD Birdhouse Holdings LLC for improvements to and expansion of 526 Briggs in Historic Old Town, with the primary occupant being a restaurant. The agreement provides for sharing of sales tax for a period of up to seven years, with a cap of $420,000. During 2022, the Town paid RTD Birdhouse Holdings LLC $49,931 pursuant to this agreement.

The URA has entered into a property and sales tax sharing agreement with Evergreen-287 & Arapahoe LLC for the development of land located on the southeast corner of Highway 287 and Arapahoe Road, known as the Nine Mile development ("Nine Mile"). Nine Mile is a mixed-use development, with retail, commercial and multi-family components. The agreement provides for tax increment revenue to pay debt service costs on up to $12,800,000 in eligible infrastructure costs on the site, with the debt issued by the Nine Mile Metropolitan District. Certain operations and administrative costs will also be paid from the tax increment revenue. During 2022, the Town paid the Nine Mile Metropolitan District $543,403 pursuant to this agreement.

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,

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

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 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 year-end reserve of $1.9 million is calculated based on the requirements of Article X, Section 20.

Note V. <u>Subsequent Event</u>

On November 15, 2022, the Town Board approved a Purchase and Sale Agreement approving the Town's acquisition of a 2.06 acre parcel of real property from the Barbara B. Haislip Trust, located at 765 Cheesman Street in the Town of Erie. The purchase closed on February 15, 2023, for $1,150,000.

Required Supplementary Information

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Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset)
Last 10 Fiscal Years*

Fiscal Year	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Town's Proportion of the Net Pension Liability (Asset)	0.431087780%	0.383494610%	0.374357510%	0.342416226%	0.342000566%	0.331945195%	0.336245378%	0.331184028%	0.310560474%
Town's Proportionate Share of the Net Pension Liability (Asset)	($2,336,210)	($832,568)	($211,723)	$432,908	($492,022)	$119,945	($5,928)	($373,766)	($277,699)
Town's Covered Payroll	$3,470,347	$3,080,269	$2,759,138	$2,212,900	$2,005,275	$1,775,038	$1,638,675	$1,489,488	$1,348,888
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(67.3%)	(27.0%)	(7.7%)	19.6%	(24.5%)	6.8%	(0.4%)	(25.1%)	(20.6%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Covered payroll is presented based on the fiscal year. Information earlier than 2014 was not available.

Town of Erie, Colorado
Schedule of Town Contributions
Last 10 Fiscal Years*

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$377,537	$294,980	$246,421	$220,731	$177,032	$160,422	$142,003	$131,094	$119,159	$107,911
Contributions in Relation to the Contractually Required Contribution	377,537	294,980	246,421	220,731	177,032	160,422	142,003	131,094	119,159	107,911
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$4,194,863	$3,470,347	$3,080,269	$2,759,138	$2,212,900	$2,005,275	$1,775,038	$1,638,675	$1,489,488	$1,348,888
Contributions as a Percentage of Covered Payroll	9%	9%	8%	8%	8%	8%	8%	8%	8%	8%

*The amounts presented for each fiscal year were determined as of December 31.

Supplementary Information

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Town of Erie
Major Capital Project Funds

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

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

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

Town of Erie, Colorado
Transportation Impact Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 4,418,565	$ 4,418,565	$ 5,718,290	$ 1,299,725
Investment Earnings	55,000	55,000	136,742	81,742
Total Revenues	4,473,565	4,473,565	5,855,032	1,381,467
EXPENDITURES				
Capital Outlay	10,914,754	22,755,254	3,185,720	19,569,534
Total Expenditures	10,914,754	22,755,254	3,185,720	19,569,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,441,189)	(18,281,689)	2,669,312	20,951,001
OTHER FINANCING SOURCES				
Transfers In	-	2,796,080	-	(2,796,080)
Total Other Financing Sources	-	2,796,080	-	(2,796,080)
Net Change in Fund Balance	$ (6,441,189)	$ (15,485,609)	2,669,312	$ 18,154,921
Fund Balance - Beginning			18,902,545	
Fund Balance - Ending			$ 21,571,857	

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 2,550,161	$ 2,550,161	$ 3,489,460	$ 939,299
Investment Earnings	40,000	40,000	41,827	1,827
Total Revenues	2,590,161	2,590,161	3,531,287	941,126
EXPENDITURES				
Current Operating:				
Parks and Recreation	-	-	-	-
Capital Outlay	465,250	4,790,571	3,395,737	1,394,834
Total Expenditures	465,250	4,790,571	3,395,737	1,394,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,124,911	(2,200,410)	135,550	2,335,960
Net Change in Fund Balance	$ 2,124,911	$ (2,200,410)	135,550	$ 2,335,960
Fund Balance - Beginning			8,577,557	
Fund Balance - Ending			$ 8,713,107	

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.

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

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.

Trail and Natural Areas Fund: Accounts for property tax revenues used to acquire, construct, and maintain trails; and acquire and develop and maintain 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.

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

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

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.

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	$ 7,107,775	$ 17,840,679	$ 24,948,454
Receivables	2,285,861	12,469	2,298,330
Total Assets	$ 9,393,636	$ 17,853,148	$ 27,246,784
LIABILITIES			
Accounts Payable	4,360	254,461	258,821
Unearned Revenue	-	7,648	7,648
Total Liabilities	4,360	262,109	266,469
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,273,188	-	2,273,188
Total Deferred Inflows of Resources	2,273,188	-	2,273,188
FUND BALANCES			
Restricted for:			
Capital Projects	-	17,591,039	17,591,039
Parks and Open Space	6,806,250	-	6,806,250
Committed to:			
Cemetery Operations	309,838	-	309,838
Total Fund Balances	7,116,088	17,591,039	24,707,127
Total Liabilities and Fund Balances	$ 9,393,636	$ 17,853,148	$ 27,246,784

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	Cemetery Fund	Conservation Trust Fund	Trails & Natural Areas Fund	Erie Community Civic Fund	Total
ASSETS					
Pooled Cash and Investments	$ 309,624	$ 884,097	$ 5,894,399	$ 19,655	$ 7,107,775
Receivables	214	693	2,284,954	-	2,285,861
Total Assets	$ 309,838	$ 884,790	$ 8,179,353	$ 19,655	$ 9,393,636
LIABILITIES	`				
Accounts Payable	-	-	4,360	-	4,360
Total Liabilities	-	-	4,360	-	4,360
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	2,273,188	-	2,273,188
Total Deferred Inflows of Resources	-	-	2,273,188	-	2,273,188
FUND BALANCES					
Restricted for:					
Parks and Open Space	-	884,790	5,901,805	19,655	6,806,250
Committed to:					
Cemetery Operations	309,838	-	-	-	309,838
Total Fund Balances	309,838	884,790	5,901,805	19,655	7,116,088
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 309,838	$ 884,790	$ 8,179,353	$ 19,655	$ 9,393,636

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	Public Facilities Impact Fund	Storm Drainage Impact Fund	Police Facilities Impact Fund	Tree Impact Fund	Total
ASSETS					
Pooled Cash and Investments	$ 9,541,840	$ 6,836,097	$ 341,224	$ 1,121,518	$ 17,840,679
Receivables	6,647	4,770	163	889	12,469
Total Assets	$ 9,548,487	$ 6,840,867	$ 341,387	$ 1,122,407	$ 17,853,148
LIABILITIES					
Accounts Payable	153,299	63,004	26,548	11,610	254,461
Unearned Revenue	3,824	3,224	-	600	7,648
Total Liabilities	157,123	66,228	26,548	12,210	262,109
FUND BALANCES					
Restricted for:					
Capital Projects	9,391,364	6,774,639	314,839	1,110,197	17,591,039
Total Fund Balances	9,391,364	6,774,639	314,839	1,110,197	17,591,039
Total Liabilities and Fund Balances	$ 9,548,487	$ 6,840,867	$ 341,387	$ 1,122,407	$ 17,853,148

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ 2,083,243	$ -	$ 2,083,243
Intergovernmental	349,648	-	349,648
Fees and Charges for Services	30,750	-	30,750
Capital Contributions and Fees	318,160	4,211,798	4,529,958
Investment Earnings	51,908	118,062	169,970
Total Revenues	2,833,709	4,329,860	7,163,569
EXPENDITURES			
Current Operating:			
Parks and Recreation	49,306	75,932	125,238
Capital Outlay	184,983	276,472	461,455
Total Expenditures	234,289	352,404	586,693
Excess of Revenues Over Expenditures	2,599,420	3,977,456	6,576,876
OTHER FINANCING USES			
Transfers Out	(413,341)	-	(413,341)
Total Other Financing Uses	(413,341)	-	(413,341)
Net Change in Fund Balance	2,186,079	3,977,456	6,163,535
Fund Balance - Beginning	4,930,009	13,613,583	18,543,592
Fund Balance - Ending	$ 7,116,088	$ 17,591,039	$ 24,707,127

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Cemetery Fund	Conservation Trust Fund	Trails & Natural Areas Fund	Erie Community Civic Fund	Total
REVENUES					
Taxes	$ -	$ -	$ 2,083,243	$ -	$ 2,083,243
Intergovernmental	-	349,648	-	-	349,648
Fees and Charges for Services	30,750	-	-	-	30,750
Capital Contributions and Fees	-	-	318,160	-	318,160
Investment Earnings	1,853	6,584	43,471	-	51,908
Total Revenues	32,603	356,232	2,444,874	-	2,833,709
EXPENDITURES					
Current Operating:					
Parks and Recreation	-	5,349	43,957	-	49,306
Capital Outlay	-	160,490	24,493	-	184,983
Total Expenditures	-	165,839	68,450	-	234,289
Excess of Revenues Over Expenditures	32,603	190,393	2,376,424	-	2,599,420
OTHER FINANCING USES					
Transfers Out	-	-	(413,341)	-	(413,341)
Total Other Financing Uses	-	-	(413,341)	-	(413,341)
Net Change in Fund Balance	32,603	190,393	1,963,083	-	2,186,079
Fund Balance - Beginning	277,235	694,397	3,938,722	19,655	4,930,009
Fund Balance - Ending	$ 309,838	$ 884,790	$ 5,901,805	$ 19,655	$ 7,116,088

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022

	Public Facilities Impact Fund	Storm Drainage Impact Fund	Police Facilities Impact Fund	Tree Impact Fund	Total
REVENUES					
Capital Contributions and Fees	$ 2,390,330	$ 1,229,318	$ 312,731	$ 279,419	$ 4,211,798
Investment Earnings	64,206	43,448	2,108	8,300	118,062
Total Revenues	2,454,536	1,272,766	314,839	287,719	4,329,860
EXPENDITURES					
Current Operating:					
Parks and Recreation	-	-	-	75,932	75,932
Capital Outlay	130,172	-	-	146,300	276,472
Total Expenditures	130,172	-	-	222,232	352,404
Excess of Revenues Over Expenditures	2,324,364	1,272,766	314,839	65,487	3,977,456
OTHER FINANCING USES					
Transfers Out	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-
Net Change in Fund Balance	2,324,364	1,272,766	314,839	65,487	3,977,456
Fund Balance - Beginning	7,067,000	5,501,873	-	1,044,710	13,613,583
Fund Balance - Ending	$ 9,391,364	$ 6,774,639	$ 314,839	$ 1,110,197	$ 17,591,039

Town of Erie, Colorado
Cemetery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Fees and Charges for Services	$ 20,000	$ 20,000	$ 30,750	$ 10,750
Investment Earnings	1,000	1,000	1,853	853
Total Revenues	21,000	21,000	32,603	11,603
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,000	21,000	32,603	11,603
Net Change in Fund Balance	$ 21,000	$ 21,000	32,603	$ 11,603
Fund Balance - Beginning			277,235	
Fund Balance - Ending			$ 309,838	

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, 2022

	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 236,500	$ 236,500	$ 349,648	$ 113,148
Investment Earnings	3,000	3,000	6,584	3,584
Total Revenues	239,500	239,500	356,232	116,732
EXPENDITURES				
Current Operating:				
Parks and Recreation	-	65,600	5,349	60,251
Capital Outlay	-	302,170	160,490	141,680
Total Expenditures	-	367,770	165,839	201,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	239,500	(128,270)	190,393	318,663
OTHER FINANCING SOURCES (USES)				
Transfers Out	(399,300)	(150,000)	-	150,000
Total Other Financing Sources (Uses)	(399,300)	(150,000)	-	150,000
Net Change in Fund Balance	$ (159,800)	$ (278,270)	190,393	$ 468,663
Fund Balance - Beginning			694,397	
Fund Balance - Ending			$ 884,790	

Town of Erie, Colorado
Trails & Natural Areas Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	$ 2,108,571	$ 2,108,571	$ 2,083,243	$ (25,328)
Capital Contributions and Fees	-	-	318,160	318,160
Investment Earnings	10,000	10,000	43,471	33,471
Miscellaneous	6,100	6,100	-	(6,100)
Total Revenues	2,124,671	2,124,671	2,444,874	320,203
EXPENDITURES				
Current Operating:				
Parks and Recreation	95,330	20,530	43,957	(23,427)
Capital Outlay	1,000,000	1,841,420	24,493	1,816,927
Total Expenditures	1,095,330	1,861,950	68,450	1,793,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,029,341	262,721	2,376,424	2,113,703
OTHER FINANCING USES				
Transfers Out	(473,700)	(414,000)	(413,341)	659
Total Other Financing Uses	(473,700)	(414,000)	(413,341)	659
Net Change in Fund Balance	$ 555,641	$ (151,279)	1,963,083	$ 2,114,362
Fund Balance - Beginning			3,938,722	
Fund Balance - Ending			$ 5,901,805	

Town of Erie Colorado

Erie Civic Community Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance - Beginning			19,655	
Fund Balance - Ending			$ 19,655	

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, 2022

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Capital Contributions and Fees	$ 1,449,403	$ 1,449,403	$ 2,390,330	$ 940,927
Investment Earnings	20,000	20,000	64,206	44,206
Total Revenues	1,469,403	1,469,403	2,454,536	985,133
EXPENDITURES				
Capital Outlay	6,075,100	1,806,917	130,172	1,676,745
Total Expenditures	6,075,100	1,806,917	130,172	1,676,745
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,605,697)	(337,514)	2,324,364	2,661,878
Net Change in Fund Balance	$(4,605,697)	$ (337,514)	2,324,364	$ 2,661,878
Fund Balance - Beginning			7,067,000	
Fund Balance - Ending			$ 9,391,364	

Storm Drainage Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 1,007,255	$ 1,007,255	1,229,318	$ 222,063
Investment Earnings	20,000	20,000	43,448	23,448
Total Revenues	1,027,255	1,027,255	1,272,766	245,511
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,027,255	1,027,255	1,272,766	245,511
OTHER FINANCING USES				
Transfers Out	(650,000)	(868,400)	-	868,400
Total Other Financing Uses	(650,000)	(868,400)	-	868,400
Net Change in Fund Balance	$ 377,255	$ 158,855	1,272,766	$ 1,113,911
Fund Balance - Beginning			5,501,873	
Fund Balance - Ending			$ 6,774,639	

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 194,411	$ 194,411	$ 279,419	$ 85,008
Investment Earnings	3,000	3,000	8,300	5,300
Total Revenues	197,411	197,411	287,719	90,308
EXPENDITURES				
Current Operating:				
Parks and Recreation	145,000	145,000	75,932	69,068
Capital Outlay	-	251,300	146,300	105,000
Total Expenditures	145,000	396,300	222,232	174,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,411	(198,889)	65,487	264,376
Net Change in Fund Balance	$ 52,411	$ (198,889)	65,487	$ 264,376
Fund Balance - Beginning			1,044,710	
Fund Balance - Ending			$ 1,110,197	

Town of Erie, Colorado
Police Facilities Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Capital Contributions and Fees	$ -	$ 401,000	$ 312,731	$ (88,269)
Investment Earnings	-	-	2,108	2,108
Total Revenues	-	401,000	314,839	(86,161)
EXPENDITURES				
Current Operating:				
Parks and Recreation	-	-	-	-
Capital Outlay	-	401,000	-	401,000
Total Expenditures	-	401,000	-	401,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	314,839	314,839
Net Change in Fund Balance	$ -	$ -	314,839	$ 314,839
Fund Balance - Beginning			-	
Fund Balance - Ending			$ 314,839	

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 combining and budgetary comparisons for the following funds:

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

Town of Erie, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2022

	Storm Drainage Operating Fund	Airport Fund	Total Enterprise Nonmajor Funds
ASSETS			
Current Assets			
Pooled Cash and Investments	$ 5,051,712	$ 168,516	$ 5,220,228
Receivables	238,817	780	239,597
Total Current Assets	5,290,529	169,296	5,459,825
Noncurrent Assets			
Capital Assets			
Construction in Progress	4,676,608	-	4,676,608
Land and Water Rights	63,705	592,295	656,000
Buildings, Property, and Equipment	45,582,353	6,905,426	52,487,779
Accumulated Depreciation	(8,563,045)	(3,847,933)	(12,410,978)
Total Capital Assets, Net	41,759,621	3,649,788	45,409,409
Right-to-Use Assets			
Leased Vehicles & Equipment	57,360	-	57,360
Accumulated Amortization	(10,775)	-	(10,775)
Total Right-to-Use Assets, Net	46,585	-	46,585
Total Noncurrent Assets	41,806,206	3,649,788	45,455,994
Total Assets	47,096,735	3,819,084	50,915,819
LIABILITIES			
Current Liabilities			
Accounts Payable	42,509	-	42,509
Accrued Interest Payable	3,102	-	3,102
Wages Payable	12,231	-	12,231
Compensated Absences	13,977	-	13,977
Current Portion of Long Term Debt			
Loans Payable	14,088	-	14,088
Leases Payable	8,057	-	8,057
Total Current Liabilities	93,964	-	93,964
Noncurrent Liabilities			
Compensated Absences	5,213	-	5,213
Long Term Debt, Net of Unamortized Premiums and Discounts			
Loans Payable	192,709	-	192,709
Leases Payable	30,649	-	30,649
Total Noncurrent Liabilities	228,571	-	228,571
Total Liabilities	322,535	-	322,535
NET POSITION			
Net Investment in Capital Assets	41,558,713	3,649,788	45,208,501
Unrestricted	5,215,487	169,296	5,384,783
Total Net Position	$ 46,774,200	$ 3,819,084	$ 50,593,284

Town of Erie, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2022

	Storm Drainage Operating Fund	Airport Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for Services	$ 1,787,794	$ 4,847	$ 1,792,641
OPERATING EXPENSES			
Personnel Services	319,655	-	319,655
Operations and Maintenance	385,558	45,139	430,697
Depreciation	963,003	267,476	1,230,479
Total Operating Expenses	1,668,216	312,615	1,980,831
Net Operating Income (Loss)	119,578	(307,768)	(188,190)
NON-OPERATING REVENUES (EXPENSES)			
Investment Earnings	32,203	1,042	33,245
Other Non-Operating Income	-	46,814	46,814
Interest Expense	(7,301)	-	(7,301)
Gain (Loss) on Disposition of Capital Assets	48,000	-	48,000
Total Non-Operating Revenues (Expenses)	72,902	47,856	120,758
Loss Before Transfers	192,480	(259,912)	(67,432)
Capital Contributions	3,916,566	-	3,916,566
Change in Net Position	4,109,046	(259,912)	3,849,134
Total Net Position - Beginning	42,665,154	4,078,996	46,744,150
Total Net Position - Ending	$ 46,774,200	$ 3,819,084	$ 50,593,284

Town of Erie, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2022

	Storm Drainage Operating Fund	Airport Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from Customers and Users	$ 1,771,770	$ 51,848	$ 1,823,618
Payments to Employees	(303,882)	-	(303,882)
Payments to Suppliers	(510,831)	(45,139)	(555,970)
Net Cash Provided (Used) in Operating Activities	957,057	6,709	963,766
Cash Flows from Capital and Related Financing Activities			
Receipts from Capital Grants	10,000	-	10,000
Acquisition and Construction of Capital Assets	(212,410)	-	(212,410)
Proceeds from Sales of Capital Assets	48,000	-	48,000
Principal Paid on Capital Debt	(32,465)	-	(32,465)
Interest Paid on Capital Debt	(7,508)	-	(7,508)
Cash Flows Provided by (Used in) Capital and Related Financing Activities	(194,383)	-	(194,383)
Cash Flows from Investing Activities			
Earnings on Investments	31,058	1,056	32,114
Cash Flows Provided by Investing Activities	31,058	1,056	32,114
Net Decrease in Pooled Cash and Investments	793,732	7,765	801,497
Pooled Cash and Investments - January 1	4,257,980	160,751	4,418,731
Pooled Cash and Investments - December 31	$ 5,051,712	$ 168,516	$ 5,220,228
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Income (Loss)	$ 119,578	$ (307,768)	$ (188,190)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Depreciation Expense	963,003	267,476	1,230,479
Other Income	-	46,814	46,814
Decrease in			
Accounts Receivable	(16,025)	187	(15,838)
Increase (Decrease) in			
Accounts Payable	(125,273)	-	(125,273)
Wages Payable	13,280	-	13,280
Compensated Absences Payable	2,494	-	2,494
Net Cash Provided In Operating Activities	$ 957,057	$ 6,709	$ 963,766
Noncash Investing, Capital, and Financing Activities			
Capital Assets Acquired through Contributions	$ 3,906,566	$ -	$ 3,906,566
Capital Assets Acquired through Capital Lease	$ 57,360	$ -	$ 57,360

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for Services	$ 12,303,000	$ 12,303,000	$ 13,193,795	$ 890,795
Capital Contributions and Fees	16,085,063	16,085,063	19,732,370	3,647,307
Investment Earnings	527,000	527,000	691,342	164,342
Miscellaneous	14,950	14,950	13,900	(1,050)
Total Revenues	28,930,013	28,930,013	33,631,407	4,701,394
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,171,335	1,212,457	1,211,526	931
Operations and Maintenance	5,783,724	6,089,207	5,825,302	263,905
Capital Outlay	44,792,328	83,100,600	7,582,270	75,518,330
Debt Related Expenses				
Principal Payments	2,734,016	2,734,016	2,836,448	(102,432)
Interest Expense	1,559,370	1,559,370	1,587,376	(28,006)
Total Expenditures	56,040,773	94,695,650	19,042,922	75,652,728
OTHER FINANCING SOURCES				
Transfers In	100,000	100,000	12,037	(87,963)
Proceeds from Debt Issuance	-	-	311,398	311,398
Proceeds on Sale of Capital Assets	-	-	41,000	41,000
Total Other Financing Sources	100,000	100,000	364,435	264,435
Change in Net Position, Budget Basis	$ (27,010,760)	$ (65,665,637)	14,952,920	$ 80,618,557
Reconciliation to GAAP Basis:				
Debt Proceeds			(311,398)	
Bond Principal Payments			2,836,448	
Debt Issuance Costs			23,674	
Change in Accrued Interest Payable			11,959	
Change in Compensated Absences Payable			2,466	
Developer Contributions			4,024,574	
Capital Outlay			7,582,270	
Depreciation and Amortization			(4,056,950)	
Change in Net Position, GAAP Basis			25,065,963	
Total Net Position - Beginning			261,457,970	
Total Net Position - Ending			$ 286,523,933	

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, 2022

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
REVENUES				
Charges for Services	$ 5,949,000	$ 5,949,000	$ 6,470,593	$ 521,593
Capital Contributions and Fees	4,882,897	4,882,897	6,315,397	1,432,500
Investment Earnings	200,000	200,000	127,073	(72,927)
Miscellaneous	3,250	3,250	78,644	75,394
Total Revenues	11,035,147	11,035,147	12,991,707	1,956,560
EXPENDITURES				
Operating Expenditures				
Personnel Services	738,174	754,060	693,237	60,823
Operations and Maintenance	2,438,618	3,170,301	2,578,850	591,451
Capital Outlay	747,500	13,786,454	9,670,107	4,116,347
Debt Related Expenses				
Principal Payments	731,864	731,864	724,428	7,436
Interest Expense	599,906	599,906	600,789	(883)
Total Expenditures	5,256,062	19,042,585	14,267,411	4,775,174
OTHER FINANCING SOURCES				
Proceeds from Debt Issuance	-	-	45,063	45,063
Proceeds from Disposition of Capital Assets	-	-	45,000	45,000
Total Other Financing Sources	-	-	90,063	90,063
Change in Net Position, Budget Basis	$ 5,779,085	$ (8,007,438)	(1,185,641)	$ 6,821,797
Reconciliation to GAAP Basis:				
Debt Proceeds			(45,063)	
Payment to Refunded Bonds Escrow Agent			-	
Debt Issuance Costs			(10,079)	
Principal Payments			724,428	
Change in Accrued Interest Payable			1,574	
Change in Compensated Absences Payable			(5,237)	
Developer Contributions			2,817,486	
Capital Outlay			9,670,107	
Depreciation and Amortization			(2,040,821)	
Change in Net Position, GAAP Basis			9,926,754	
Total Net Position - Beginning			83,421,792	
Total Net Position - Ending			$ 93,348,546	

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Capital Contributions and Fees	$ 1,007,255	$ 1,007,255	1,229,318	$ 222,063
Investment Earnings	20,000	20,000	43,448	23,448
Total Revenues	1,027,255	1,027,255	1,272,766	245,511
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,027,255	1,027,255	1,272,766	245,511
OTHER FINANCING USES				
Transfers Out	(650,000)	(868,400)	-	868,400
Total Other Financing Uses	(650,000)	(868,400)	-	868,400
Net Change in Fund Balance	$ 377,255	$ 158,855	1,272,766	$ 1,113,911
Fund Balance - Beginning			5,501,873	
Fund Balance - Ending			$ 6,774,639	

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, 2022

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for Services	$ 5,000	$ 5,000	$ 4,847	$ (153)
Investment Earnings	500	500	1,042	542
Miscellaneous	45,000	45,000	46,814	1,814
Total Revenues	50,500	50,500	52,703	2,203
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,031	1,031	-	1,031
Operations and Maintenance	62,094	62,094	45,139	16,955
Total Expenditures	63,125	63,125	45,139	17,986
Change in Net Position, Budget Basis	$ (12,625)	$ (12,625)	7,564	$ 20,189
Reconciliation to GAAP Basis:				
Depreciation and Amortization			(267,476)	
Change in Net Position, GAAP Basis			(259,912)	
Total Net Position - Beginning			4,078,996	
Total Net Position - Ending			$ 3,819,084	

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

	2013 (1)	2014	2015 (2)	2016	2017	2018	2019	2020	2021	2022 (3)
Governmental Activities										
Net Investment in Capital Assets	$77,940,386	$81,995,267	$83,754,661	$91,829,234	$104,366,825	$122,702,339	$144,757,342	$153,586,231	$164,363,793	$ 184,876,753
Restricted	19,769,068	18,521,700	21,372,046	20,657,054	26,561,257	32,617,869	32,768,998	46,605,118	61,250,141	71,344,789
Unrestricted	7,505,621	7,907,992	7,096,865	9,812,424	16,619,107	18,012,077	27,144,985	34,479,339	39,515,991	42,088,033
Total Governmental Activities Net Position	$105,215,075	$108,424,959	$112,223,572	$122,298,712	$147,547,189	$173,332,285	$204,671,325	$234,670,688	$265,129,925	$ 298,309,575
Business-type Activities										
Net Investment in Capital Assets	$138,601,037	$144,136,677	$138,280,725	$161,759,392	$190,333,252	$199,949,037	$223,256,751	$244,297,057	$277,608,597	$ 301,984,842
Restricted	1,699,317	1,960,235	1,982,998	1,183,031	786,000	824,000	856,000	878,650	794,198	1,069,630
Unrestricted	22,531,638	22,935,815	31,991,085	45,517,350	46,221,528	70,305,325	91,797,796	99,686,616	113,229,889	127,411,291
Total Business-type Activities Net Position	$162,831,992	$169,032,727	$172,254,808	$208,459,773	$237,340,780	$271,078,362	$315,910,547	$344,862,323	$391,632,684	$ 430,465,763
Primary Government										
Net Investment in Capital Assets	$216,541,423	$226,131,944	$222,035,386	$253,588,626	$294,700,077	$322,651,376	$368,014,093	$397,883,288	$441,972,390	$ 486,861,595
Restricted	21,468,385	20,481,935	23,355,044	21,840,085	27,347,257	33,441,869	33,624,998	47,483,768	62,044,339	72,414,419
Unrestricted	30,037,259	30,843,807	39,087,950	55,329,774	62,840,635	88,317,402	118,942,781	134,165,955	152,745,880	169,499,324
Total Primary Government Net Position	$268,047,067	$277,457,686	$284,478,380	$330,758,485	$384,887,969	$444,410,647	$520,581,872	$579,533,011	$656,762,609	$ 728,775,338

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.

(3) In 2022 the Town implemented GASB 87, which provides for the recognition of certain lease related amounts. Prior year amounts were not restated.

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

	2013 (1)	2014	2015 (2)	2016	2017	2018	2019	2020	2021	2022 (3)
Expenses										
Governmental Activities:										
General Government	$3,424,886	$4,173,232	$6,364,236	$3,624,195	$4,601,379	$6,372,190	$10,886,195	$10,512,723	$8,351,209	$13,281,516
Public Safety	2,562,909	2,810,944	3,065,695	3,564,444	3,911,466	4,125,915	5,322,831	5,599,006	6,994,602	8,542,802
Public Works	5,365,419	5,607,191	4,611,400	5,129,083	5,566,858	5,912,042	7,054,349	3,362,722	8,088,311	11,180,655
Parks & Recreation	4,528,156	4,591,031	6,248,337	6,478,449	7,106,468	7,658,937	8,619,341	6,261,294	9,293,615	11,110,189
Interest on Long-Term Debt	649,304	681,174	720,371	657,411	604,011	547,591	491,020	346,189	422,809	558,517
Total Governmental Activities Expenses	16,530,674	17,863,572	21,010,039	19,453,582	21,790,182	24,616,675	32,373,736	26,081,934	33,150,546	44,673,679
Business-type Activities:										
Water	8,176,581	8,988,723	10,865,948	9,605,720	9,263,291	10,127,032	10,552,481	12,299,401	11,826,645	12,643,055
Wastewater	4,676,937	4,980,408	10,553,917	4,886,037	5,001,576	5,405,865	5,789,508	6,044,230	5,372,301	5,927,439
Storm Drainage	447,151	412,940	664,028	932,686	809,794	1,075,170	1,235,057	2,111,400	1,506,412	1,675,517
Airport	445,648	263,355	337,969	307,283	668,087	289,865	313,934	358,135	323,670	312,615
Housing Authority	111,463	119,300	112,370	116,252	335,939	-	-	-	-	-
Total Business-type Activities Expenses	13,857,780	14,764,726	22,534,232	15,847,978	16,078,687	16,897,932	17,890,980	20,813,166	19,029,028	20,558,626
Total Primary Government Expenses	$30,388,454	$32,628,298	$ 43,544,271	$35,301,560	$37,868,869	$ 41,514,607	$ 50,264,716	$ 46,895,100	$ 52,179,574	$ 65,232,305
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	$1,028,882	$1,199,010	$1,607,509	$1,952,378	$2,169,570	$3,561,877	$2,683,426	$2,235,795	$3,227,872	$6,633,468
Public Safety	246,843	249,004	219,581	299,055	268,853	275,835	364,421	251,347	240,420	176,163
Public Works	1,808,015	2,021,365	2,164,559	2,411,375	3,178,241	2,720,956	2,871,912	2,704,752	3,544,739	3,723,357
Parks and Recreation	1,874,591	1,935,127	2,013,213	2,018,464	2,089,718	2,199,954	2,263,602	1,547,175	1,852,950	2,485,001
Operating Grants and Contributions	1,020,806	1,095,717	1,127,940	1,198,439	1,249,172	1,489,061	1,642,223	2,789,977	2,040,396	3,710,369
Capital Grants and Contributions	2,153,798	3,188,496	4,455,967	9,605,770	22,013,219	16,667,704	27,251,399	15,376,327	20,550,338	21,251,804
Total Governmental Activities Program Revenues	8,132,935	9,688,719	11,588,769	17,485,481	30,968,773	26,915,387	37,076,983	24,905,373	31,456,715	37,980,162
Business-type Activities:										
Charges for Services										
Water	6,393,236	6,514,590	7,131,476	8,278,284	9,044,664	10,251,306	10,429,799	12,654,777	12,325,727	13,193,795
Wastewater	4,141,562	4,267,375	4,143,696	4,320,614	4,439,911	5,096,131	5,486,900	5,806,390	6,067,831	6,470,593
Storm Drainage	411,862	427,761	514,714	660,450	795,580	1,146,469	1,513,384	1,611,680	1,655,485	1,787,794
Other Activities	86,138	82,478	85,794	89,736	21,928	8,475	10,027	5,690	4,938	4,847
Operating Grants and Contributions	66,438	54,829	74,100	20,190	346,239	14,644	15,000	80,642	53,850	-
Capital Grants and Contributions	7,673,635	9,196,375	13,603,985	24,893,959	28,156,435	32,299,315	42,523,477	28,341,075	42,841,773	36,940,393
Total Business-type Activities Program Revenues	18,772,871	20,543,408	25,553,765	38,263,233	42,804,757	48,816,340	59,978,587	48,500,254	62,949,604	58,397,422
Total Primary Government Program Revenues	$26,905,806	$ 30,232,127	$ 37,142,534	$ 55,748,714	$ 73,773,530	$ 75,731,727	$ 97,055,570	$ 73,405,627	$ 94,406,319	$ 96,377,584
Net (Expense) Revenue										
Governmental Activities	$ (8,397,739)	$ (8,174,853)	$ (9,421,270)	$ (1,968,101)	$ 9,178,591	$ 2,298,712	$ 4,703,247	$ (1,176,561)	$ (1,693,831)	$ (6,693,517)
Business-type Activities	4,915,091	5,778,682	3,019,533	22,415,255	26,726,070	31,918,408	42,087,607	27,687,088	43,920,576	37,838,796
Total Primary Government Net (Expense) Revenue	$(3,482,648)	$ (2,396,171)	$ (6,401,737)	$20,447,154	$35,904,661	$ 34,217,120	$46,790,854	$ 26,510,527	$ 42,226,745	$ 31,145,279
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	$9,817,296	$10,622,469	$12,075,737	$14,336,443	$18,033,869	$21,047,896	$23,751,202	$28,270,838	$33,628,011	$36,721,257
Intergovernmental - Unrestricted	103,540	207,505	249,784	91,578	78,323	128,227	291,898	-	-	-
Investment Earnings	102,215	169,030	127,840	201,007	376,733	925,222	1,411,789	817,090	(47,759)	841,978
Other Miscellaneous	212,691	613,890	379,013	403,763	258,643	1,293,000	1,180,904	2,087,996	1,359,217	2,415,198
Transfers In/Out	(18,137)	(228,157)	(9,349)	(33,719)	(3,207,559)	-	-	-	(2,786,401)	(12,037)
Total Governmental Activities	10,217,605	11,384,737	12,823,025	14,999,072	15,540,009	23,394,345	26,635,793	31,175,924	32,153,068	39,966,396
Business-type Activities:										
Investment Earnings	82,977	132,694	127,247	252,507	477,847	1,131,438	2,080,168	1,201,192	(70,430)	851,660
Other Miscellaneous	376,272	61,202	65,952	121,267	176,374	132,472	664,410	63,496	133,814	139,358
Transfers In/Out	18,137	228,157	9,349	33,719	3,207,559	-	-	-	2,786,401	12,037
Total Business-type Activities	477,386	422,053	202,548	407,493	3,861,780	1,263,910	2,744,578	1,264,688	2,849,785	1,003,055
Total Primary Government General Revenue and Other Changes in Net Position	$ 10,694,991	$ 11,806,790	$ 13,025,573	$ 15,406,565	$ 19,401,789	$ 24,658,255	$29,380,371	$32,440,612	$ 35,002,853	$ 40,969,451
Changes in Net Position										
Governmental Activities	$ 1,819,866	$ 3,209,884	$ 3,401,755	$ 13,030,971	$ 24,718,600	$ 25,693,057	$31,339,040	$29,999,363	$ 30,459,237	$ 33,272,878
Business-type Activities	5,392,477	6,200,735	3,222,081	22,822,748	30,587,850	33,182,318	44,832,185	28,951,776	46,770,361	38,841,851
Total Primary Government Changes in Net Position	$ 7,212,343	$ 9,410,619	$ 6,623,836	$ 35,853,719	$ 55,306,450	$ 58,875,375	$ 76,171,225	$ 58,951,139	$ 77,229,598	$ 72,114,729

S 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.

(3) In 2022 the Town implemented GASB 87, which provides for the recognition of certain lease 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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$4,030,672	$4,596,194	$5,202,240	$5,563,854	$5,654,209	$5,978,897	$3,947,450	$3,953,617	$1,546,198	$1,940,270
Restricted/Reserved	2,286,494	7,177,572	4,789,674	4,894,278	4,854,795	4,015,815	4,090,611	3,854,025	3,387,859	4,304,120
Assigned	1,118,949	131,230	41,842	250,058	230,835	253,913	1,428,579	919,618	2,587,676	3,491,184
Unassigned/Unreserved	$6,784,338	$7,895,100	$6,875,429	$9,824,378	$16,020,667	$17,436,060	$20,670,166	$29,013,058	$40,190,862	39,019,318
Total General Fund	$14,220,453	$19,800,096	$16,909,185	$20,532,568	$26,760,506	$27,684,685	$30,136,806	$37,740,318	$47,712,595	$48,754,892
All Other Governmental Funds										
Restricted/Reserved	$17,482,574	$16,173,493	$16,582,372	$15,199,524	$21,172,707	$28,110,032	$28,678,387	$42,539,370	$57,029,714	$68,435,343
Committed	17,987	151,996	130,154	141,528	172,047	204,434	236,823	259,622	277,235	309,838
Unassigned/Unreserved	(4,065,293)	(4,408,588)	(5,012,977)	(5,382,532)	(5,656,411)	(6,009,697)	(4,255,864)	(574,264)	(1,523,852)	(2,403,788)
Total of All Other Governmental Funds	$13,435,268	$11,916,901	$11,699,549	$9,958,520	$15,688,343	$22,304,769	$24,659,346	$42,224,728	$55,783,097	$66,341,393

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	$9,817,296	$10,622,469	$12,075,737	$14,336,443	$18,033,869	$21,047,896	$23,751,202	$28,270,838	$33,628,011	$ 36,721,257
Intergovernmental	1,124,346	1,465,446	1,647,060	1,540,723	1,542,503	1,639,812	1,934,122	2,809,865	2,567,529	4,601,995
Licenses and Permits	1,308,271	1,534,533	1,855,274	2,209,044	2,837,483	3,699,178	2,849,759	2,674,326	4,211,015	3,618,380
Charges for Services	3,403,217	3,620,969	3,930,007	4,173,172	4,600,046	4,783,608	4,969,182	3,270,758	4,437,492	9,223,446
Fines and Forfeitures	246,843	249,004	219,581	299,055	268,853	275,835	364,421	251,347	240,420	176,163
Capital Contributions and Fees	2,153,798	2,604,363	4,331,583	4,432,454	8,943,896	9,377,666	9,852,885	17,070,945	16,795,257	13,737,708
Investment Earnings	102,215	169,030	127,840	201,007	376,732	925,222	1,411,789	817,090	(46,726)	841,978
Miscellaneous	232,919	203,135	315,850	303,042	555,948	769,663	577,803	907,633	1,048,686	1,140,303
Total Revenues	18,388,905	20,468,949	24,502,932	27,494,940	37,159,330	42,518,880	45,711,163	56,072,802	62,881,684	70,061,230
Expenditures										
General Government	2,782,286	2,935,090	6,161,828	3,380,139	4,632,833	6,007,314	6,917,391	7,427,255	7,662,750	12,628,081
Public Safety	2,440,001	2,699,615	2,977,558	3,244,415	3,482,081	4,041,846	5,029,328	5,599,006	6,508,152	8,031,047
Public Works	3,790,678	3,973,497	2,793,781	2,980,586	2,991,570	3,028,797	3,429,778	3,234,109	4,309,441	7,196,959
Parks & Recreation	3,028,137	3,059,582	4,550,832	4,851,857	5,152,725	5,385,752	6,151,623	6,136,766	7,268,714	9,001,320
Capital Outlay	6,319,547	8,511,674	9,255,862	9,299,339	4,504,128	15,251,967	17,267,957	8,122,463	13,793,968	20,061,521
Debt Service										
Principal	1,800,062	1,125,320	1,177,108	1,225,393	1,281,999	1,302,230	964,080	1,000,000	1,025,000	1,090,442
Interest	673,681	683,515	748,037	697,864	645,055	588,833	531,867	494,563	489,216	591,863
Bond Issuance Costs	123,357	110,693	-	-	-	-	-	-	158,470	1,025
Total Expenditures	20,957,749	23,098,986	27,665,006	25,679,593	22,690,391	35,606,739	40,292,024	32,014,162	41,215,711	58,602,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,568,844)	(2,630,037)	(3,162,074)	1,815,347	14,468,939	6,912,141	5,419,139	24,058,640	21,665,973	11,458,972
Other Financing Sources (Uses)										
Transfers In	4,965,891	1,803,700	2,390,626	657,893	328,700	350,064	3,015,000	-	1,263,303	462,919
Transfers Out	(4,984,028)	(2,031,857)	(2,399,975)	(691,612)	(3,536,259)	(350,064)	(4,265,000)	-	(4,383,063)	(1,174,956)
Debt Proceeds (inc. capital leases)	9,985,460	6,508,716	-	-	-	-	34,462	-	4,018,000	88,811
Payment for Refunded Bonds	(9,571,113)	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	14,523	7,380	42,014	28,305	105,000	352,091	49,404	1,089,359	1,083,872	516,903
Insurance Recoveries & Related	171,510	33,374	21,146	72,421	33,333	139,187	77,193	20,895	12,918	117,587
Proceeds from Litigation Settlements	-	370,000	-	-	-	45,147	476,500	-	-	-
Total Other Financing Sources (Uses)	582,243	6,691,313	53,811	67,007	(3,069,226)	536,425	(612,441)	1,110,254	1,995,030	11,264
Net Changes in Fund Balance	($1,986,601)	$4,061,276	($3,108,263)	$1,882,354	$11,399,713	$7,448,566	$4,806,698	$25,168,894	$23,661,003	$ 11,470,236
Debt Service as a Percentage of Noncapital Expenditures	16.90%	12.40%	10.46%	11.74%	10.60%	9.29%	6.50%	6.26%	5.52%	4.37%

Source: Town of Erie Finance Department

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

Year		Property Tax	Sales Tax	Use Tax	Franchise Fees	Specific Ownership Tax	Total
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
2019		7,318,677	11,316,593	3,804,826	929,733	381,373	23,751,202
2020		11,005,008	14,325,821	2,809,036	954,990	359,543	29,454,398
2021		9,649,826	17,397,657	5,155,049	1,047,336	378,143	33,628,011
2022		10,199,933	19,983,396	4,898,980	1,218,424	420,524	36,721,257

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 2022 the levy was .412 mills.

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

Year[1]	Residential Property	Commercial Property	Vacant Land	Other	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Taxable Actual Value
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
2019	124,435,480	10,233,474	21,345,831	17,825,107	9,991,034	163,848,858	1,859,592,069
2020	145,487,054	10,500,582	13,000,560	19,485,057	11,301,389	177,171,864	2,142,183,152
2021	157,894,830	10,191,927	8,464,834	20,037,054	11,557,060	185,031,585	2,301,244,980
2022	181,259,054	10,171,822	14,725,589	20,251,761	11,566,772	214,841,454	2,650,578,208

Weld County

Year[1]	Residential Property	Commercial Property	Vacant Land	Other	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Taxable Actual Value
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
2019	134,773,700	32,511,630	7,941,930	80,171,320	27,254,860	228,143,720	2,096,626,349
2020	155,698,557	46,363,400	11,315,580	171,617,860	35,369,280	349,626,117	2,566,839,330
2021	168,252,811	48,656,690	7,215,250	143,087,350	38,982,460	328,229,641	2,704,195,863
2022	194,905,510	58,200,590	9,291,910	91,067,690	42,343,670	311,122,030	3,058,539,448

Boulder County and Weld County

Year[1]	Grand Total Assessed Taxable Value	Grand Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
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
2019	391,992,578	3,956,218,418	9.91%	15.090
2020	526,797,981	4,709,022,482	11.19%	14.122
2021	513,261,226	5,005,440,843	10.25%	14.187
2022	525,963,484	5,709,117,656	9.21%	14.137

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: Taxes assessed for 2022 will be collected in the 2023 calendar year.

Town of Erie
Principal Property Taxpayers
December 31

	Boulder County 2022			Boulder County 2013		
Taxpayer	**Assessed Value**	**Rank**	**% of Total Assessed Value**	**Assessed Value**	**Rank**	**% of Total Assessed Value**
Principal Taxpayers						
Public Service Co Of Colorado - Xcel	$5,004,903	1	2.70 %	$ -		- %
Richmond American Homes Of Colorado Inc	4,240,090	2	2.29	-		-
Lennar Colorado Llc	4,010,721	3	2.17	-		-
Century Land Holdings Llc	4,009,395	4	2.17	-		-
Oeo Llc	3,090,323	5	1.67	-		-
Arapahoe Ridge Property Llc	2,673,717	6	1.45	-		-
Jmjc Eleven Llc	2,573,224	7	1.39	-		-
Lowes Home Centers Llc	1,849,765	8	1.00	-		-
Evergreen-287 And Arapahoe Apartments Llc	1,742,500	9	0.94	-		-
Evergreen-287 And Arapahoe Llc	1,305,783	10	0.71	-		-
Encana Oil & Gas (USA) Inc			-	3,194,817	1	3.21
Arapahoe Ridge Retail Center LLC			-	2,400,214	2	2.41
Nobel Energy Production Inc			-	1,512,944	3	1.52
Meritage Homes of Colorado, Inc			-	1,370,598	4	1.38
JMJC Eleven LLC			-	1,356,228	5	1.36
Bayou Development Corp			-	1,085,383	6	1.09
Tousa Recovery Acquisition LLC			-	870,898	7	0.88
Westpac Realty Fund II LLC			-	869,043	8	0.87
Richard E & Deborah L Oliver			-	502,991	9	0.51
Alande Company			-	482,096	10	0.48
	$30,500,421		16.48 %	$13,645,212		13.72 %

	Weld County 2022			Weld County 2013		
Taxpayer	**Assessed Value**	**Rank**	**% of Total Assessed Value**	**Assessed Value**	**Rank**	**% of Total Assessed Value**
Principal Taxpayers						
Cresone Peak Resources LLC	$49,820,640	1	13.39 %	$ -		- %
Kerr-McGee Gathering LLC	6,414,780	2	1.72	-		-
Dillon Companies Inc	4,655,950	3	1.25	-		-
Public Service CO of Colorado (Xcel)	3,945,320	4	1.06	-		-
Park Homes LLC	3,138,120	5	0.84	-		-
United Power Inc	2,780,520	6	0.75	-		-
NSA Property Holdings LLC	1,921,830	7	0.52	-		-
Superior Self Storage Management Company LLC	1,874,780	8	0.50	-		-
Front Range Landfill 5305	1,718,470	9	0.46	-		-
Clayton Properties Group II Inc	1,236,310	10	0.33	-		-
Encana Oil & Gas (USA) Inc				12,989,152	1	9.78
Kerr-McGee Oil & Gas Onshore LP				6,767,221	2	5.09
Synergy Resources Corporation				3,636,638	3	2.74
Noble Energy Production Inc				1,799,522	4	1.35
Public Service CO of Colorado (Xcel)				1,264,650	5	0.95
Magpul Industries Corp				1,130,960	6	0.85
Colorado National Golf Club LLC				1,079,010	7	0.81
Erie Commons Commercial Partners LLC				1,055,870	8	0.79
Waste Connections Inc				941,190	9	0.71
Kerr-McGee Gathering LLC				670,520	10	0.50
	$77,506,720		20.84 %	$31,334,733		23.58 %

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

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

Boulder County

	Town of Erie												
Year	General Operating	General Obligation Bonds	Trails & Natural Areas	**Total Direct**	Boulder County	St. Vrain Valley School District	Boulder Valley School District	Mountain View Fire Protection District	Northern Colorado Water Conservation District	Urban Drainage & Flood District	High Plains Library	Metro Districts [2]	*(Range)* Total
Rates (In mills)[1]													
2013	7.288	5.807	4.000	17.095	24.645	53.500	45.547	11.747	1.000	0.599	3.261	50.000	103.894 - 161.847
2014	7.288	5.279	4.000	16.567	25.120	53.679	45.372	11.747	1.000	0.608	3.264	50.000	103.678 - 161.985
2015	7.288	6.076	4.000	17.364	24.794	53.673	47.569	11.747	1.000	0.632	3.267	50.000	106.373 - 162.477
2016	7.288	5.131	4.000	16.419	22.624	53.887	45.814	11.747	1.000	0.553	3.308	50.000	101.465 - 159.538
2017	7.288	5.260	4.000	16.548	24.064	56.945	48.961	11.747	1.000	0.559	3.271	50.000	106.150 - 164.134
2018	7.288	4.512	4.000	15.800	22.726	56.394	47.780	11.747	1.000	0.500	3.256	5.000-55.277	102.809 - 166.700
2019	7.288	3.802	4.000	15.090	24.026	56.385	48.967	16.247	1.000	0.726	3.252	0.000 - 55.277	109.308 - 172.003
2020	7.288	2.834	4.000	14.122	23.473	57.559	48.359	16.247	1.000	0.900	3.217	0.000 - 55.666	107.318 - 172.184
2021	7.288	2.899	4.000	14.187	24.771	56.542	48.393	16.247	1.000	0.900	3.181	0.000 - 55.664	108.679 - 172.492
2022	7.288	2.849	4.000	14.137	24.250	57.358	47.944	16.247	1.000	0.900	3.197	0.000 - 55.664	107.675 - 172.753

Weld County

	Town of Erie										
Year	General Operating	General Obligation Bonds	Trails & Natural Areas	**Total Direct**	Weld County	St. Vrain Valley School District	Mountain View Fire Protection District	Northern Colorado Water Conservation District	High Plains Library	Metro Districts [3]	*(Range)* Total
Rates (In mills)[1]											
2013	7.288	5.807	4.000	17.095	16.804	53.500	11.747	1.000	3.261	20.000 - 57.827	103.407 - 161.234
2014	7.288	5.279	4.000	16.567	16.804	53.679	11.747	1.000	3.264	20.000 - 57.827	103.061 - 160.888
2015	7.288	6.076	4.000	17.364	16.804	53.673	11.747	1.000	3.267	10.000 - 70.000	103.855 - 173.855
2016	7.288	5.131	4.000	16.419	15.800	53.887	11.747	1.000	3.308	10.000 - 70.000	102.161 - 172.161
2017	7.288	5.260	4.000	16.548	15.800	56.945	11.747	1.000	3.271	10.000 - 70.000	105.311 - 175.311
2018	7.288	4.512	4.000	15.800	15.800	56.394	11.747	1.000	3.256	15.000 - 77.388	103.997 - 181.385
2019	7.288	3.802	4.000	15.090	15.038	56.385	16.247	1.000	3.252	15.000 - 77.928	107.012 - 184.94
2020	7.288	2.834	4.000	14.122	15.038	57.559	16.247	1.000	3.217	15.000 - 77.928	107.183 - 185.111
2021	7.288	2.899	4.000	14.187	15.038	57.559	16.247	1.000	3.217	15.000 - 77.928	107.248 - 185.176
2022	7.288	2.849	4.000	14.137	15.038	57.358	16.247	1.000	3.197	15.000 - 77.928	106.977 - 184.905

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: Taxes assessed for 2021 will be collected in the 2022 calendar year.

[2] Includes the following metro districts: Erie Farm, Flatiron Meadows, Four Corners, and Rex Ranch.

[3] Includes the following metro districts: 232 Metro, Colliers Hill #'s 1-3; Erie Commons #'s 1-3; Erie Corporate Center #'s 1-3; Erie Highlands #'s 1-5, Morgan Hill #'s 1-3; Redtail Ranch; Summerfield #'s 1-3; Sunset Parks and Vista Ridge.

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
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
2019		5,915,166	$5,802,149	98.09
2020		7,439,440	$7,408,094	99.58
2021		7,281,636	$7,320,025	100.53
2022		7,435,546	$7,716,705	103.78

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: Taxes assessed for 2021 will be collected in the 2022 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 2022 the levy was 0.412 mills.

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

Year	General	Vehicle	Use Tax [1]	Total Sales and Use Tax	Total Direct Tax Rate
2013	2,070,627	1,545,392	1,298,138	4,914,157	3.50
2014	2,251,151	1,776,046	1,606,448	5,633,645	3.50
2015	2,577,761	1,879,338	2,305,363	6,762,462	3.50
2016	3,477,116	2,024,381	2,799,247	8,300,744	3.50
2017	6,227,906	2,349,269	2,912,918	11,490,093	3.50
2018	7,557,622	2,456,510	3,475,026	13,489,158	3.50
2019	8,631,808	2,684,785	3,804,826	15,121,419	3.50
2020	11,387,041	2,938,780	2,809,036	17,134,857	3.50
2021	13,901,108	3,496,549	5,155,049	22,552,706	3.50
2022	16,080,986	3,902,410	4,898,980	24,882,376	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	Scientific and Cultural Facilities District	Boulder County	Total
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	0.800	8.300
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
2019	3.500	2.900	1.000	0.100	0.985	8.485
2020	3.500	2.900	1.000	0.100	0.985	8.485
2021	3.500	2.900	1.000	0.100	0.985	8.485
2022	3.500	2.900	1.000	0.100	0.985	8.485

	Weld County			
Year	Town of Erie	State of Colorado	Regional Transportation Authority	Total
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
2019	3.500	2.900	1.000	7.400
2020	3.500	2.900	1.000	7.400
2021	3.500	2.900	1.000	7.400
2022	3.500	2.900	1.000	7.400

Source: Town of Erie Finance Office
Colorado Department of Revenue

Town of Erie
Principal Sales Taxpayers
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Aggregate top ten filers[1]	$1,096,938	$1,137,611	$1,217,909	$1,547,514	$4,202,529	$5,193,369	$4,472,727	$6,143,362	$6,241,787	$7,249,445
Aggregate all other filers	973,689	1,113,540	1,359,852	1,929,602	2,025,377	2,364,253	4,159,081	5,204,528	7,596,956	8,379,093
Total sales tax [2]	$2,070,627	$2,251,151	$2,577,761	$3,477,116	$6,227,906	$7,557,622	$8,631,808	$11,820,175	$13,838,743	$15,628,538
Top ten filers as a percentage of total tax	53.0%	50.5%	47.2%	44.5%	67.5%	68.7%	51.8%	52.0%	45.1%	46.4%

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 la

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

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

	Governmental Activities			Business-type Activities					
Fiscal Year	General Obligation Bonds	Capital Leases	URA Revenue Bonds	Revenue Bonds/Loans [1]	Certificates of Participation	Capital Leases	Mortgages & Other Loans Payable	Total Primary Government	Percentage of Personal Income
2013	15,923,684	250,790	-	54,983,075	28,295,000	-	758,942	100,211,491	9.40%
2014	21,249,523	195,470	-	54,126,668	25,105,000	-	745,832	101,422,493	8.56%
2015	20,010,049	138,363	-	51,331,253	25,768,158	-	735,843	97,983,666	7.20%
2016	18,707,714	82,969	-	49,398,754	25,088,650	-	665,499	93,943,586	6.46%
2017	17,350,378	22,229	-	46,784,562	24,394,142	-	-	88,551,311	5.27%
2018	15,938,459	-	-	44,104,764	23,689,627	-	-	83,732,850	4.40%
2019	14,852,799	30,382	-	41,378,868	22,965,126	28,514	-	79,255,689	3.74%
2020	13,745,525	73,586	-	38,571,880	22,225,618	82,118	-	74,698,727	5.55%
2021	12,613,251	512,674	4,018,984	35,698,765	21,471,110	179,724	-	74,494,508	3.77%
2022	11,435,976	$1,567,857	4,025,308	32,729,499	20,701,602	$457,942	-	70,918,184	2.52%

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.

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
2013	19,400	2,217,560,030	15,923,684	0.72	821
2014	20,100	2,270,916,138	21,249,523	0.94	1,057
2015	21,200	2,341,433,467	20,010,049	0.85	944
2016	22,400	2,854,121,861	18,707,714	0.66	835
2017	24,000	2,962,790,731	17,350,378	0.59	723
2018	25,900	3,688,424,711	15,938,459	0.43	615
2019	27,700	3,956,218,418	14,852,799	0.38	536
2020	29,200	4,709,022,482	13,745,525	0.29	471
2021	30,038	5,005,440,843	12,613,251	0.25	420
2022	31,420	5,709,117,656	11,435,976	0.20	364

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, 2022

	Outstanding General Bonded Debt	Percentage Applicable to the Town(2)	Share of Debt Applicable to the Town
Direct Debt			
Town of Erie (Including Erie Urban Renewal Author	$17,029,141	100 %	$17,029,141
Overlapping Debt (1)			
Boulder Valley School District	824,566,759	1	10,427,902
St. Vrain Valley School District	510,149,000	7	35,710,430
Northern Colorado Water Conservation District	71,870,430	2	1,437,409
Mountain View Fire District	4,645,000	48	2,229,600
Brennen Metro District	3,064,680	100	3,064,680
Colliers Hill Metro Districts 1-3	91,770,651	100	91,770,651
Erie Commons Metro Districts 1-3	37,924,494	100	37,924,494
Erie Corporate Center 1-3	3,000,000	100	3,000,000
Erie Farm Metro District	15,503,128	100	15,503,128
Erie Highlands Metro Districts 1-5	25,826,571	100	25,826,571
Flatiron Meadows Metro District	22,878,000	100	22,878,000
Jay Grove Metro District	8,470,000	100	8,470,000
Lost Creek Farm Metro District	1,809,000	100	1,809,000
Morgan Hill Metro Districts 1-3	25,880,000	100	25,880,000
Nine Mile Metro District	17,775,000	100	17,775,000
Parkdale Community Authority	25,558,000	100	25,558,000
Rex Ranch Metro District	3,745,000	100	3,745,000
Spring Hill Metro Districts 1-4	24,769,000	100	24,769,000
Vista Ridge Metro District	36,025,590	100	36,025,590
Westerly Metro Districts 1-4	45,027,396	100	45,027,396
Total Overlapping Debt	1,800,257,699		438,831,851
Total Direct and Overlapping General Bonded Debt	$1,817,286,840		$455,860,992

Source: Annual Financial Report of each government entity
(1)The following governments had no outstanding general bonded debt:
High Plains Library District, Boulder Valley Conservation District, Longmont Conservation District, Left Hand Water & Sanitation District, 232 Metro District, Four Corners Metro District, Parkdale Metro Districts 1-3, Redtail Ranch Metro District, Shores on Plum Creek Metro Districts 1-10, Summerfield Metro Districts 1-3, Sunset Parks Metro District.

(2)Town assessed valuation as a percentage of the total assessed valuation of the overlapping government.
The amounts shown do not represent obligations of the Town of Erie.

Town of Erie
Legal Debt Margin Information
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	$68,952,454	$70,581,786	$73,170,157	$89,743,263	$94,865,701	$118,914,195	$130,019,324	$155,482,394	$150,163,225	$171,273,530
Less: Net Debt Applicable to Limit	$14,625,000	$19,755,000	$18,635,000	$17,465,000	$16,240,000	$14,960,000	$14,000,000	$13,000,000	$12,613,251	$11,435,976
Legal Debt Margin	$54,327,454	$50,826,786	$54,535,157	$72,278,263	$78,625,701	$103,954,195	$116,019,324	$142,482,394	$137,549,974	$159,837,554
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.21%	27.99%	25.47%	19.46%	17.12%	12.58%	10.77%	8.36%	8.40%	6.68%

Legal Debt Margin Calculation for Fiscal Year 2021

Actual Valuation	
Boulder County	$2,650,578,208
Weld County	3,058,539,448
Total Actual Valuation	$5,709,117,656
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	$171,273,530
Debt Applicable to Limitation:	
Outstanding Balance of General Obligation Bonds	11,435,976
Legal Debt Margin	$159,837,554

Source: Town of Erie Finance Department

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

Year	Gross Revenues[1]	Operating Expenses[2]	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
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	4,822,378	26,673,401	1,785,000	914,506	2,699,506	9.88 x
2019	32,762,346	5,052,305	27,710,041	1,820,000	866,968	2,686,968	10.31 x
2020	33,480,209	5,765,605	27,714,604	1,880,000	808,981	2,688,981	10.31 x
2021	33,276,222	8,463,362	24,812,860	1,935,000	752,178	3,439,356	7.21 x
2022	33,276,222	8,463,362	24,812,860	2,015,000	678,979	2,693,979	9.21 x

Source: Town of Erie Finance Department

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

[2]Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds. Includes assessments for Windy Gap Firming Project, which are reported as Capital Outlay in the Financial Statements.

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

Year	Gross Revenues[1]	Operating Expenses[2]	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
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
2019	9,855,016	3,302,018	6,552,998	667,010	644,016	1,311,026	5.00 x
2020	11,519,473	3,451,820	8,067,653	545,000	617,725	1,162,725	6.94 x
2021	13,663,957	2,754,347	10,909,610	570,000	606,825	1,176,825	9.27 x
2022	15,854,193	3,277,324	12,576,869	714,594	598,131	1,312,725	9.58 x

Source: Town of Erie Finance Department

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

[2]Operating expenses excludes depreciation.

Town of Erie
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [1]	Personal Income [2] (in thousands)	Per Capita Income [2]	Median Age [1]	School Enrollment	Unemployment Rate [3]
2013	19,400	1,066,379	54,968	35.2	4,085	4.6
2014	20,100	1,184,232	58,917	36.9	4,602	3.3
2015	21,200	1,360,976	64,197	36.0	4,903	2.7
2016	22,400	1,453,200	64,875	37.0	5,172	2.1
2017	24,000	1,679,232	69,968	37.0	5,700	2.5
2018	25,900	1,904,116	73,518	37.0	5,757	3.3
2019	27,700	2,119,798	76,527	36.8	6,162	2.0
2020	29,200	1,345,828	46,090	36.6	5,845	3.6
2021	30,038	1,978,062	65,852	37.0	5,976	4.0
2022	31,420	2,815,012	89,593	36.4	5,885	2.7

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
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.
[3] Source - Economic Research - Federal Reserve Bank of St. Louis

Principal Employers
Current Year and Ten Years Ago

	2022		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**
St. Vrain Valley School District	612	1	16.22
Town of Erie*	466	2	12.35 %
King Soopers	247	3	6.55
Safeway	216	4	5.73
Lowe's	170	5	4.51
Southwaste/Waste Connections	96	6	2.55
Boulder Valley School District	81	7	2.15
Aspen Ridge Prep School	72	8	1.91
Colorado National Golf Course	65	9	1.72
Magnum Plastics	60	10	1.59
Total	1,473		55.28 %

(1) Includes part-time/seasonal staff. Budgeted FTE's are 267.

	2013		
	Employees	**Rank**	**Percentage of Total Town Employment**
Town of Erie	300	1	9.38 %
St. Vrain Valley School District	250	2	7.81
Magpul Industries	200	3	6.25
Magnum Plastics	84	4	2.63
Safeway	80	5	2.50
Colorado National Golf Club	50	6	1.56
Lazy Dog	48	7	1.50
Primrose School	45	8	1.41
Waste Connections	37	9	1.16
Front Range Hospice	28	10	0.88
	1,122		35.08 %

Source: Town of Erie Economic Development

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General Government	15.2									
Town Administration		5.0	5.0	5.0	6.0	6.0	6.0	6.0	10.0	10.0
Community Engagement									3.0	4.0
Economic Development		1.0	1.0	1.0	1.0	1.0	2.0	2.0	3.0	3.0
Finance		6.0	6.0	7.0	8.0	8.0	8.0	9.0	9.0	12.0
Human Resources		2.0	2.0	2.0	3.0	3.0	3.0	4.0	5.0	5.0
Information Technology		3.0	3.0	3.6	3.6	4.0	4.0	4.0	4.0	4.0
Planning & Development		15.0	16.0	18.0	23.0	26.0	25.0	26.0	28.0	23.0
Parks & Recreation	74.3	71.2	72.1	75.0	79.4	84.0	85.2	84.5	88.4	93.2
Public Safety	27.0	25.9	27.4	30.0	32.0	40.5	43.5	47.0	51.5	56.0
Public Works	45.6	35.6	35.7	37.4	43.0	43.0	43.0	45.0	45.5	57.0
Total	162.1	164.7	168.2	179.0	199.0	215.5	219.7	227.5	247.4	267.2

Source: Town of Erie Finance Department

Town of Erie
Operating Indicators by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recreation										
Recreation/Community Center Visits	192,899	196,107	208,845	229,482	242,703	262,664	264,835	62,522	81,912	160,779
Recreation Activities	75,279	75,021	73,930	72,768	71,101	72,728	74,700	42,084	64,725	57,963
Community Events	2,560	3,504	3,031	2,987	4,334	4,237	6,282	1,554	10,147	13,912
Rentals	628	573	613	648	594	559	546	156	1,041	1,734
Police										
Traffic Violations	1,573	1,255	1,420	1,897	1,474	1,852	2,635	1,712	2,178	1,268
Criminal Violations	263	275	385	404	211	183	332	321	299	152
Water										
Number of Service Connections	6,990	7,195	7,561	8,048	8,547	9,193	9,859	10,265	10,843	11,587
Average Daily Flow (million gallons per day)	2.64	2.63	2.75	3.15	3.25	3.80	3.27	4.07	4.30	4.20
Wastewater										
Number of Service Connections	6,716	6,912	7,242	7,732	8,220	8,875	9,421	9,983	10,589	11,590
Average Daily Flows (million gallons per day)	1.216	1.190	1.190	1.300	1.490	1.500	1.557	1.510	1.730	1.850

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Parks and Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	10	10	10	10	10	12	12	13	13	13
Park Acreage	136	136	136	136	136	150	150	157	157	163
Open Space Acreage	607	1,075	1,075	1,096	1,096	1,096	1,143	1,143	1,143	1,143
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	8	9	9	10	10	11	13	16	21	21
Public Works										
Streets (miles)	134.0	134.0	134.0	135.0	154.0	154.0	157.6	158.5	161.9	168.2
Water										
Water Mains (miles)	132.7	137.0	149.5	157.0	165.0	181.0	189.5	195.0	205.5	217.5
Maximum Daily Capacity (million gallons per day)	12.2	12.2	12.2	12.2	12.2	12.2	12.2	18.9	18.9	18.9
Wastewater										
Sanitary Sewers (miles)	90.9	94.0	100.8	103.5	109.0	122.0	125.9	131.3	136.4	145.1
Maximum Daily Capacity (million gallons per day)	2.70	2.70	2.70	2.70	2.70	1.50	1.95	1.95	1.95	1.95
Storm Drainage										
Storm Sewers (miles)	39.9	44.0	49.7	53.0	59.0	64.0	64.6	72.6	82.2	118.7
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
Town of Erie Parks & Recreation Department

Town of Erie
Property Values and Construction
Last Ten Fiscal Years

	Estimated Actual Property Value			Commercial Construction		Residential Construction	
Year	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
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
2019	147,396,182	3,847,222,276	3,994,618,458	9	12,429,000	607	180,731,000
2020	196,082,070	4,524,863,798	4,720,945,868	4	3,147,000	475	135,482,000
2021	202,925,137	4,895,479,836	5,098,404,973	29	39,724,735	807	239,977,422
2022	235,766,237	5,669,633,615	5,905,399,852	13	58,481,551	719	194,014,745

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

	2018	2019	2020	2021	2022
Gross Revenues					
Charges for services	$ 10,251,306	$ 10,429,799	$ 12,654,777	$ 12,325,726	13,193,794
Tap fees	20,416,574	20,404,933	19,986,944	28,671,412	19,377,186
Interest income	699,994	1,370,664	786,177	(43,489)	691,342
Other income	127,905	556,950	52,311	98,268	13,900
Total Gross Revenues	31,495,779	32,762,346	33,480,209	41,051,917	33,276,222
Operation and Maintenance Expenses (1)	4,822,378	5,052,305	5,765,605	6,751,775	8,463,362
Net Revenues	$ 26,673,401	$ 27,710,041	$ 27,714,604	$ 34,300,142	$ 24,812,860
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	9.90x	10.29x	10.29x	12.73x	9.21x
Current year debt service					$ 2,693,979
Coverage Ratio - current year					9.21x
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. Includes assessments for Windy Gap Firming Project, which are reported as Capital Outlay in the Financial Statements.

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
2018	637	640	19,309,796	11	1,106,778	648	20,416,574
2019	607	604	19,310,174	9	1,094,759	616	20,404,933
2020	472	470	14,922,595	2	1,031,995	474	15,954,590
2021	824	1,055	26,598,578	28	2,133,449	852	28,732,027
2022	638	1,037	17,004,986	28	2,372,200	666	19,377,186

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

History of Water Accounts

Year	Residential Accounts	Commercial Accounts	Irrigation Accounts	Total Accounts	% Change in Accounts
2018	8,856	163	184	9,203	7.6%
2019	9,497	174	188	9,859	7.1%
2020	9,950	183	193	10,326	4.7%
2021	10,522	192	200	10,914	5.7%
2022	11,211	203	212	11,626	6.5%

Note: Irrigation accounts based on summer usage activity.

Largest Customers of the Water System

Type of Business	2022 Revenue	% of Total (1)
The Town	$ 219,821	1.67%
Homeowners Association	124,065	0.94%
School District	89,762	0.68%
Homeowners Association	86,118	0.65%
Homeowners Association	84,852	0.64%
Homeowners Association	84,489	0.64%
Homeowners Association	83,965	0.64%
Homeowners Association	80,893	0.61%
Homeowners Association	76,090	0.58%
Homeowners Association	69,243	0.52%
Total	$ 999,298	7.57%

(1) Based on total charges for service of $13,193,794

Budget Summary and Comparison - Water Fund

	2021 Final Budget	2021 Actual	2022 Final Budget	2022 Actual
Beginning Working Capital	$ 64,578,641	$ 64,578,641	$ 84,513,079	$ 84,513,079
Revenues				
Charges for services	10,918,000	12,325,727	12,303,000	13,193,795
Connection fees	14,476,900	28,671,412	16,085,063	19,377,186
Interest income	317,000	(43,489)	527,000	691,342
Other income	35,000	44,417	14,950	369,084
Total revenues	25,746,900	40,998,067	28,930,013	33,631,407
Total funds available	90,325,541	105,576,708	113,443,092	118,144,486
Operating Expenses				
Administration	4,512,150	4,083,803	4,965,309	4,795,087
Distribution	432,500	451,749	420,018	321,095
Treatment	1,582,700	1,520,505	1,592,738	1,623,352
Meters	283,100	253,904	323,598	297,295
Debt service	5,283,300	4,340,080	4,293,386	4,423,824
Capital outlay	46,149,200	10,562,054	83,100,600	7,582,270
Total operating expenses	58,242,950	21,212,095	94,695,649	19,042,923
Other Financing Sources				
Transfers	-	-	100,000	12,037
Proceeds from debt issuance (1)	288,500	139,800	0	311,398
Proceeds from dispositions of assets	-	-	-	-
Total other financing sources	288,500	139,800	100,000	323,435
Other changes in working capital	-	8,666	-	48,634
Net change in working capital	(32,207,550)	19,934,438	(65,665,636)	14,960,553
Ending Working Capital	$ 32,371,091	$ 84,513,079	$ 18,847,443	$ 99,473,632

(1) 2021 represents a capital lease obligation.

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

	2018	2019	2020	2021	2022
Operating Revenues					
Charges for services	$10,251,306	$10,429,799	$12,654,777	$12,325,727	$ 13,193,795
Operating Expenses					
Personnel services	2,256,820	2,305,940	2,480,835	1,105,768	1,209,060
Operations and maintenance	2,565,558	2,746,365	3,284,770	5,179,327	5,825,302
Depreciation	3,477,471	3,738,035	3,954,365	3,911,356	4,056,950
Total Operating Expenses	8,299,849	8,790,340	9,719,970	10,196,451	11,091,312
Net Operating Income	1,951,457	1,639,459	2,934,807	2,129,276	2,102,483
Nonoperating Revenues (Expenses)					
Investment income	699,994	1,370,664	786,177	(43,489)	691,342
Other, net (1)	31,704	531,955	(828,788)	98,267	54,900
Interest expense	(1,827,183)	(1,760,175)	(1,698,332)	(1,630,194)	(1,551,743)
Total Nonoperating Expenses, net	(1,095,485)	142,444	(1,740,943)	(1,575,416)	(805,501)
Net Income/(Loss) before Contributions	855,972	1,781,903	1,193,864	553,860	1,296,982
Capital contributions (2)	22,995,540	26,845,844	19,986,944	31,502,294	23,756,944
Transfers In				178,797	12,037
Change in Net Position	23,851,512	28,627,747	21,180,808	32,234,951	25,065,963
Total Net Position - Beginning	155,323,384	179,423,236	208,050,983	229,231,791	261,466,742
Prior Period Adjustments (3)	248,340				(8,772)
Total Net Position - Ending	$179,423,236	$208,050,983	$229,231,791	$261,466,742	$ 286,523,933

(1) 2019 reflects an arbitration settlement of $500,000 related to a capital project (funds expended for repairs in 2020).

(2) Reflects developer contributions of infrastructure of $2,483,000 in 2018, $6,416,000 in 2019, $3,457,8226 in 2020, $2,802,924 in 2021, and $4,024,57

(3) In 2018 a prior period adjustment was made to record adjustments to 2017 year-end customer billing accruals. In 2022 an adjustment to beginning net posi

Budget Summary and Comparison - General Fund

	2021 Final Budget	2021 Actual	2022 Final Budget	2022 Actual
Revenues				
Taxes	$24,985,700	$29,133,082	$ 27,324,000	$ 31,349,334
Intergovernmental	$1,248,000	$2,202,934	$ 1,497,000	$ 2,514,356
Licenses and Permits	$2,621,500	$4,211,015	$ 2,796,500	$ 3,618,380
Fees and Charges for Services	$4,241,000	$4,419,377	$ 8,476,636	$ 9,188,962
Fines and Forfeitures	$303,000	$240,420	$ 240,000	$ 176,163
Investment Earnings	$235,000	($18,392)	$ 325,000	$ 304,256
Miscellaneous	$697,700	$1,039,749	$ 785,000	$ 1,140,303
Total Revenues	34,331,900	41,228,185	41,444,136	48,291,754
Expenditures				
Current Operating:				
General Government	10,414,975	7,194,997	12,737,315	11,297,718
Public Safety	6,875,446	6,508,152	8,198,624	8,021,645
Public Works	3,348,619	4,258,974	8,288,353	7,154,892
Parks and Recreation	7,681,400	7,058,168	8,963,424	8,859,126
Capital Outlay	13,689,774	4,951,753	17,480,881	10,883,991
Debt Service				
Principal	1,025,000	1,025,000	1,070,000	1,090,442
Interest	464,200	463,705	422,213	427,863
Total Expenditures	43,499,414	31,460,749	57,160,810	47,735,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,167,514)	9,767,436	(15,716,674)	556,077
Other Financing Sources (Uses)				
Transfers In	1,763,531	465,490	1,210,000	462,919
Transfers Out	(333,360)	(333,360)	(1,112,048)	(700,000)
Bonds Issued				
Premium on Bonds Issued				
Capital Leases			-	88,811
Sales of Capital Assets		59,793	-	516,903
Insurance Recoveries		12,918	332,600	117,587
Total Other Financing Sources (Uses)	1,430,171	204,841	430,552	486,220
Net Change in Fund Balance	(7,737,343)	9,972,277	(15,286,122)	1,042,297
Fund Balance, Beginning	37,740,318	37,740,318	47,712,595	47,712,595
Fund Balance, Ending	$30,002,975	$47,712,595	$ 32,426,473	$ 48,754,892

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

	2018	2019	2020	2021	2022
Revenues					
Taxes	$18,615,903	$20,750,132	$24,080,039	$29,133,082	$ 31,349,334
Intergovernmental	1,435,852	1,687,735	2,566,167	2,202,934	2,514,356
Licenses and Permits	3,699,178	2,849,759	2,674,326	4,211,015	3,618,380
Fees and Charges for Services	4,753,635	4,940,856	3,250,445	4,419,377	9,188,962
Fines and Forfeitures	275,835	364,421	251,347	240,420	176,163
Capital Contributions and Fees			167,862		-
Investment Earnings	510,692	693,693	366,320	(18,392)	304,256
Miscellaneous	765,864	558,578	900,619	1,039,749	1,140,303
Total Revenues	30,056,959	31,845,174	34,257,125	41,228,185	48,291,754
Expenditures					
Current Operating:					
General Government (1)	5,615,511	6,549,890	7,260,736	7,194,997	11,297,718
Public Safety	4,041,846	5,029,328	5,599,006	6,508,152	8,021,645
Public Works	3,028,797	3,429,778	3,362,722	4,258,974	7,154,892
Parks and Recreation	5,264,703	6,028,787	6,068,075	7,058,168	8,859,126
Capital Outlay (2)	10,269,388	3,231,882	2,961,895	4,951,753	10,883,991
Debt Service					
Principal	1,302,230	964,080	1,000,000	1,025,000	1,090,442
Interest	588,833	531,867	494,563	463,705	427,863
Total Expenditures	30,111,308	25,765,612	26,746,997	31,460,749	47,735,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,349)	6,079,562	7,510,128	9,767,436	556,077
Other Financing Sources (Uses)					
Transfers In	350,064			465,490	462,919
Transfers Out		(4,265,000)		(333,360)	(700,000)
Capital Leases		34,462			88,811
Sales of Capital Assets	352,091	49,404	72,489	59,793	516,903
Insurance Recoveries	139,187	77,193	20,895	12,918	117,587
Proceeds from Litigation Settlements	45,147	476,500			-
Total Other Financing Sources (Uses	886,489	(3,627,441)	93,384	204,841	486,220
Net Change in Fund Balance	832,140	2,452,121	7,603,512	9,972,277	1,042,297
Fund Balance, Beginning	26,760,506	27,684,685	30,136,806	37,740,318	47,712,595
Prior Period Adjustments (3)	92,039				-
Fund Balance, Ending	$27,684,685	$30,136,806	$37,740,318	$47,712,595	$ 48,754,892

(1) 2019 reflects a $1.0 million cyber-crime fraud loss, net of $250 thousand in insurance claim proceeds received to date.

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

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

	2018	2019	2020	2021	2022
Gross Revenues					
Charges for services	$ 5,096,131	$ 5,486,900	$ 5,806,390	$ 6,067,831	$ 6,470,593
Tap fees	3,407,731	3,241,428	5,348,514	7,613,747	6,315,397
Interest income	393,174	639,135	364,288	(22,586)	127,073
Other	1,365,408	487,553	281	4,965	2,941,130
Total Gross Revenues	10,262,444	9,855,016	11,519,473	13,663,957	15,854,193
Operation and Maintenance Expenses (1)	3,048,996	3,302,018	3,451,820	2,754,347	3,277,324
Net Revenues	$ 7,213,448	$ 6,552,998	$ 8,067,653	$ 10,909,610	$ 12,576,869
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	5.24x	4.76x	5.86x	7.92x	9.13x
Current year debt service					$ 1,312,725
Coverage Ratio - current year					9.58x
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
2018	621	3,289,865	11	117,866	632	3,407,731
2019	603	3,135,600	8	105,828	611	3,241,428
2020	471	2,449,201	1	71,067	472	2,520,268
2021	777	6,593,633	16	283,765	793	6,877,398
2022	628	5,729,331	22	159,479	650	5,888,810

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

History of Wastewater Accounts

Year	Residential Accounts	Commercial Accounts	Total Accounts	% Change in Accounts
2018	8,716	139	8,855	7.8%
2019	9,272	149	9,421	6.4%
2020	9,828	155	9,983	6.0%
2021	10,430	159	10,589	6.1%
2022	11,416	174	11,590	9.5%

Largest Customers of the Wastewater System

Type of Business	2022 Revenue	% of Total (1)
Homeowners Association	$ 117,452	1.82%
Commercial Business	52,641	0.81%
Commercial Business	41,672	0.64%
The Town	36,548	0.56%
Commercial Business	27,676	0.43%
School District	22,854	0.35%
Commercial Business	22,395	0.35%
Homeowners Association	20,438	0.32%
Homeowners Association	17,548	0.27%
Homeowners Association	16,057	0.25%
Total	$ 375,281	5.80%

(1) Based on total charges for service of $6,4,70,593

Budget Summary and Comparison - Wastewater Fund

	2021 Final Budget	2021 Actual	2022 Final Budget	2022 Actual
Beginning Working Capital	$ 28,474,044	$ 28,474,044	$ 21,717,389	$ 21,717,389
Revenues				
Charges for services	6,053,000	6,067,831	5,949,000	6,470,593
Tap fees	4,367,000	7,613,747	4,882,897	6,315,397
Investment income	27,000	(22,586)	200,000	127,073
Other income	33,800	4,965	3,250	78,644
Total revenues	10,480,800	13,663,957	11,035,147	12,991,707
Total funds available	38,954,844	42,138,001	32,752,536	34,709,096
Operating Expenses				
Administration	1,876,600	1,141,611	2,078,223	1,341,453
Collection	99,500	284,184	427,893	373,777
Treatment	1,349,800	1,399,462	1,418,244	1,556,856
Debt service	1,333,500	1,314,675	1,331,770	1,325,217
Capital outlay	28,665,500	16,280,680	13,786,454	9,670,107
Total operating expenses	33,324,900	20,420,612	19,042,584	14,267,410
Other Financing Sources				
Proceeds from Sale of Capital Assets	-	-	-	45,000
Proceeds from Debt Issuance	52,000	-	-	45,063
Total other financing sources	52,000	-	-	90,063
Other changes in working capital	-	-	-	-
Net change in working capital	(22,792,100)	(6,756,655)	(8,007,437)	(1,185,640)
Ending Working Capital	$ 5,681,944	$ 21,717,389	$ 13,709,952	$ 20,531,749

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

	2018	2019	2020	2021	2022
Operating Revenues					
Charges for services	$ 5,096,131	$ 5,486,900	$ 5,806,390	$ 6,067,831	$ 6,470,593
Operating Expenses					
Personnel services	1,894,886	1,944,056	2,061,132	525,161	698,474
Operations and maintenance	1,154,110	1,357,962	1,390,688	2,229,186	2,578,850
Depreciation	1,694,838	1,837,044	1,965,740	1,993,448	2,040,821
Total Operating Expenses	4,743,834	5,139,062	5,417,560	4,747,795	5,318,145
Net Operating Income	352,297	347,838	388,830	1,320,036	1,152,448
Nonoperating Revenues (Expenses)					
Investment income	393,174	639,135	364,288	(22,586)	127,073
Other, net	7,500	1,021	281	4,965	123,644
Interest expense	(662,031)	(650,446)	(626,670)	(624,506)	(609,294)
Total Nonoperating Expenses, net	(261,357)	(10,290)	(262,101)	(642,127)	(358,577)
Net Income/(Loss) before Contributions	90,940	337,548	126,729	677,909	793,871
Capital contributions (1)	7,173,026	10,201,532	5,348,514	9,596,446	9,132,883
Change in Net Position	7,263,966	10,539,080	5,475,243	10,274,355	9,926,754
Total Net Position - Beginning	49,641,727	57,133,114	67,672,194	73,147,437	83,421,792
Prior Period Adjustments (2)	227,421	-	-	-	-
Total Net Position - Ending	$ 57,133,114	$ 67,672,194	$ 73,147,437	$ 83,421,792	$ 93,348,546

(1) Reflects developer contributions of infrastructure of $2,407,000 in 2018, $6,474,000 in 2019, $2,123,354 in 2020, $1,982,699 in 2021, and

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Town of Erie
Erie, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Board of Trustees
Town of Erie

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
June 9, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Town of Erie
Erie, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Erie (the Town)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2022. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Board of Trustees
Town of Erie

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Board of Trustees
Town of Erie

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
June 9, 2023

Town of Erie, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Provided to Subrecipients	Total Federal Expenditures
Department of the Interior				
Mineral Leasing Act				
Pass-Through: Department of Local Affairs	15.437	F22MLG9393	-	9,531
Erie Comprehensive Plan				
Total Department of the Interior				9,531
Department of Transportation				
Highway Planning and Construction Cluster				
Pass-Through: Colorado Department of Transportation				
Erie Signal System and Communication	20.205	21-HA4-XC-00012	-	510,458
Pass-Through: Colorado Department of Transportation				
Erie Parkway & WCR 7 Signal	20.205	20-HA4-XC-00049	-	123,835
Pass-Through: Colorado Department of Transportation				
County Line Rd Roadway Improvements	20.205	21-HA4-XC-00095	-	226,886
Pass-Through: Regional Air Quality Counsel				
Charge Ahead 2022	20.205	None Provided	-	18,000
Total Highway Planning and Construction Cluster				879,179
Direct Program: Federal Aviation Administration				
Covid-19 ARPA Airport Rescue Grant	20.106	N/A	-	22,825
Total Department of Transportation				902,004
Department of Treasury				
Covid-19 Coronavirus State and Local Fiscal Recovery Funds				
Pass-Through: Department of Local Affairs				
ARPA	21.027	None Provided	-	222,971
Total Department of Treasury				222,971
Department of Health and Human Services				
Child Care and Development Block Grant Cluster				
Pass-Through: Office of Early Childhood				
Stabilization and Workforce Sustainability Grant	93.575	None Provided	-	16,215
Total Child Care and Development Block Grant Cluster				16,215
Total Department of Health and Human Services				16,215
Total Federal Expenditures				$ 1,150,720

The accompanying Notes to the Schedule of Expenditures of Federal Awards is an integral part of this schedule.

TOWN OF ERIE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Town of Erie under programs of the federal government for the year ended December 31, 2022. No federal financial assistance was passed through to other entities. The information in this Schedule is presented in accordance with the requirements of 2 CFR Par 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Erie, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Erie.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, except in the following program, which is reported in the Schedule on the cash basis: Child Care and Development Block Grant Cluster 93.575.

NOTE 3 – INDIRECT COST RATE

The Town of Erie has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? __x__ yes _____ no

   - Significant deficiency(ies) identified? _____ yes __x__ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes __x__ no

   - Significant deficiency(ies) identified? __x__ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

2022 – 001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Grant revenues presented by the Town were not considered both measurable and available and therefore should not have been recorded during the audit period.

Criteria or specific requirement: Based on the guidance in Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, grant revenue should be recognized when eligibility requirements are met and the resources are available. Per note I of the financial statements, all revenue aside from property taxes is considered available if they are collected within 120 days of the end of the current fiscal period.

Effect: As a result of this issue, the following adjustments were required to be posted by the Town:

- General Fund – Adjustments to decrease revenue and increase deferred inflow balances by $343,944.
- Grants Fund – Adjustments to decrease revenue and increase deferred inflow balances by $482,624.

Cause: The Town's process for reconciling grant related activity did not identify grants revenues that were previously recorded that should have been adjusted since they were not collected within 120 days of the current fiscal period. This was caused by timing of reimbursement between expenditures and corresponding grants revenues.

Repeat Finding: No.

Recommendation: We recommend that the Town improve the process for reconciling grant related activity at year-end by reviewing the receipt date of revenues collected on outstanding accounts receivable balances to determine if they were considered available as of the current fiscal period.

Views of responsible officials and planned corrective actions: The Town agrees with the finding. The Town will improve the process for reconciling grant activity and improve the review process to ensure that this error does not occur again.

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 002

Federal Agency: Department of Transportation

Federal Program Name: Highway Planning and Construction Cluster

Assistance Listing Number: 20.205

Pass-Through Agency: Colorado Department of Transportation

Pass-Through Number(s): 21-HA4-XC-00012; 20-HA4-XC-00049; 21-HA4-XC-00095

Award Period: 1/1/2022 – 12/31/2022

Compliance Requirement: Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at https://governmentcontractregistration.com/sam-registration-and-renewal/, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: We noted that the Town does have policies and procedures in place for compliance with suspension and debarment requirements; however, we noted that one out of five vendors selected for testing had not been checked to verify they were not suspended or debarred. We did verify these vendors were not currently suspended or debarred through verification per SAM.gov.

Questioned costs: None.

Context: The Town does have a policy and procedure to check a vendor's suspension and debarment status either by checking the active record on SAM.gov, collecting a certification from the proposed entity, and/or adding a clause or condition to the covered transaction with that entity. The Town was not able to provide verification of the suspension and debarment status through review of SAM.gov, providing a certification from the vendor, or through a clause or condition within the signed contract. We did verify these vendors were not currently suspended or debarred through review via SAM.gov.

Cause: The Town did not verify one of the five vendors tested was in compliance with suspension and debarment requirements.

Effect: The Town could make a payment to a vendor or subrecipient who is suspended and/or debarred from participating in federal programs.

Repeat Finding: No.

Recommendation: The Town should update all contracts to include a suspension and debarment paragraph to verify status with every renewal.

Views of responsible officials: There is no disagreement with the audit finding.

2022 – 003

Federal Agency: Department of the Treasury

Federal Program Name: COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Pass-Through Agency: None

Pass-Through Number(s): None

Award Period: 1/1/2022 – 12/31/2022

Compliance Requirement: Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at https://governmentcontractregistration.com/sam-registration-and-renewal/, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: We noted that the Town does have policies and procedures in place for compliance with suspension and debarment requirements; however, we noted that neither of the two vendors selected for testing had not been checked to verify they were not suspended or debarred. We did verify these vendors were not currently suspended or debarred through verification per SAM.gov.

Questioned costs: None.

Context: The Town does have a policy and procedure to check a vendor's suspension and debarment status either by checking the active record on SAM.gov, collecting a certification from the proposed entity, and/or adding a clause or condition to the covered transaction with that entity. The Town was not able to provide verification of the suspension and debarment status through review of SAM.gov, providing a certification from the vendor, or through a clause or condition within the signed contract. We did verify these vendors were not currently suspended or debarred through review via SAM.gov.

Cause: The Town did not verify either of the two vendors tested was in compliance with suspension and debarment requirements.

Effect: The Town could make a payment to a vendor or subrecipient who is suspended and/or debarred from participating in federal programs.

Repeat Finding: No.

TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Recommendation: The Town should update all contracts to include a suspension and debarment paragraph to verify status with every renewal.

Views of responsible officials: There is no disagreement with the audit finding.

TOWN OF ERIE
1874

TOWN OF ERIE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022

Department of Transportation, Department of the Treasury

The Town of Erie respectfully submits the following corrective action plan for the year ended December 31, 2022.

Audit period: January 1, 2022 – December 31, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2022-001 Reconciliation of Grant Related Revenues

Recommendation: We recommend that the Town improve the process for reconciling grant related activity at year-end by reviewing the receipt date of revenues collected on outstanding accounts receivable balances to determine if they were considered available as of the current fiscal period.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Town will improve the process for reconciling grant activity and improve the review process to ensure that this error does not occur again.

Name of the contact person responsible for corrective action: Stefanie Furman, Finance Director

Planned completion date for corrective action plan: 7/31/2023

TOWN OF ERIE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

DEPARTMENT OF TRANSPORTATION

2022-002 Highway Planning and Construction Cluster – Assistance Listing No. 20.205

Recommendation: The Town should update all contracts to include a suspension and debarment paragraph to verify status with every renewal.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Town agrees that suspension and debarment documentation was not properly kept. The Town has met with their legal counsel to update all contract templates to include a clause or conidiation regarding suspension and debarment. This review will be completed by the finance department prior to entering into the contact with each entity. The documentation should include the certification from the vendor or reference the contract that includes the clause or condition regarding suspension and debarment.

Name of the contact person responsible for corrective action: Stefanie Furman, Finance Director

Planned completion date for corrective action plan: 7/31/2023

TOWN OF ERIE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022

DEPARTMENT OF THE TREASURY

2022-003 Covid-19 Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing No. 21.027

Recommendation: The Town should update all contracts to include a suspension and debarment paragraph to verify status with every renewal.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Town agrees that suspension and debarment documentation was not properly kept. The Town has met with their legal counsel to update all contract templates to include a clause or conidiation regarding suspension and debarment. This review will be completed by the finance department prior to entering into the contact with each entity. The documentation should include the certification from the vendor or reference the contract that includes the clause or condition regarding suspension and debarment.

Name of the contact person responsible for corrective action: Stefanie Furman, Finance Director

Planned completion date for corrective action plan: 7/31/2023

If the Department of Transportation or the Department of the Treasury have questions regarding this plan, please call Stefanie Furman, Finance Director at 303-926-2750.

Form Approved
OMB No. 2125-0032

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: Town of Erie	Prepared By: Angalee Russell

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ 3,443,689.80
3. Other local imposts (from page 2)	$ 8,444,115.31
4. Miscellaneous local receipts (from page 2)	$ 136,742.41
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 12,024,547.52
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 2,167,002.47
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 14,191,549.99

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 6,788,442.90
2. Maintenance:	$ 2,376,636.19
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	$ -
4. General administration & miscellaneous	$ 2,357,158.81
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 11,522,237.90
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 11,522,237.90

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				$ -
1. Bonds (Refunding Portion)				$ -
B. Notes (Total)				$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 18,902,544.44	$ 14,191,549.99	$ 11,522,237.90	$ 21,571,856.53	$ -

Notes and Comments:

FORM FHWA-536 (Rev.06/2000) PREVIOUS EDITIONS OBSOLETE Excel (Next Page)

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