

# Town of Erie, Colorado

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2007

Prepared by the Finance Department:

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**Town of Erie, Colorado**  
 Comprehensive Annual Financial Report  
 For the fiscal year ended December 31, 2007

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# Introductory Section

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May 16, 2008

To the Honorable Mayor, members of the Board of Trustees, and Citizens of the Town of Erie:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Town of Erie (the Town) for the fiscal year ended December 31, 2007.

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

Bondi & Co. LLC, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Erie's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and

should be read in conjunction with it. The Town of Erie's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Town**

The Town, incorporated in 1874, is located on the northern fringe of the Denver-Boulder Metropolitan Area of Colorado. The Town currently occupies a land planning area of 45 square miles and serves a population of about 16,900. The Town is located in two counties: Boulder and Weld. The Town is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council and voter approval.

The Town has operated under the Trustees-Administrator form of government since its first meeting on November 16, 1874, as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the Board) consisting of the mayor and six trustees. The Town's board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town's administrator, clerk, treasurer, and attorney. The Town's 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 the trustees are elected for four-year terms. The mayor and trustees are elected at-large.

The Town provides a full range of services, including police protection; the construction and maintenance of streets; municipal airport; parks; recreational activities; trails and open space; and utilities. Utilities for the Town consist of water, sewer, and storm drainage. Other utility services, such as electricity, gas, and trash, are provide by organizations not affiliated with the Town, and therefore, are 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 of the Town are required to submit requests for appropriation to the Town's finance director on or before the last day of August each year. The finance director and administrator use these requests as the starting point for developing a proposed budget. The town administrator then presents the proposed budget 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 by no later than December 15. The Town's fiscal year is based on the calendar year. The appropriated budget is prepared by fund (e.g., general), department (e.g., police), and division (e.g., patrol). Department heads may make transfers of appropriations within a division. Transfers of appropriations between divisions, however, require the approval of the Board.

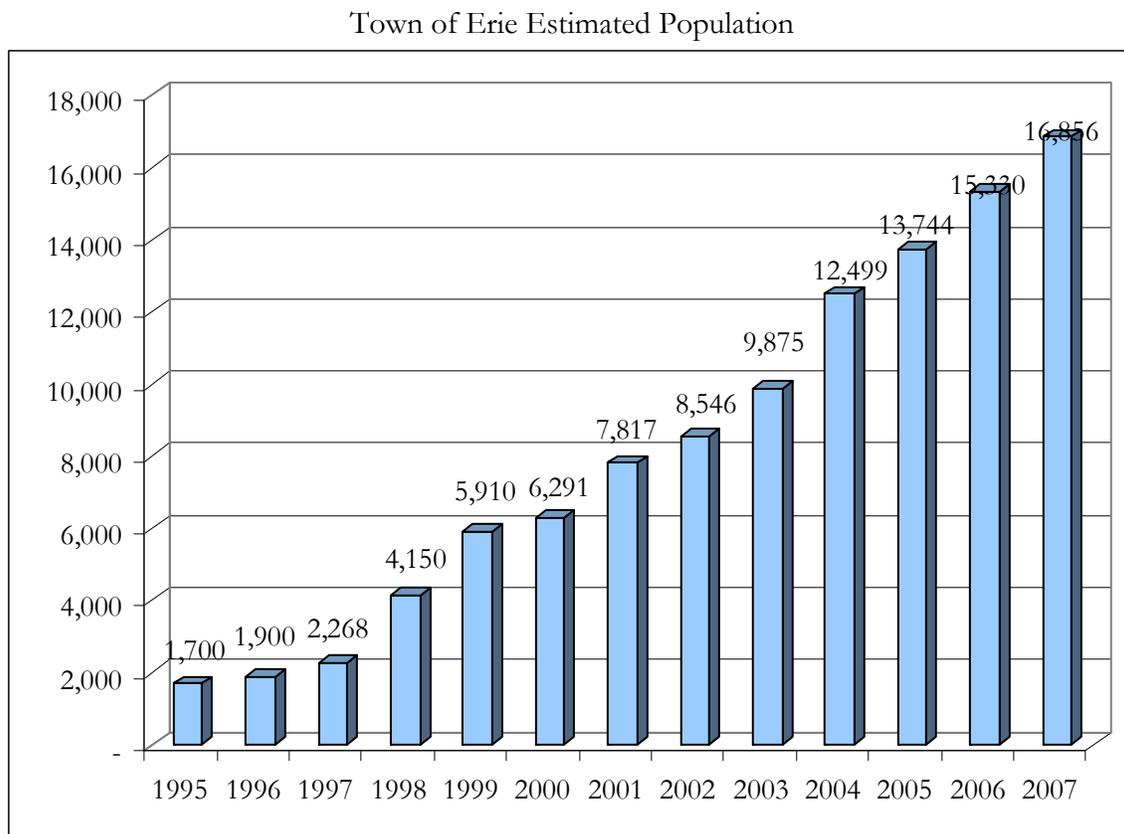
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, the comparison is presented on page 40, as part of the basic financial statements for the governmental funds. For all other governmental funds, these comparisons are presented in the nonmajor governmental funds subsection of this report, which begins on page 77.

## Factors Affecting Financial Condition

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

### Local Economy

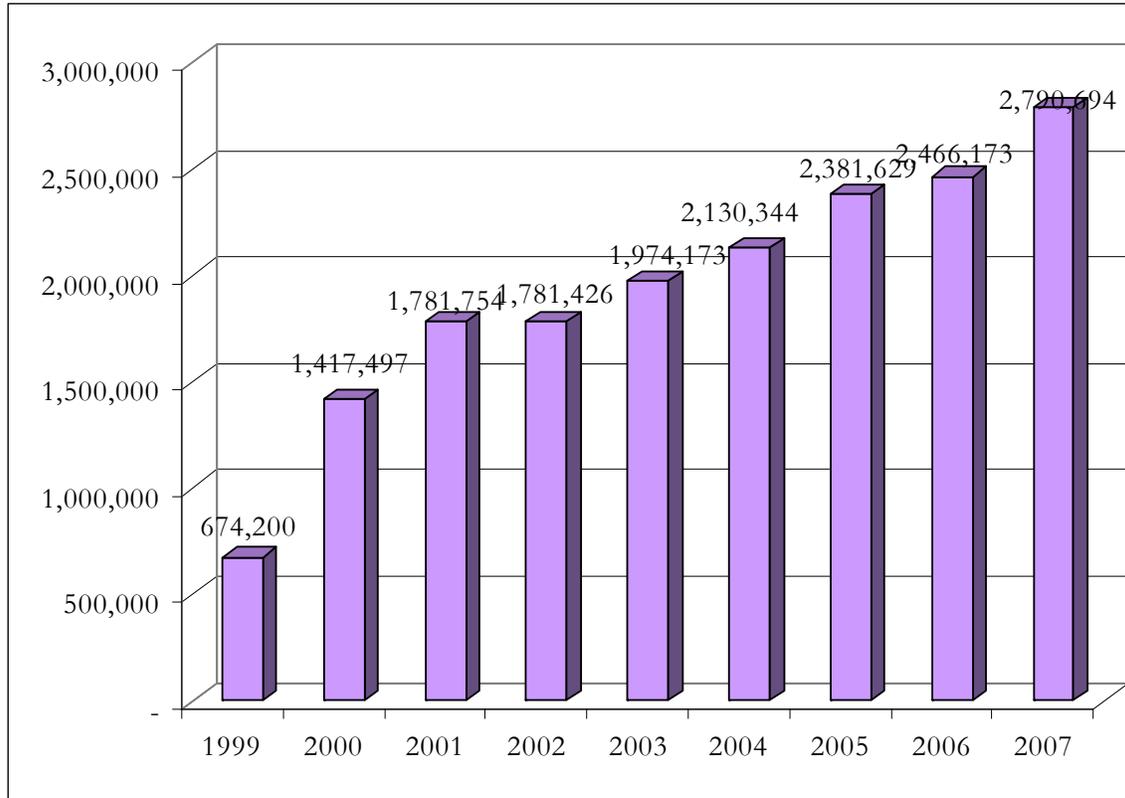
The Town of Erie has seen the community grow over the last ten years. In the early 1990s, the Town had a population of 1,300 and today the Town has a population estimated at 16,900. The following chart reflects the population growth.



The Town has been able to provide the necessary services to its residents. It has done this by optimizing the water reclamation facility operations during 2007. The Town has also constructed necessary improvements to the transportation and storm drainage systems, including installing several traffic signals. In 2006, Erie voters authorized the construction of a recreation/senior center. This facility is financed with general obligation bonds issued in 2006 and opened in January 2008. In addition, in 2008 the Town plans to issue debt in excess of \$19,500,000 to construct the new northern water reclamation facility.

Town sales tax revenues have been growing. Although cities and towns in surrounding areas have experienced declining or only moderate growth in this area, the Town's sales tax revenues have shown constant growth. The Town expects to compete with surrounding communities for any future significant increase in sales tax revenues. Below is a chart reflecting the increase in sales tax revenues over the last nine years.

Town of Erie Sales Tax Revenues



The Town's commercial property increased in 2007 with the addition of various businesses ranging from retail shops to eating establishments. Other businesses that have come into the Town during the last several years include medical offices, veterinarian services, a private golf course, salons and a heavy construction equipment facility. The Town is currently working to increase the number of businesses throughout the community including initiatives to enhance the economic success of Historic Downtown Erie and the Highway 7 corridor.

The region, which includes the Town, Boulder County, and Weld County, has an employed labor force of about 300,000. The Town's major employers range from retail to engineering to education to childcare. The Town has about 100 full-time employees and 120 part-time employees, making it one of Erie's top five employers. The community is expected to maintain a steady growth of residential construction. This corresponds to the growth in number and variety of businesses expected in the community.

## **Long-term Financial Planning**

The Board and management are currently working on several major projects that will impact the Town's financial position. In January of 2006, the Board authorized management to proceed with securing financing for the construction of the Northern Water Reclamation Facility. The debt issuance amount is estimated at a minimum of \$19,500,000 and construction is estimated to begin in late 2008. Additionally, the Board authorized management to secure financing for a new raw water pipeline. The project is estimated at \$14,000,000. Construction began in the fall of 2007.

Additionally, the Board and Erie's voters approved the construction of a new recreation/senior center. The facility, the Erie Community Center, opens in January 2008. In anticipation of the opening, the Town created a new Parks and Recreation department to consolidate and better provide leisure services and outdoor recreation amenities for Erie's residents. The department includes a new director position and additional operational costs for the new center and additional programs.

## **Cash Management Policies and Practices**

The Finance Department maximizes investment earnings on temporarily idle cash while ensuring that adequate moneys are available to make full and timely payments to vendors. During 2007, the Town invested idle cash in federal agency coupon securities and local government investment pools. The maturities of the investments range from 1 day to 52 months with a weighted average maturity of 13.6 months.

Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments the Town intends to hold to maturity.

## **Risk Management**

In 1983, the Town became a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property and casualty insurance. CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. Coverage is provided through the pooling of self-insured losses and the purchase of stop loss insurance coverage.

In 1994, the Town became a member of the Colorado Intergovernmental Risk Sharing Agency/Worker's Compensation (CIRSA/WC). CIRSA/WC was formed as a separate pool by an intergovernmental agreement to provide coverage to members under the Colorado Worker's Compensation Act.

A seven-member board elected by and from its members governs both CIRSA and CIRSA/WC. The governing board is autonomous as to budgeting and fiscal matter.

## **Pension and Other Post-employment Benefits**

The Town contributes to a statewide-defined benefit pension plan, a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the Pension Fund Board of Trustees.

## **Awards and Acknowledgements**

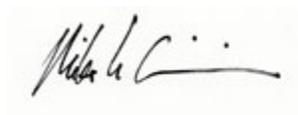
The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Report to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning January 1, 2007. This is the fourth consecutive year that the Town has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the Town's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. The preparation of 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,



Mike N. Acimovic  
Town Administrator



Molly M. W. Kostelecky, CPA  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Erie  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

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



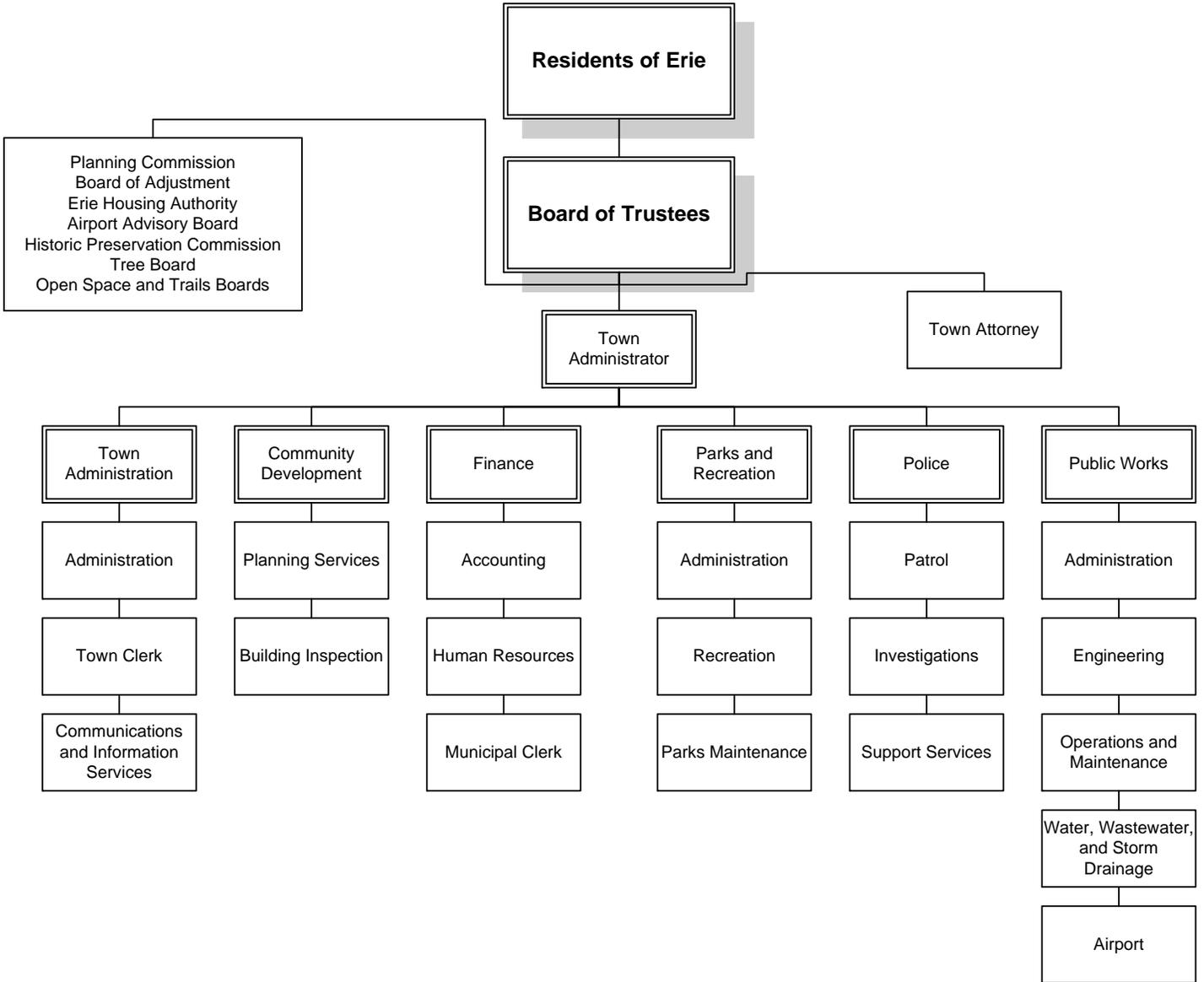
Handwritten signature of Alan S. Cox in black ink.

President

Handwritten signature of Jeffrey R. Emery in black ink.

Executive Director

# Organizational Chart



**Town of Erie, Colorado**  
List of Town Officials

Elected Officials: Mayor and Board of Trustees

Andrew Moore	Mayor
Glenn Massarotti	Mayor Pro-Tem
Tina Harris	Trustee
Cheryl Hauger	Trustee
Paul Ogg	Trustee
Harry Pink	Trustee
Colin Towner	Trustee

Town Administration Officials

Mike Acimovic	Town Administrator
Mark Shapiro	Town Attorney
Nancy Parker	Town Clerk
John Hall	Chief of Police
Marty Ostholthoff	Community Development Director
Molly Kostelecky	Finance Director
Gary Behlen	Public Works Director
Jill Wait	Parks and Recreation Director

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**Financial Section**

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(Independent Auditor's Report)



## Management's Discussion and Analysis

Within this section of the Town of Erie, Colorado (the Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities for the Town for the fiscal year ended December 31, 2007. The Town encourages readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal and the Town's financial statements, which can be found beginning on page 3 and 33 of this report, respectively.

### Financial Highlights

- ❖ The assets of the Town exceeded its liabilities at the end of the fiscal year ended December 31, 2007 by \$238 million (net assets). Of this amount, \$36 million (unrestricted net assets) may be used to meet the Town's ongoing obligations in accordance with financial policies.
- ❖ The Town's net assets increased by \$28 million (12%). The governmental net assets increased by \$14 million (15%) and the business-type net assets increased by \$14 million (10%).
- ❖ At December 31, 2007, the Town's governmental funds reported combined ending fund balances of \$39 million, a decrease of \$13 million in comparison with the prior year. The decrease is directly related to the spending of bond proceeds for the construction of the Erie Community Center.
- ❖ The general fund, the Town's operating fund, reported an unreserved fund balance of \$15.4 million, or 62% of the total general fund expenditures.
- ❖ The Town issued \$14.225 million in new water revenue bonds and \$5.035 million in refunding water revenue bonds during the current fiscal year. These bond issues are accounted for in the water fund.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements, which 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 provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis of accounting and elimination or reclassification of activities between funds.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reports reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall health of the Town would

extend to other non-financial factors such as diversification of the taxpayer base or the condition of the Town's infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the Town's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying event given 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. One purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct functions on revenues provided by the Town's taxpayers.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (business-type activities). The governmental activities of the Town include general government, parks and recreation, public safety, and public works. Business-type activities include the water system, wastewater system, drainage system, municipal airport, and housing authority.

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. Within the basic financial statements, fund financial statements focus on the Town's more significant funds rather than the Town as a whole. Major funds are reported separately while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### *Governmental Funds*

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements, providing a distinct view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. These statements may be useful in evaluating annual financing requirements of governmental programs and the commitment of the spendable resources for the near-term.

Since the focus of governmental funds is narrower than that of government-wide financial statements, comparisons between these two perspectives may provide an insight into the long-term impact of the short-term financing decisions. Both the governmental fund balance

sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town has eleven individual governmental funds. The general fund is a major fund and the fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for each of its governmental funds. Budgetary comparison statements for the major governmental funds are included in the basic financial statements.

The basic governmental fund financial statements can be found on pages 36-39 of this report.

#### *Proprietary Funds*

Proprietary funds are used to account for essentially the same function and information as business-type activities in the government-wide financial statements, only in more detail. The Town has six proprietary funds, all of which are classified as enterprise funds. Of the six enterprise funds, two are reported individually as major funds, including the water fund and the wastewater fund. The remaining individual enterprise fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for four of its enterprise funds. Budgetary comparison statements for the major enterprise funds are included in the basic financial statements.

The basic proprietary fund financial statements can be found on pages 41-43 of this report.

#### *Fiduciary Fund*

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the activities of the Town's functions. The accounting used for these types of funds is similar to that used for proprietary funds. In previous years, the Town classified three funds as fiduciary funds. During 2006, these funds were reclassified as governmental funds and are reported as such in 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 47-71 of this report.

## **Supplementary Information**

The statement of revenues, expenditures, and changes in fund balances – actual and budget has been included in the supplementary information for the General Fund. This schedule is required to show the General Fund budget to actual at the legally appropriated level. This information can be found on page 75.

## **Combining Statements**

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented following the notes to the financial statements. In addition, budget statements for the major enterprise funds are also presented following the notes to the financial statements. This information can be found on pages 77-100.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Town's compliance with debt covenants. The compliance information can be found on pages 129-137.

## **Government-wide Financial Analysis**

As stated earlier, the Town's net assets at fiscal year end are \$238 million. The largest portion of the Town's net assets (70%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The capital assets are used to provide necessary services to citizens. These assets are not available for future spending. It should be noted that the resources to repay the debt must be provided from other sources, since capital assets themselves cannot be liquidated to provide the resources.

Additionally, approximately \$36 million of the net assets represents resources that are subject to external restrictions on how they may be used. The remainder of the net assets balance, approximately \$36 million, may be used to meet the Town's ongoing obligations.

The following table provides a summary of the Town's net assets.

Statement of Net Assets							
	Governmental Activities		Business-Type Activities		Total		Percent of Total
	2007	2006	2007	2006	2007	2006	2006
<b>Assets</b>							
Current Assets	\$ 49,048,180	\$ 59,465,675	\$ 46,996,932	\$ 33,662,389	\$ 96,045,112	\$ 93,128,064	28%
Other Assets	391,579	402,957	666,469	443,138	1,058,048	846,095	0%
Capital Assets	72,093,624	45,144,797	178,098,484	164,292,750	250,192,108	209,437,547	72%
<b>Total Assets</b>	<b>121,533,383</b>	<b>105,013,429</b>	<b>225,761,885</b>	<b>198,398,277</b>	<b>347,295,268</b>	<b>303,411,706</b>	<b>100%</b>
<b>Liabilities</b>							
Current Liabilities	10,864,263	7,782,880	4,947,096	3,527,734	15,811,359	11,310,614	14%
Noncurrent Liabilities	19,634,126	20,411,266	73,751,688	61,329,450	93,385,814	81,740,716	86%
<b>Total Liabilities</b>	<b>30,498,389</b>	<b>28,194,146</b>	<b>78,698,784</b>	<b>64,857,184</b>	<b>109,197,173</b>	<b>93,051,330</b>	<b>100%</b>
<b>Net Assets</b>							
Invested in Capital Assets, net of debt	53,190,093	24,900,765	112,940,934	103,006,082	166,131,027	127,906,847	70%
Restricted	21,364,804	22,213,890	14,328,718	4,583,110	35,693,522	26,797,000	15%
Unrestricted	16,480,097	29,704,628	19,793,449	25,951,901	36,273,546	55,656,529	15%
<b>Total Net Assets</b>	<b>\$ 91,034,994</b>	<b>\$ 76,819,283</b>	<b>\$ 147,063,101</b>	<b>\$ 133,541,093</b>	<b>\$ 238,098,095</b>	<b>\$ 210,360,376</b>	<b>100%</b>

The Town reported positive balances in net assets for both governmental and business-type activities. Net assets increased by about \$14 million in the governmental activities and \$14 million in the business-type activities.

In the governmental activities, the increase in net assets is attributed to the acquisition of the capital assets through Town construction projects and developer-built contributed capital. Additionally, the increase in net assets can also be attributed to one-time infusion of resources from impact fees (cash capital contributions). The Town will use these resources in future years to build capital assets to provide services to additional citizens.

In the business-type activities, the increase in net assets is attributed to the acquisition of the capital assets through Town construction projects and developer-built contributed capital. Additionally, the increase in net assets can also be attributed to one-time infusion of resources from tap fees (cash capital contributions) and the issuance of water revenue bonds issued during 2007. The Town will use these resources in future years to build capital assets to provide services to additional citizens.

The following table provides a summary of the Town's statement of activities and changes in net assets.

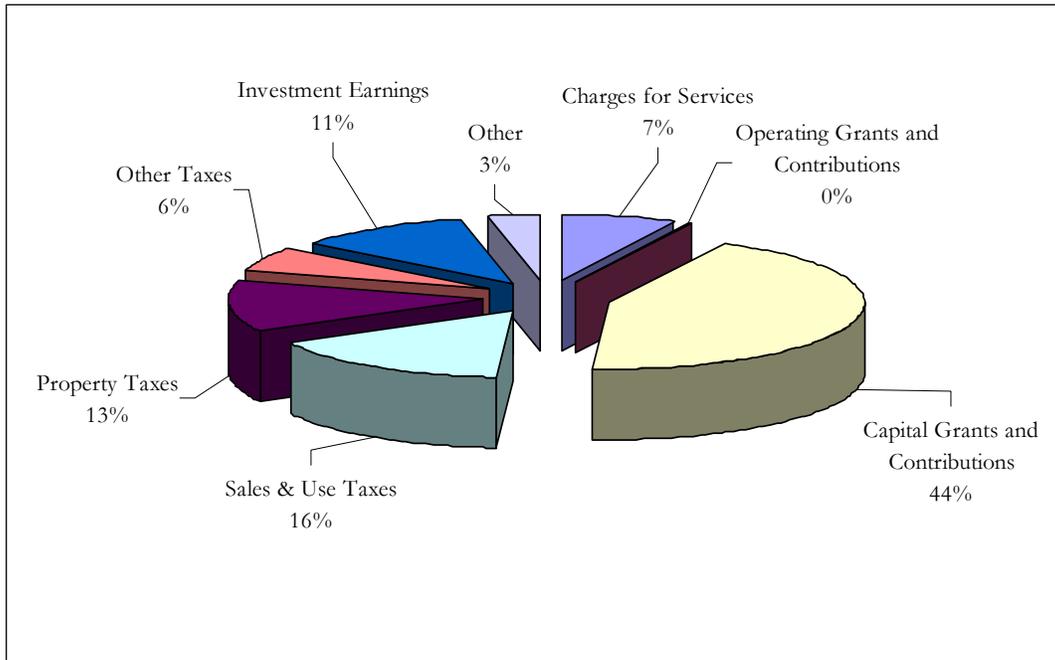
**Statement of Activities and Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total		Percent of Total 2007
	2007	2006	2007	2006	2007	2006	
Revenues							
Program Revenues							
Charges for Services	\$ 1,796,366	\$ 2,097,376	\$ 7,570,989	\$ 7,289,164	\$ 9,367,355	\$ 9,386,540	20%
Operating Grants and Contributions	8,632	33,306	-	-	8,632	33,306	0%
Capital Grants and Contributions	10,684,131	17,486,048	12,481,218	14,934,116	23,165,349	32,420,164	49%
General Revenues							0%
Taxes	8,457,618	7,511,096	-	-	8,457,618	7,511,096	18%
Investment Earnings	2,734,514	2,193,728	2,063,478	1,583,138	4,797,992	3,776,866	10%
Other	789,859	455,373	249,360	664,385	1,039,219	1,119,758	2%
Total Revenues	<u>24,471,120</u>	<u>29,776,927</u>	<u>22,365,045</u>	<u>24,470,803</u>	<u>46,836,165</u>	<u>54,247,730</u>	<u>100%</u>
Expenses							
General Government	2,852,921	2,279,543	-	-	2,852,921	2,279,543	15%
Parks and Recreation	1,833,112	1,453,447	-	-	1,833,112	1,453,447	10%
Public Safety	1,934,542	1,864,065	-	-	1,934,542	1,864,065	10%
Public Works	2,457,612	2,215,280	-	-	2,457,612	2,215,280	13%
Interest on Long-term Debt	1,177,219	245,770	-	-	1,177,219	245,770	6%
Water	-	-	5,849,291	4,916,945	5,849,291	4,916,945	31%
Wastewater	-	-	2,060,713	2,019,365	2,060,713	2,019,365	11%
Storm Drainage	-	-	345,266	321,017	345,266	321,017	2%
Airport	-	-	479,946	482,347	479,946	482,347	3%
Housing Authority	-	-	107,822	106,572	107,822	106,572	1%
Total Expenses	<u>10,255,406</u>	<u>8,058,105</u>	<u>8,843,038</u>	<u>7,846,246</u>	<u>19,098,444</u>	<u>15,904,351</u>	<u>100%</u>
Increase in Net Assets	14,215,714	21,718,822	13,522,007	16,624,557	27,737,721	38,343,379	
Net Assets - Beginning	<u>76,819,280</u>	<u>55,100,461</u>	<u>133,541,094</u>	<u>116,916,536</u>	<u>210,360,374</u>	<u>172,016,997</u>	
Net Assets - Ending	<u>\$ 91,034,994</u>	<u>\$ 76,819,283</u>	<u>\$ 147,063,101</u>	<u>\$ 133,541,093</u>	<u>\$ 238,098,095</u>	<u>\$ 210,360,376</u>	

**Governmental Revenues**

The Town is reliant on taxes to support governmental operations. Taxes total approximately 34% of total governmental revenues. In addition, capital contributions make up approximately 44% of total governmental revenues. Also, note that program revenues are greater than expenses by \$2.2 million. For one function, Parks and Recreation, program revenues exceeded program expenses. This is not an ordinary occurrence for many governments and is directly related to the amount of governmental capital contributions.

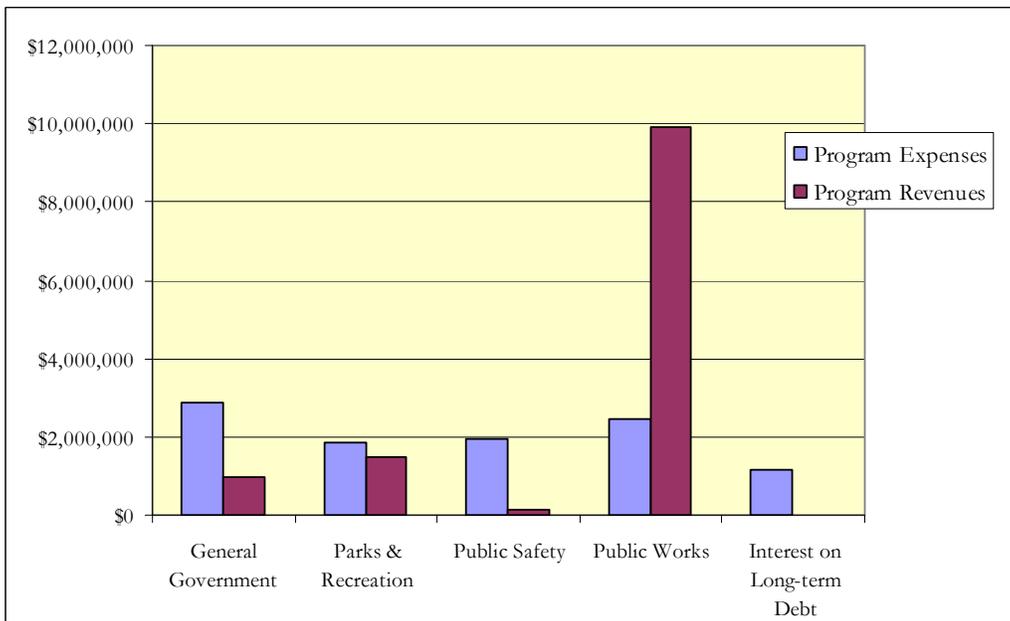
### 2007 Revenues by Source – Governmental Activities



### Governmental Expenses

General government expenses comprise 28% of the Town’s total governmental expenses and 15% of total expenses. Public works expenses make up 24% of the Town’s total governmental expenses and 13% of total expenses. Public safety expenses comprise 29% of total expenses.

### 2007 Expenses and Program Revenues – Governmental Activities

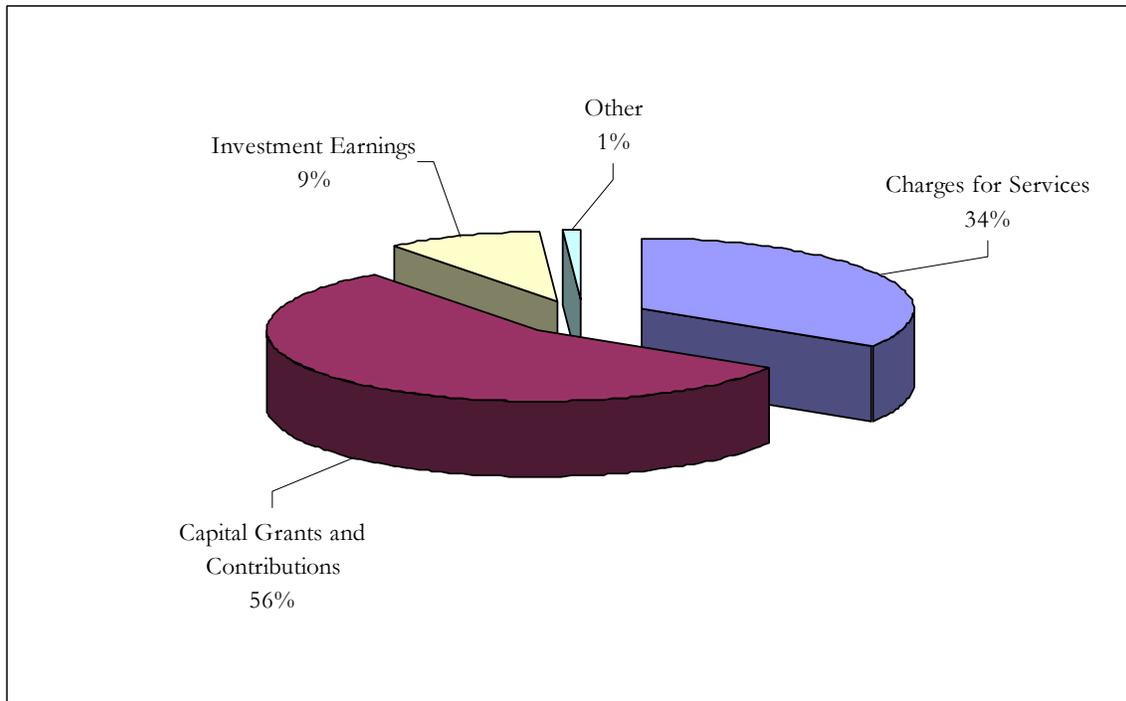


## Business-type Activities

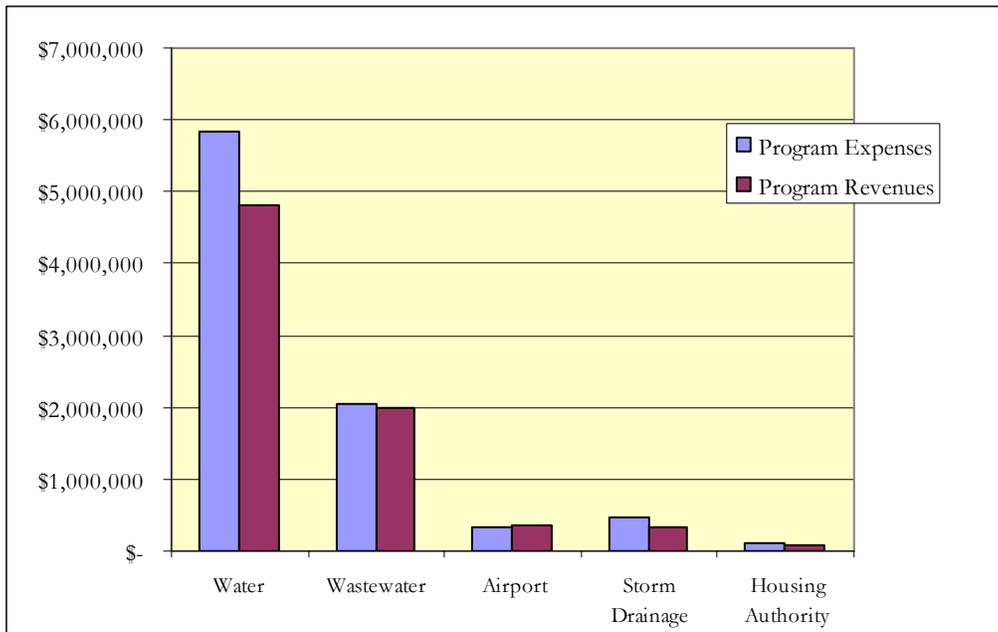
Business-type activities primarily rely on charges for services to support function expenses. Charges for services were about 20% of total business-type activities revenue. This represents an increase in charges for services of 4% over the prior year. This increase is due to a scheduled increase in rates and an increase in the number of users for most functions.

The other primary source of revenue comes from capital contributions in the form of tap fees and developer-constructed donated capital. The Town will use these resources in future years to build capital assets to provide services to additional citizens. This is also the primary reason for the increase in business-type net assets of \$14 million.

2007 Revenues by Source – Business-type Activities



2007 Expenses and 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 revenues. This information is useful in assessing resources available at the end of year in comparison with upcoming financing requirements. Unreserved fund balance may, in particular, serve as a useful indicator of the Town’s net resources available for spending at the end of the fiscal year.

At December 31, 2007, the Town’s governmental funds reported combined ending fund balances of \$39 million, a decrease of \$13 million, or 33%, over the prior fiscal year. Approximately \$15.6 million, or 40%, of the total governmental ending fund balances represents unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders (\$2.3 million), (2) to fund a state constitution mandated emergency reserve (\$544,400) and (3) to fund future capital projects (\$20.8 million). The amount reserved to liquidate contracts and purchase orders is primarily made up of the estimated remaining construction costs of the new community recreation/senior center and the construction of a roundabout at 119<sup>th</sup> Street and Leon A. Wurl Parkway. The amount reserved for future capital projects are primarily capital contributions in the form of impact fees and will fund future capital projects to provide services to future citizens.

The general fund, which serves as the primary operating fund of the Town, had an ending fund balance of \$18.3 million, of which \$15.4 million is unreserved fund balance. The fund balance decreased by \$12.1 million over the prior fiscal year. The increase in fund balance in the general fund can be attributed to the following key factors:

- Spending the general obligation bond proceeds issued in 2006 on the construction of the Erie Community Center.
- Increase in property and sales/use taxes based on the increase in number of sales transactions and property tax generating properties with no increase in tax rate.
- Increase in investment income based on the increase in idle cash for investment and increased maturities of the investment.
- Several projects budgeted in 2007 were not completed reducing expenditures by \$1.0 million.

## **Proprietary Funds**

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

The total net assets of all enterprise funds are \$147 million, of which \$19.8 million is unrestricted net assets. This is an increase in total net assets of \$13.5 million, or 9%, over the prior year.

In the water enterprise fund, operating revenues (charges for services) are \$4.8 million, which represents an increase of \$10,956, or less than 1%, over the prior fiscal year. This small increase can be attributed to a modest increase in customer base and a moderate scheduled rate increase. Additionally, water fund operating expenses are \$4.1 million, which represents an increase of \$471,000, or 13%, over the prior year. This increase can be attributed to an increase in depreciation expense.

In the wastewater enterprise fund, operating revenues (charges for services) are \$2.0 million, which represents an increase of \$265,000, or 15%, over the prior fiscal year. This increase can be attributed to an increase in customer base of about 1% and a moderate scheduled rate increase. Additionally, wastewater fund operating expenses are \$1.9 million, which represents an increase of \$49,000, or 3%, over the prior year. This increase can be attributed to an increase in depreciation expense and a decrease in other operating expenses.

## **Budgetary Highlights**

### **Governmental Funds**

#### *General Fund*

The general fund final budget totaled \$28.0 million, which represents an increase of \$18.0 million over the original budget. This increase can be attributed to the following items:

- Increase in capital outlay for the construction of the community recreation/senior center of \$15.0 million.

- Increase in other capital outlay projects of \$1,592,300
- Increase in governmental activities of \$881,000
- Increase in parks and recreation of \$329,300
- Increase in public works of \$162,700

## Capital Assets and Debt Administration

### Capital Assets

The Town's investment of capital assets as of December 31, 2007 for its governmental and business-type activities amounted to \$250 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles and water, wastewater, airport, and storm drainage infrastructure.

Major capital improvements during this fiscal year included the following:

#### *Governmental Activities*

- ❖ Purchase of vehicles and heavy equipment (\$35,000)
- ❖ Street overlay projects (\$217,000)
- ❖ Construction of the Erie Community Center (\$15.0 million)
- ❖ Contribution of capital assets from developers (\$6.9 million)

#### *Business-type Activities*

- ❖ Acquisition of water shares (\$2.9 million)
- ❖ Construction of a new raw water line (\$5.7 million)
- ❖ Contribution of capital assets and water rights from developers (\$5.2 million)

#### Town of Erie Capital Assets Net of Depreciation as of December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
	Land	\$ 6,689,287	\$ 6,689,287	\$ 3,759,396	\$ 3,890,671	\$ 10,448,683
Water Shares	-	-	72,040,585	69,125,088	72,040,585	69,125,088
Buildings/Plants	2,963,833	3,037,633	90,000,200	86,491,751	92,964,033	89,529,384
Improvements other than Buildings	40,001,660	30,668,890	-	-	40,001,660	30,668,890
Machinery and Equipment	368,698	502,931	247,396	259,796	616,094	762,727
Vehicles	168,638	217,601	-	-	168,638	217,601
Construction in Progress	21,901,508	4,028,455	12,050,907	4,525,444	33,952,415	8,553,899
<b>Total Capital Assets</b>	<b>\$ 72,093,624</b>	<b>\$ 45,144,797</b>	<b>\$ 178,098,484</b>	<b>\$ 164,292,750</b>	<b>\$ 250,192,108</b>	<b>\$ 209,437,547</b>

Additional information on the Town's capital assets can be found in Note V.C. on pages 60-61 of this report.

## Long-term Debt

At the end of the fiscal year, the Town had total debt outstanding of \$63,326,660 in bonds and loans. Of the amount, \$19,871,095 represents general obligation bonds secured by all available Town revenue. The remainder is primarily revenue bonds and loans, secured by specific revenue sources. Additionally, the Town has entered into a \$32 million lease purchase with the Erie Finance Corporation for water rights.

Town of Erie Outstanding Debt  
as of December 31,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 19,871,095	\$ 20,211,095	\$ -	\$ -	\$ 19,871,095	\$ 20,211,095
Revenue Bonds	-	-	2,855,000	14,859,000	2,855,000	14,859,000
Revenue Loans	-	-	13,649,043	14,696,772	13,649,043	14,696,772
Mortgage Revenue Bonds	-	-	808,703	828,368	808,703	828,368
Capital Lease Purchase	-	-	31,045,000	31,550,000	31,045,000	31,550,000
Other	-	-	60,000	60,000	60,000	60,000
<b>Total Debt Outstanding</b>	<b>\$ 19,871,095</b>	<b>\$ 20,211,095</b>	<b>\$ 48,417,746</b>	<b>\$ 61,994,140</b>	<b>\$ 68,288,841</b>	<b>\$ 82,205,235</b>

State statute limits the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current debt limitation for the Town is \$53,206,834.

Additional information on the Town's long-term debt can be found in Note V.D. on pages 62-66 of this report.

## Economic Factors

There are several factors that drive the Town's budget and financial performance. The factors include, but are not limited to, the following: area employment rates, sales and use tax revenues, building permit valuation and issuance, population growth, and capital asset construction requirements. Currently, the Town's building permit valuation and issuance drives a large part of the budget revenue and spending. The Town also received an influx of contributed capital revenue (tap and impact fees) during the fiscal year, which will be spent in future years to acquire or construct capital assets to serve future residents.

## Currently Known Facts, Decisions, or Conditions with Significant Effect on Position or Operation

During the 2007 budget process, the Town created a new Parks and Recreation department, that combine the current Recreation division and the Parks Maintenance division into one department. In addition to hiring a new parks and recreation director in 2007, the Town

constructed a new recreation/senior facility and hired additional staff to run the facility, adding approximately 30 FTE or an increase of 31%.

## **Financial Contact**

The Town's financial statements are designed to provide users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the Town of Erie Finance Director, PO Box 750, 645 Holbrook St, Erie, CO, 80516.

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## **Basic Financial Statements**

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**Town of Erie, Colorado**  
**Statement of Net Assets**  
**December 31, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash & Cash Equivalents	\$ 2,258,158	\$ 2,660,429	\$ 4,918,587
Investments	41,545,423	43,510,055	85,055,478
Receivables			
Property Taxes	3,563,962	-	3,563,962
Accounts	1,108,116	773,364	1,881,480
Internal Balances	-	-	-
Prepaid Expenses	68,101	-	68,101
Accrued Interest Receivable	504,420	53,084	557,504
<b>Total Current Assets</b>	<b>49,048,180</b>	<b>46,996,932</b>	<b>96,045,112</b>
Noncurrent Assets			
Capital Assets			
Non-depreciable	28,590,795	87,850,888	116,441,683
Depreciable (Net)	43,502,829	90,247,596	133,750,425
Deferred Charges	391,579	666,469	1,058,048
<b>Total Noncurrent Assets</b>	<b>72,485,203</b>	<b>178,764,953</b>	<b>251,250,156</b>
<b>Total Assets</b>	<b>121,533,383</b>	<b>225,761,885</b>	<b>347,295,268</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable and other Current Liabilities	6,194,439	1,703,555	7,897,994
Accrued Interest Payable	76,886	203,529	280,415
Unearned Revenue	3,563,962	-	3,563,962
Prepaid Revenues	-	1,153,600	1,153,600
Accrued Compensated Absences	228,976	-	228,976
Capital Lease Purchase	-	530,000	530,000
Loans Payable	-	697,412	697,412
Bonds Payable	800,000	659,000	1,459,000
<b>Total Current Liabilities</b>	<b>10,864,263</b>	<b>4,947,096</b>	<b>15,811,359</b>
Noncurrent Liabilities			
Prepaid Revenues	-	685,744	685,744
Accrued Compensated Absences	129,924	-	129,924
Capital Lease Purchase	-	30,515,000	30,515,000
Loans Payable - net of unamortized discounts/premiums	-	14,293,666	14,293,666
Bonds Payable, net of unamortized discounts/premiums	19,504,202	28,257,278	47,761,480
<b>Total Noncurrent Liabilities</b>	<b>19,634,126</b>	<b>73,751,688</b>	<b>93,385,814</b>
<b>Total Liabilities</b>	<b>30,498,389</b>	<b>78,698,784</b>	<b>109,197,173</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	53,190,093	112,940,934	166,131,027
Restricted for:			
Capital Projects	20,820,428	9,893,979	30,714,407
Debt Service	-	3,047,659	3,047,659
Operations & Maintenance	-	1,387,080	1,387,080
Emergencies	544,376	-	544,376
Unrestricted	16,480,097	19,793,449	36,273,546
<b>Total Net Assets</b>	<b>\$ 91,034,994</b>	<b>\$ 147,063,101</b>	<b>\$ 238,098,095</b>

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, 2007**

FUNCTION ACTIVITIES	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
General Government	\$ 2,852,921	\$ 970,615	\$ 250	\$ 18,994	\$ 989,859
Parks & Recreation	1,833,112	78,197	559	1,399,919	1,478,675
Public Safety	1,934,542	113,193	7,823	-	121,016
Public Works	2,457,612	634,361	-	9,265,218	9,899,579
Interest on Long-Term Debt	1,177,219	-	-	-	-
Total Governmental Activities	10,255,406	1,796,366	8,632	10,684,131	12,489,129
Business-type Activities:					
Water	5,849,291	4,803,707	-	8,641,733	13,445,440
Wastewater	2,060,713	2,004,146	-	3,839,485	5,843,631
Storm Drainage	345,266	355,649	-	-	355,649
Airport	479,946	332,927	-	-	332,927
Housing Authority	107,822	74,560	-	-	74,560
Total Business-type Activities:	8,843,038	7,570,989	-	12,481,218	20,052,207
Total Primary Government	\$19,098,444	\$9,367,355	\$ 8,632	\$ 23,165,349	\$32,541,336

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,863,062)	\$ -	\$ (1,863,062)
(354,437)	-	(354,437)
(1,813,526)	-	(1,813,526)
7,441,967	-	7,441,967
(1,177,219)	-	(1,177,219)
<u>2,233,723</u>	<u>-</u>	<u>2,233,723</u>
-	7,596,149	7,596,149
-	3,782,918	3,782,918
-	10,383	10,383
-	(147,019)	(147,019)
-	(33,262)	(33,262)
<u>-</u>	<u>11,209,169</u>	<u>11,209,169</u>
<u>2,233,723</u>	<u>11,209,169</u>	<u>13,442,892</u>

**GENERAL REVENUES**

Taxes:

Sales & Use Taxes	3,922,663	-	3,922,663
Property Taxes	3,078,525	-	3,078,525
Franchise Taxes	507,525	-	507,525
Transportation Taxes	806,622	-	806,622
Other Taxes	142,283	-	142,283
Investment Earnings	2,734,514	2,063,478	4,797,992
Other Miscellaneous	789,859	249,360	1,039,219
	<u>11,981,991</u>	<u>2,312,838</u>	<u>14,294,829</u>
Changes in Net Assets	14,215,714	13,522,007	27,737,721
Net Assets - Beginning	<u>76,819,280</u>	<u>133,541,093</u>	<u>210,360,373</u>
Net Assets - Ending	<u>\$ 91,034,994</u>	<u>\$ 147,063,100</u>	<u>\$ 238,098,094</u>

**Town of Erie, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2007**

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,172,064	\$ 1,086,093	\$ 2,258,157
Investments	21,384,347	20,161,077	41,545,424
Receivables:			
Property Taxes	2,784,187	779,775	3,563,962
Accounts	1,066,149	41,967	1,108,116
Interest	504,420	-	504,420
Prepaid Items	68,101	-	68,101
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 26,979,268</u>	<u>\$ 22,068,912</u>	<u>\$ 49,048,180</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 4,244,206	\$ 288,966	\$ 4,533,172
Accrued Wages Payable	102,158	-	102,158
Due to Other Organizations	1,559,109	-	1,559,109
Deferred Revenue	2,784,187	779,775	3,563,962
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>8,689,660</u>	<u>1,068,741</u>	<u>9,758,401</u>
Fund Balances			
Reserved for Encumbrances	2,340,335	-	2,340,335
Reserved for Capital Projects	-	20,820,428	20,820,428
Reserved for Emergencies	544,376	-	544,376
Unreserved, reported in:			
General Fund	15,404,897	-	15,404,897
Special Revenue Funds	-	179,743	179,743
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>18,289,608</u>	<u>21,000,171</u>	<u>39,289,779</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$ 26,979,268</u>	<u>\$ 22,068,912</u>	<u>\$ 49,048,180</u>

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

**Town of Erie, Colorado**  
**Reconciliation of Balance Sheet of**  
**Governmental Funds to the Statement of Net Assets**  
**December 31, 2007**

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Amounts reported for governmental activities in the statement of net assets (page 33) are different because:

Total fund balances - governmental funds (page 36)	\$ 39,289,779
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	72,093,624
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(20,348,409)</u>
Net assets of governmental activities (page 33)	<u><u>\$ 91,034,994</u></u>

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

**Town of Erie**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 7,102,746	\$ 669,782	\$ 7,772,528
Licenses & Permits	1,064,310	-	1,064,310
Intergovernmental	555,735	129,355	685,090
Fees & Charges for Services	796,853	2,921,144	3,717,997
Fines & Forfeitures	100,226	12,967	113,193
Investment Earnings	1,600,164	1,134,349	2,734,513
Miscellaneous	1,333,019	559	1,333,578
<b>Total Revenues</b>	<b>12,553,053</b>	<b>4,868,156</b>	<b>17,421,209</b>
<b>EXPENDITURES</b>			
Current Operating:			
General Government	2,392,489	-	2,392,489
Public Safety	1,835,547	-	1,835,547
Public Works	1,525,403	-	1,525,403
Parks and Recreation	1,444,401	101,857	1,546,258
Capital Outlay	16,141,721	5,633,420	21,775,141
Debt Service:			
Principal	340,000	-	340,000
Interest	1,230,056	-	1,230,056
<b>Total Expenditures</b>	<b>24,909,617</b>	<b>5,735,277</b>	<b>30,644,894</b>
Excess of Revenue Over Expenditures	(12,356,564)	(867,121)	(13,223,685)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sales of Capital Assets	155,730	-	155,730
Transfers In	101,000	597,300	698,300
Transfers Out	-	(698,300)	(698,300)
<b>Total Other Financing Sources (Uses)</b>	<b>256,730</b>	<b>(101,000)</b>	<b>155,730</b>
Net Change in Fund Balances	(12,099,834)	(968,121)	(13,067,955)
<b>Fund Balances - Beginning</b>	<b>30,389,442</b>	<b>21,968,292</b>	<b>52,357,734</b>
<b>Fund Balances - Ending</b>	<b>\$ 18,289,608</b>	<b>\$ 21,000,171</b>	<b>\$ 39,289,779</b>

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

**Town of Erie, Colorado**  
**Reconciliation of Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2007**

Amounts reported for governmental activities in the statement of activities (pages 34-35) are different because:

Net change in fund balances - governmental funds (page 38)	\$ (13,067,955)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.	20,054,647
The net effect of various miscellaneous transactions involving capital assets (i.e., capital contributions, sales, trade-ins, and donations) is to increase net assets.	6,894,180
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items.	340,000
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 governmental funds.	(5,158)
Change in net assets of governmental activities (page 35)	<u>\$ 14,215,714</u>

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

**Town of Erie**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 7,102,746	\$ 6,681,200	\$ 6,972,300	\$ 130,446
Licenses & Permits	1,064,310	1,244,100	1,347,100	(282,790)
Intergovernmental	555,735	490,100	492,800	62,935
Fees & Charges for Services	796,853	563,700	663,700	133,153
Fines & Forfeitures	100,226	152,600	152,600	(52,374)
Investment Earnings	1,600,164	614,300	805,300	794,864
Miscellaneous	1,333,019	361,600	1,931,900	(598,881)
<b>Total Revenues</b>	<b>12,553,053</b>	<b>10,107,600</b>	<b>12,365,700</b>	<b>187,353</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	2,392,489	2,367,700	3,248,900	856,411
Public Safety	1,835,547	2,065,900	2,036,500	200,953
Public Works	1,525,403	1,955,900	2,118,600	593,197
Parks and Recreation	1,444,401	1,415,400	1,744,700	300,299
Capital Outlay	16,141,721	707,900	17,300,200	1,158,479
Debt Service:				
Principal	340,000	340,000	340,000	-
Interest	1,230,056	1,230,200	1,230,200	144
<b>Total Expenditures</b>	<b>24,909,617</b>	<b>10,083,000</b>	<b>28,019,100</b>	<b>3,109,483</b>
Excess Revenues Over (Under) Expenditures	(12,356,564)	24,600	(15,653,400)	3,296,836
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sales of Capital Assets	155,730	-	-	155,730
Transfers In	101,000	142,400	142,400	(41,400)
<b>Total Other Financing Sources</b>	<b>256,730</b>	<b>142,400</b>	<b>142,400</b>	<b>114,330</b>
Net Changes in Fund Balance	(12,099,834)	<u>\$ 167,000</u>	<u>\$ (15,511,000)</u>	<u>\$ 3,411,166</u>
<b>Fund Balances - Beginning</b>	<b>30,389,442</b>			
<b>Fund Balances - Ending</b>	<b>\$ 18,289,608</b>			

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

**Town of Erie, Colorado**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2007**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Water	Wastewater	Other Enterprise Funds	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 1,672,777	\$ 857,101	\$ 130,551	\$ 2,660,429
Investments	29,680,449	12,764,686	1,064,920	43,510,055
Accounts Receivable	358,631	362,581	52,152	773,364
Prepaid Expenses	-	-	-	-
Accrued Interest Receivable	53,084	-	-	53,084
<b>Total Current Assets</b>	<b>31,764,941</b>	<b>13,984,368</b>	<b>1,247,623</b>	<b>46,996,932</b>
Noncurrent Assets				
Land and Water Rights	75,084,959	59,022	656,000	75,799,981
Buildings, Property and Equipment	58,784,929	28,406,028	15,643,160	102,834,117
Accumulated Depreciation	(7,103,441)	(3,614,063)	(1,869,017)	(12,586,521)
Construction in Progress	10,618,036	1,432,871	-	12,050,907
Unamortized Bond Issue Costs	588,798	52,417	25,254	666,469
<b>Total Noncurrent Assets</b>	<b>137,973,281</b>	<b>26,336,275</b>	<b>14,455,397</b>	<b>178,764,953</b>
<b>Total Assets</b>	<b>169,738,222</b>	<b>40,320,643</b>	<b>15,703,020</b>	<b>225,761,885</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	1,566,352	45,313	53,580	1,665,245
Accrued Interest Payable	161,766	33,198	8,565	203,529
Accrued Wages Payable	20,481	16,231	1,598	38,310
Prepaid Tap Fees	741,600	412,000	-	1,153,600
Capital Lease Purchase	530,000	-	-	530,000
Loans Payable	555,000	116,090	26,322	697,412
Bonds Payable	574,000	85,000	-	659,000
<b>Total Current Liabilities</b>	<b>4,149,199</b>	<b>707,832</b>	<b>90,065</b>	<b>4,947,096</b>
Noncurrent Liabilities				
Prepaid Tap Fees	449,264	236,480	-	685,744
Capital Lease Purchase	30,515,000	-	-	30,515,000
Loans Payable - net of unamortized discounts/premiums	11,810,512	1,252,954	1,230,200	14,293,666
Bonds Payable, net of unamortized discounts/premiums	27,212,278	1,045,000	-	28,257,278
<b>Total Noncurrent Liabilities</b>	<b>69,987,054</b>	<b>2,534,434</b>	<b>1,230,200</b>	<b>73,751,688</b>
<b>Total Liabilities</b>	<b>74,136,253</b>	<b>3,242,266</b>	<b>1,320,265</b>	<b>78,698,784</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt Restricted	75,904,828	23,837,231	13,198,875	112,940,934
Bond Reserves	2,829,295	163,500	54,864	3,047,659
Capital Projects	9,893,979	-	-	9,893,979
Operations & Maintenance Reserves	1,049,328	337,752	-	1,387,080
Unrestricted	5,924,539	12,739,894	1,129,016	19,793,449
<b>Total Net Assets</b>	<b>\$ 95,601,969</b>	<b>\$37,078,377</b>	<b>\$14,382,755</b>	<b>\$147,063,101</b>

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

**Town of Erie**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Water	Wastewater	Other Enterprise Funds	
<b>Operating Revenue</b>				
Charges for Services	\$ 4,803,707	\$ 2,004,146	\$ 763,136	\$ 7,570,989
Total Operating Revenue	4,803,707	2,004,146	763,136	7,570,989
<b>Operating Expenses</b>				
Personnel Services	1,029,458	834,735	89,317	1,953,510
Operations and Maintenance	1,370,413	378,584	413,522	2,162,519
Project Expenses	342,342	-	-	342,342
Depreciation	1,363,239	705,813	381,200	2,450,252
Total Operating Expenses	4,105,452	1,919,132	884,039	6,908,623
Net Operating Income (Loss)	698,255	85,014	(120,903)	662,366
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	1,327,613	676,203	59,662	2,063,478
Other	154,498	12,834	82,029	249,361
Amortization of Debt Issuance Costs	(288,742)	(3,887)	(3,788)	(296,417)
Interest Expense	(1,455,097)	(137,694)	(45,207)	(1,637,998)
Total Nonoperating Revenues (Expenses)	(261,728)	547,456	92,696	378,424
Income before contributions	436,527	632,470	(28,207)	1,040,790
Capital Contributions	8,641,733	3,839,485	-	12,481,218
Change in Net Assets	9,078,260	4,471,955	(28,207)	13,522,008
Total Net Assets - Beginning	86,523,709	32,606,422	14,410,962	133,541,093
Total Net Assets - Ending	\$95,601,969	\$37,078,377	\$14,382,755	\$147,063,101

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

Town of Eric  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Water	Wastewater	Other Enterprise Funds	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 4,772,415	\$ 1,976,685	\$ 763,119	\$ 7,512,219
Payments to Employees	(802,661)	(651,103)	(80,757)	(1,534,521)
Payments to Suppliers	(1,276,042)	(604,367)	(506,528)	(2,386,937)
Net Cash Provided by Operating Activities	<u>2,693,712</u>	<u>721,215</u>	<u>175,834</u>	<u>3,590,761</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Loan Repayment	-	-	-	-
Developer Reimbursements	250,386	12,834	69,165	332,385
Cash Flows Provided (Used) in Noncapital Financing Activities	<u>250,386</u>	<u>12,834</u>	<u>69,165</u>	<u>332,385</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Capital Debt	19,514,248	-	-	19,514,248
Payments for the defeasance of Capital Debt	(5,033,284)	-	-	(5,033,284)
Acquisition and Construction of Capital Assets	(9,897,325)	(826,432)	(26,810)	(10,750,567)
Disposition of Capital Assets	-	-	131,274	131,274
Principal Paid on Capital Debt	(1,579,000)	(189,648)	(29,927)	(1,798,575)
Interest Paid on Capital Debt	(1,402,473)	(139,671)	(42,613)	(1,584,757)
Prepaid Capital Contributions	(258,336)	(279,264)	-	(537,600)
Capital Contributions	5,955,348	1,342,838	-	7,298,186
Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>7,299,178</u>	<u>(92,177)</u>	<u>31,924</u>	<u>7,238,925</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	(11,664,991)	(1,273,151)	(334,984)	(13,273,126)
Earnings on Investments	1,277,767	676,202	59,662	2,013,631
Cash Flows Used in Investing Activities	<u>(10,387,224)</u>	<u>(596,949)</u>	<u>(275,322)</u>	<u>(11,259,495)</u>
Net Decrease in Cash and Cash Equivalents	(143,948)	44,923	1,601	(97,424)
Cash and Cash Equivalents - January 1	<u>1,816,725</u>	<u>812,178</u>	<u>128,950</u>	<u>2,757,853</u>
Cash and Cash Equivalents - December 31	<u>\$ 1,672,777</u>	<u>\$ 857,101</u>	<u>\$ 130,551</u>	<u>\$ 2,660,429</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	698,255	85,014	(120,903)	662,366
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation Expense	1,363,239	705,813	381,200	2,450,252
Other Income	-	-	12,866	12,866
Decrease in prepaid expenses	-	-	2,627	2,627
Increase in accounts receivable	(31,292)	(27,462)	(13,016)	(71,770)
Increase (decrease) in accounts payable	662,428	(43,007)	(75,621)	543,800
Increase (decrease) in wages payable	1,081	857	(11,319)	(9,381)
Net Cash Provided by Operating Activities	<u>\$ 2,693,712</u>	<u>\$ 721,215</u>	<u>\$ 175,834</u>	<u>\$ 3,590,760</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Contributions of Capital Assets from Developers	2,686,385	2,496,647	-	5,183,032

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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**Notes to the Financial Statements**  
**As of and for the year end December 31, 2007**

**Note I.** Summary of Significant Accounting Policies

The Town of Erie, Colorado (the Town) was incorporated in 1874 and has the Trustees-Administrator form of government. The Town provides the following services: police, water, wastewater, street, storm drainage, airport, parks, recreation, trails and natural areas.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the Town's financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Town. Component units are legally separate organizations for which the Town is considered to be financially accountable.

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

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

A brief description of the blended component unit follows:

*Town of Erie Housing Authority (Housing Authority)* – The Town Board of Trustees also serves as the Board of Commissioners of the Housing Authority. The activities of the Housing Authority directly benefit the citizens of the Town. The Housing Authority constructed and manages the senior housing complex.

*Erie Community Civic Fund* – The Town Board of Trustees appoint the Board of Directors for the Erie Community Civic Fund, consisting solely of members of the Town Board of Trustees. The Erie Community Civic Fund (ECCF) is a 501(c)(3) not-for-profit corporation established by the Board of Trustees for charitable and educational purposes solely for the benefit of the Town's citizens. The ECCF may receive funding from certain foundations for the purpose of providing charitable and educational programs to the Town.

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

**B.** Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information on all of the non-fiduciary activities of the Town and its component unit. 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 assets 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 the direct expenses, of a given function or segment, 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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.

Deferred revenue arises when assets are recognized before the revenue recognition criteria have been satisfied. Deferred revenue is reclassified as unearned revenue on the government-wide statement of net assets.

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

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

available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, highway users' tax, auto use taxes, franchise taxes, sales taxes, cigarette taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

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

The Town reports the following major enterprise funds:

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The Town maintains pooled cash and pooled investment accounts for all funds of the Town. Each fund's positive equity in the pooled cash and pooled investment accounts are presented as "cash and cash equivalents" and "investments" in the financial statements. Interest earned on the pooled cash and investments is prorated to individual funds at the end of each month on the basis of their monthly ending balance. At December 31, 2007, the cash equity balance for all funds were in fact positive balances. A negative equity balance would be reclassified and reflected as an interfund accounts payable.

Town and component unit investments are reported at fair value.

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 non-current 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.

All trade and property tax receivables are reported net of any allowance for uncollectibles, where applicable.

Property taxes levied in a particular year are collected the subsequent year. The property tax calendar is as follows:

	<u>Tax Year</u>
Tax Levy certified to County Commissioners	December 15
County Commissioners certify levy to County Assessor	December 22
	<u>Ensuing Collection Year</u>
Taxes attach as an enforceable lien on property	January 1
First installment due date (one-half of taxes due)	February 28

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

Taxes due in full (unless installments elected by taxpayer)	April 30
Second installment due date (second half due)	June 15

The taxes are collected by the Boulder County and Weld County Treasurers on behalf of the Town and are remitted by the 15<sup>th</sup> day of the month following collection. A 1% collection fee is retained by the Counties as compensation for collecting the taxes.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The items are accounted for using the purchases 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 they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The Town reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and the enterprise funds' statements of net assets.

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Town has capitalized infrastructure prospectively, beginning January 1, 2004, and all Town constructed infrastructure since January 1, 1997. The Town has elected to not capitalize all other governmental infrastructure as allowed by GASB 34.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the Town is depreciated using the straight line method over the following useful lives:

Assets	Years
Buildings and Improvements	5-50
Infrastructure	20-50
Improvements other than Buildings	5-40
Machinery and Equipment	3-10
Vehicles	3-5

6. Compensated Absences

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

7. Long-term Obligations

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

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

8. Fund Equity

Fund equity in the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is reported as net assets.

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

Generally, fund balance represents the difference between the current assets and current liabilities. The Town reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of the fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net assets represent the difference between the assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

9. Capital Contributions

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Contributions of capital in the governmental activities of the government-wide financial statements arise from external contributions of capital assets from developers.

10. Estimates

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

**Note II.** Changes in Accounting Principles, Fund Reclassifications, and Restatement of Equity Balances

A. Changes in Accounting Principles

For fiscal year 2007, the Town implemented GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues." GASB Statement No. 48 provides guidance on how the Town should account for sales and pledges of receives and future revenues.

**Note III. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this amount are as follows:

Bonds Payable	\$ 19,871,095
Plus: Issuance premium (to be amortized over life of debt)	433,107
Less: Deferred charge for issuance costs (to be amortized over the life of the debt)	(391,579)
Accrued Interest Payable	76,886
Compensated Absences	<u>358,900</u>
Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 20,348,409</u></u>

**B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 21,408,518
Depreciation Expense	<u>(1,353,871)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ 20,054,647</u></u>

**Note III.** Reconciliation of Government-wide and Fund Financial Statements *(continued)*

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 6,894,180
	<u>6,894,180</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 6,894,180
	<u>6,894,180</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this amount are as follows:

Principal Repayments	
General obligation debt	340,000
	<u>340,000</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 340,000
	<u>340,000</u>

Another element of that reconciliation states that “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 governmental funds.” The details of this difference are as follows:

Compensated Absences	\$ (46,618)
Accrued Interest	52,837
Amortization of Bond Issuance Costs	<u>(11,377)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ (5,158)
	<u>(5,158)</u>

**Note IV. 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 Housing Authority and 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 Town Trustee meetings to obtain taxpayer comments. By December 15, the final budget is adopted.

The appropriated budget is adopted by fund. The budget is prepared, by fund, department, and division, and, therefore, is the legal level of control. Managers can make transfers of appropriations within divisions without board approval. All other transfers of appropriations require Board approval. The Board made several supplemental appropriations throughout the year as detailed below for each fund.

<b>Fund</b>	<b>Original Budget</b>	<b>Supplemental Appropriations</b>	<b>Final Budget</b>
General Fund	\$ 10,083,000	\$ 17,936,100	\$ 28,019,100
Special Revenue Funds:			
Parks Improvement Impact Fund	2,156,200	4,080,700	6,236,900
Public Facilities Impact Fund	3,500,000	925,000	4,425,000
Storm Drainage Impact Fund	1,040,000	1,862,100	2,902,100
Trails & Natural Areas Fund	340,000	849,700	1,189,700
Transportation Impact Fund	753,000	4,335,200	5,088,200
Tree Impact Fund	236,500	211,400	447,900
Enterprise Funds:			
Water Fund	32,865,100	12,654,800	45,519,900
Wastewater Fund	5,104,800	27,146,400	32,251,200
Storm Drainage Fund	366,000	194,000	560,000
Airport Fund	186,100	610,600	796,700
	<u>\$ 56,630,700</u>	<u>\$ 70,806,000</u>	<u>\$ 127,436,700</u>

Note: No expenditures were budgeted in the following funds:

Cemetery Fund, Conservation Trust Fund, Dare/Sadd Fund, and Police Forfeiture and Seizure Fund

**Note IV.** Stewardship, Compliance, and Accountability *(continued)*

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because of the commitments will be reappropriated and honored during the subsequent fiscal year.

**Note V.** Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

The carrying amount of the Town's deposits as of December 31, 2007, was \$4,898,356. The bank balances were \$5,637,475 of which \$200,000 was covered by federal deposit insurance and \$5,437,475 was collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Custodial Credit Risk – 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. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2007, State regulatory commissioners have indicated that all the financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposit.

2. Investments

The Town adopted, by ordinance, an investment policy on December 13, 2005. This ordinance governs the Town's investments and investment risks, including: interest rate risk, concentration of credit risk, custodial credit risk, and credit risk.

Investments of the Town may include:

- Obligations of the United States and certain U.S. government agency securities.
- Certificates of deposit.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Investment grade obligations of state, provincial and local governments.
- Repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Local government investment pools.

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

In accordance with GASB Statement No. 40, the Town's investments are subject to interest rate risk, custodial risk, and credit risk as described below.

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment ordinance 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 securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Concentration of Credit Risk**

The Town places no limit on the amount the Town may invest in any one issuer. More than 4.99% of the Town's investments are in Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB) and FARMER MAC agency securities. These investments are 37.65%, 24.70%, 17.57%, 15.08%, and 5.00% respectively, of the Town's total investments in securities. These investments were rated AAA.

**Custodial Credit Risk for Investments**

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 manages the risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Town does business.

**Credit Risk**

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 security or from any one individual issuer will be minimized.

As of December 31, 2007, the Town had the following investments and maturities:

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

Investment Type	Rating	Fair Value	Investment Maturities	
			Up to 120 Days	121 Days to 5 Years
Federal Home Loan Mortgage Corporation (FHLMC)	AAA	\$ 15,054,732	\$ 1,994,375	\$ 13,060,357
Federal Home Loan Bank (FHLB)	AAA	9,876,193	1,996,250	7,879,943
Federal National Mortgage Association (FNMA)	AAA	7,026,875	-	7,026,875
Federal Farm Credit Bank (FFCB)	AAA	6,031,250	1,993,750	4,037,500
Farmer Mac	AAA	1,998,434	-	1,998,434
ColoTrust	AAA	15,087,724	15,087,724	-
CSAFE	AAA	29,980,270	29,980,270	-
Total Investments Controlled by Town		85,055,478	\$ 51,052,369	\$ 34,003,109
Percent of Total			60%	40%
Reconciliation to Total Deposits and Investments				
Cash on Hand and in Banks		4,918,587		
Total Deposits and Investments		\$ 89,974,065		

The Town had invested a total of \$15,087,725 and \$29,980,270 respectively, in the Colorado Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE) at year-end. COLOTRUST and CSAFE are investment vehicles established for local government entities in Colorado to pool surplus funds. These funds operate similarly to money market funds and each share is equal in value to \$1.00. Investments in these funds consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to these funds in connection with the direct investment and withdrawal functions of these funds. Substantially all securities owned by these funds are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by these funds. The COLOTRUST financial statements can be obtained at [www.colotruster.com](http://www.colotruster.com). The CSAFE financial statements can be obtained at [www.csafe.org](http://www.csafe.org). The investments were rated AAA.

The carrying amounts of the deposits and investments are reflected in the accompanying financial statements as:

	Total
Statement of Net Assets:	
Cash and Cash Equivalents	\$ 4,918,587
Investments	85,055,478
	<u>\$89,974,065</u>

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

**B. Receivables**

Receivables as of year end for the Town's individual major funds, and nonmajor and fiduciary funds in aggregate, including the applicable allowances for uncollectible accounts, are as follow:

	General	Water	Wastewater	Nonmajor and Other Funds	Total
Receivables					
Interest	\$ 504,420	\$ 53,084	\$ -	\$ -	\$ 557,504
Taxes	2,784,187	-	-	779,775	3,563,962
Accounts	1,072,029	359,407	362,581	95,343	1,889,360
	<u>4,360,636</u>	<u>412,491</u>	<u>362,581</u>	<u>875,118</u>	<u>6,010,826</u>
Gross Receivables					
Less: Allowance for Uncollectible	(5,880)	(776)	-	(1,224)	(7,880)
	<u>(5,880)</u>	<u>(776)</u>	<u>-</u>	<u>(1,224)</u>	<u>(7,880)</u>
Total Net Receivables	<u>\$ 4,354,756</u>	<u>\$ 411,715</u>	<u>\$ 362,581</u>	<u>\$ 873,894</u>	<u>\$ 6,002,946</u>

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 6,689,287	\$ -	\$ -	\$ 6,689,287
Construction in Progress	4,028,455	20,980,344	3,107,291	21,901,508
Total Capital Assets, not being depreciated:	<u>10,717,742</u>	<u>20,980,344</u>	<u>3,107,291</u>	<u>28,590,795</u>
Capital Assets, being depreciated:				
Buildings & Improvements	3,755,010	-	-	3,755,010
Improvements other than Buildings	32,916,047	10,370,479	-	43,286,526
Machinery & Equipment	2,393,275	9,510	-	2,402,785
Vehicles	1,211,064	49,655	-	1,260,719
Total Capital Assets, being depreciated:	<u>40,275,396</u>	<u>10,429,644</u>	<u>-</u>	<u>50,705,040</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	(717,376)	(73,801)	-	(791,177)
Improvements other than Buildings	(2,247,158)	(1,037,708)	-	(3,284,866)
Machinery & Equipment	(1,890,344)	(143,743)	-	(2,034,087)
Vehicles	(993,463)	(98,618)	-	(1,092,081)
Total Accumulated Depreciation	<u>(5,848,341)</u>	<u>(1,353,870)</u>	<u>-</u>	<u>(7,202,211)</u>
Total Capital Assets, being depreciated, net	<u>34,427,055</u>	<u>9,075,774</u>	<u>-</u>	<u>43,502,829</u>
Governmental Activities Capital Assets, net	<u>\$ 45,144,797</u>	<u>\$ 30,056,118</u>	<u>\$ 3,107,291</u>	<u>\$ 72,093,624</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 3,890,671	\$ -	\$ 131,275	\$ 3,759,396
Water Shares	69,125,088	2,915,497	-	72,040,585
Construction in Progress	<u>4,525,445</u>	<u>7,862,483</u>	<u>337,021</u>	<u>12,050,907</u>
Total Capital Assets, not being depreciated:	<u>77,541,204</u>	<u>10,777,980</u>	<u>468,296</u>	<u>87,850,888</u>
Capital Assets, being depreciated:				
Plants, Buildings & Improvements	96,369,798	5,920,863	-	102,290,661
Machinery & Equipment	<u>530,794</u>	<u>25,438</u>	<u>12,776</u>	<u>543,456</u>
Total Capital Assets, being depreciated:	<u>96,900,592</u>	<u>5,946,301</u>	<u>12,776</u>	<u>102,834,117</u>
Less Accumulated Depreciation for:				
Plants, Buildings & Improvements	(9,878,047)	(2,412,414)	-	(12,290,461)
Machinery & Equipment	<u>(270,998)</u>	<u>(37,838)</u>	<u>(12,776)</u>	<u>(296,060)</u>
Total Accumulated Depreciation	<u>(10,149,045)</u>	<u>(2,450,252)</u>	<u>(12,776)</u>	<u>(12,586,521)</u>
Total Capital Assets, being depreciated, net	<u>86,751,547</u>	<u>3,496,049</u>	<u>-</u>	<u>90,247,596</u>
Business-type Activities Capital Assets, net	<u>\$ 164,292,751</u>	<u>\$ 14,274,029</u>	<u>\$ 468,296</u>	<u>\$ 178,098,484</u>

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

Governmental Activities:	
General Government	\$ 83,038
Parks & Recreation	260,040
Public Safety	96,335
Public Works	<u>914,457</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,353,870</u>
Business-type Activities:	
Water	\$ 1,363,239
Wastewater	705,813
Storm Drainage Operating	221,460
Airport	130,717
Housing Authority	<u>29,023</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 2,450,252</u>

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

D. 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 been issued for only governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds.

2. Revenue Bonds and Loans

The Town also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The Town can also receive loans and pledge the income derived from the acquired or constructed assets to pay debt service.

3. Long-term Debt Summary

The following is a summary of all general and revenue obligations outstanding long-term debt issues at December 31, 2007:

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

Year Issued	Purpose	Interest Rate (%)	Maturity Date	Authorized & Issued	Retired	Outstanding Balance
1978	Water revenue bonds	5.00	2019	\$ 290,000	\$ 140,000	\$ 150,000
1996	Housing Authority FHLB forgivable loan	0.00	2015	60,000	-	60,000
1996	Storm Drainage revenue loan from CWCB	2.00	2035	498,512	110,693	387,819
1997	Wastewater revenue loan from CWRPDA	4.54	2017	1,821,690	763,934	1,057,756
1997	Wastewater revenue loan from CWRPDA	4.50	2017	500,000	188,712	311,288
1997	Wastewater revenue bonds	4.00-6.00	2017	1,635,000	505,000	1,130,000
1998	Transportation general obligation bond	3.60-5.15	2018	4,500,000	4,275,000	225,000
1998	Water revenue refunding/improvement bonds	3.70-5.00	2023	16,240,000	8,225,000	8,015,000
2004	Housing Authority mortgage revenue loan*	4.50	2014	861,021	52,318	808,703
2004	Water revenue loan from CWRPDA	4.21	2023	14,500,000	2,220,000	12,280,000
2006	Comm. Recreation Center general obligation bond	4.00 - 5.25	2026	16,800,000	125,000	16,675,000
2006	Refunding bonds general obligation bond**	4.00 - 4.50	2018	2,971,095	-	2,971,095
2007	Water revenue bonds	5.00	2032	14,225,000	-	14,225,000
2007	Water revenue refunding bonds***	4.00 - 5.00	2023	5,035,000	5,000	5,030,000

\* Refinance of 2000 mortgage bonds

\*\* Refunding of callable portion of 1998 GO transportation bonds

\*\*\* Refunding of callable portion of 1998 Water revenue bonds

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

4. Annual Debt Service Requirements

Annual debt service requirements to maturity for all general and revenue obligations for governmental activities and business-type activities are as follows:

Year	Governmental activities		Business-type activities		Total
	Principal	Interest	Principal	Interest	
2008	\$ 800,000	\$ 922,631	\$ 1,356,412	\$ 1,841,844	\$ 4,920,887
2009	836,095	898,636	1,409,611	1,985,647	5,129,989
2010	880,000	857,444	1,472,147	1,925,530	5,135,121
2011	915,000	820,681	1,535,436	1,861,087	5,132,204
2012	950,000	782,456	1,609,075	1,791,067	5,132,598
2013	1,000,000	736,331	1,686,997	1,715,671	5,138,999
2014	1,040,000	692,056	2,446,303	1,625,480	5,803,839
2015	1,090,000	646,006	1,881,719	1,524,491	5,142,216
2016	1,140,000	596,744	1,904,872	1,442,106	5,083,722
2017	1,190,000	546,269	1,993,786	1,350,406	5,080,461
2018	1,245,000	493,156	1,757,759	1,253,562	4,749,477
2019	925,000	437,131	1,839,015	1,174,981	4,376,127
2020	970,000	394,350	1,898,275	1,092,759	4,355,384
2021	1,015,000	348,275	1,988,540	1,006,824	4,358,639
2022	1,065,000	300,063	2,083,811	915,566	4,364,440
2023	1,115,000	246,813	2,174,087	818,159	4,354,059
2024	1,170,000	191,063	1,304,369	715,104	3,380,536
2025	1,230,000	132,563	1,369,656	650,317	3,382,536
2026	1,295,000	67,988	1,434,950	582,274	3,380,212
2027	-	-	1,510,249	510,975	2,021,224
2028	-	-	1,585,554	435,920	2,021,474
2029	-	-	1,660,865	357,109	2,017,974
2030	-	-	1,746,182	274,542	2,020,724
2031	-	-	1,831,506	187,718	2,019,224
2032	-	-	1,921,836	96,638	2,018,474
2033	-	-	17,172	1,051	18,223
2034	-	-	17,516	708	18,224
2035	-	-	17,866	357	18,223
Total	<u>\$ 19,871,095</u>	<u>\$ 10,110,656</u>	<u>\$ 43,455,566</u>	<u>\$ 27,137,893</u>	<u>\$ 100,575,210</u>

5. Certificates of Participation and Capital Leases

Through the Erie Finance Corporation (EFC), the Town issues certificates of participation (COPs) for the acquisition and construction of major capital facilities and improvements. The COPs are secured by the constructed facilities and improvements. The debt service payments are made from the rents collected by the EFC based upon a lease purchase agreement between the Town and the EFC. The improvements and outstanding COPs are recorded on the Town's financial statements as capital assets and capital leases, respectively.

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

As of December 31, 2005, the Town had entered into a lease purchase agreement with the EFC to purchase Colorado-Big Thompson (CBT) water shares in the amount of \$32,030,000. The COPs issued by the EFC have an adjustable rate with a maximum interest rate of 12%. Actual interest rates are established weekly by the remarketing agent. During 2007, the rate ranged from 3.16% to 4.01%. Additionally, the COPs may be redeemed in whole or part prior to the maturity without penalty. The lease 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 constitution or statutory debt limitation.

The following is a summary of the payments under the lease purchase agreement mentioned above using the maximum interest rate:

Year	Principal	Interest	Total
2008	\$ 530,000	\$ 3,714,800	\$ 4,244,800
2009	560,000	3,650,600	4,210,600
2010	585,000	3,582,900	4,167,900
2011	615,000	3,512,100	4,127,100
2012	645,000	3,437,700	4,082,700
2013	680,000	3,359,600	4,039,600
2014	710,000	3,277,400	3,987,400
2015	750,000	3,191,400	3,941,400
2016	785,000	3,100,700	3,885,700
2017	825,000	3,005,700	3,830,700
2018	865,000	2,905,900	3,770,900
2019	910,000	2,801,200	3,711,200
2020	955,000	2,691,100	3,646,100
2021	1,000,000	2,575,600	3,575,600
2022	1,050,000	2,454,600	3,504,600
2023	1,105,000	2,327,500	3,432,500
2024	1,160,000	2,193,800	3,353,800
2025	1,220,000	2,053,400	3,273,400
2026	1,280,000	1,905,800	3,185,800
2027	1,345,000	1,750,900	3,095,900
2028	1,410,000	1,588,200	2,998,200
2029	1,480,000	1,417,600	2,897,600
2030	1,555,000	1,238,500	2,793,500
2031	1,635,000	1,050,300	2,685,300
2032	1,715,000	852,500	2,567,500
2033	1,800,000	645,000	2,445,000
2034	1,890,000	427,200	2,317,200
2035	1,985,000	198,500	2,183,500
	<u>31,045,000</u>	<u>64,910,500</u>	<u>95,955,500</u>
Total	<u>\$ 31,045,000</u>	<u>\$ 64,910,500</u>	<u>\$ 95,955,500</u>

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

6. Changes in Long-term Liabilities

Long-term debt liability activity for all general and revenue obligations for the year ended December 31, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds/Loans Payable:					
General Obligation Bonds	\$ 20,211,095	\$ -	\$ (340,000)	\$ 19,871,095	\$ 800,000
Amortization of Bond Issuance Costs	(316,618)	-	11,377	(305,241)	-
Amortization of Bond Refunding Revenue	(86,338)	-	-	(86,338)	-
Amortization of Bond Discounts/Premiums	435,894	-	(2,787)	433,107	-
Accrued Compensated Absences	312,282	363,948	(317,330)	358,900	228,976
	<u>\$ 20,556,315</u>	<u>\$ 363,948</u>	<u>\$ (648,740)</u>	<u>\$ 20,271,523</u>	<u>\$ 1,028,976</u>
Total Governmental Activity					
Long-term Liabilities	<u>\$ 20,556,315</u>	<u>\$ 363,948</u>	<u>\$ (648,740)</u>	<u>\$ 20,271,523</u>	<u>\$ 1,028,976</u>
<b>Business-type Activities:</b>					
Bonds/Loans Payable:					
Revenue Bonds	\$ 14,859,000	\$ 19,260,000	\$ (5,569,000)	\$ 28,550,000	\$ 659,000
CWRPDA Loans	14,298,691	-	(649,648)	13,649,043	671,090
CWCB Loan	398,081	-	(10,262)	387,819	10,467
Mortgage Revenue Loan	828,368	-	(19,665)	808,703	15,855
FHLB Forgivable Loan	60,000	-	-	60,000	-
Capital Lease Purchase	31,550,000	-	(505,000)	31,045,000	530,000
Amortization of Bond Issuance Costs	(443,138)	(376,237)	152,906	(666,469)	-
Amortization of Bond Discounts/Premiums	(264,334)	576,405	139,720	451,791	-
	<u>\$ 61,286,668</u>	<u>\$ 19,460,168</u>	<u>\$ (6,460,949)</u>	<u>\$ 74,285,887</u>	<u>\$ 1,886,412</u>
Total Business-type Activity					
Long-term Liabilities	<u>\$ 61,286,668</u>	<u>\$ 19,460,168</u>	<u>\$ (6,460,949)</u>	<u>\$ 74,285,887</u>	<u>\$ 1,886,412</u>

For governmental activities, compensated absences are generally liquidated by the general fund.

7. Defeasance of Debt

The Town has defeased certain bonds in 2006 by placing the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. The trust account's assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2007, \$2,905,000 of the Town's general obligation bonds are considered defeased. This transaction also resulted in an economic gain of \$99,650 and a reduction of \$110,398 in future debt service payments.

The Town has defeased certain bonds in 2007 by placing the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. The trust account's assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2007, \$4,955,000 of the Town's revenue bonds are considered defeased. This transaction also resulted in an economic gain of \$198,637 and a reduction of \$319,556 in future debt service payments.

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

E. Pension Plan

1. Plan Description

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

2. Basis of Accounting

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

3. Funding Policy

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for members is 8% of covered salary. The contribution made by the Town equaled the annual required contribution.

A summary of the contributions to the Pension Fund for the current and prior two years and annual required contributions based upon actuarial studies for the current and prior years, if available, are as follows:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Town's Contribution	<u>\$ 81,406</u>	<u>\$ 79,188</u>	<u>\$ 67,987</u>

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

F. Net Assets Calculation

1. Investments in Net Assets

Net assets on the government-wide statement of net assets as of December 31, 2007, are as follows:

<b>Invested in Capital Assets, Net of Related Debt:</b>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cost of Capital Assets	\$ 79,295,835	\$ 190,697,781	\$ 269,993,616
Less Accumulated Depreciation	<u>(7,202,211)</u>	<u>(12,599,297)</u>	<u>(19,801,508)</u>
Book Value	72,093,624	178,098,484	250,192,108
Less Capital Related Debt	(19,871,095)	(74,500,565)	(94,371,660)
Plus Debt Issuance Costs	305,241	666,469	971,710
Plus Bond Refunding Revenue	86,338	-	86,338
Plus (Less) Debt Discounts/Premiums	(433,107)	(451,791)	(884,898)
Plus Unspent Capital Related Debt	<u>1,009,092</u>	<u>9,128,337</u>	<u>10,137,429</u>
Invested in Capital Assets, Net of Related Debt:	<u><u>\$ 53,190,093</u></u>	<u><u>\$ 112,940,934</u></u>	<u><u>\$ 166,131,027</u></u>

2. Restricted Assets

The balances of the restricted asset accounts in the governmental activities are as follows:

Reserved for Capital Projects - Conservation Trust	\$ 526,387
Reserved for Capital Projects - Parks Improvement Impact	4,976,938
Reserved for Capital Projects - Public Facilities Impact	7,087,586
Reserved for Capital Projects - Storm Drainage Impact	2,622,547
Reserved for Capital Projects - Trails and Natural Areas	1,161,425
Reserved for Capital Projects - Transportation Impact	3,708,736
Reserved for Capital Projects - Tree Impact	736,809
Reserved for Emergencies	<u>544,376</u>
Total Restricted Assets	<u><u>\$ 21,364,804</u></u>

The balances of the restricted asset accounts in the business-type activities are as follows:

Unspent Debt Proceeds - Water	\$ 9,893,979
Debt Reserve Accounts - Water	2,829,295
Debt Reserve Accounts - Wastewater	163,500
Debt Reserve Accounts - Other	54,864
Operations & Maintenance Reserve - Water	1,049,328
Operations & Maintenance Reserve - Wastewater	<u>337,752</u>
Total Restricted Assets	<u><u>\$ 14,328,718</u></u>

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

3. Emergency Reserves

The Town Board approved a resolution creating emergency reserves as required by Article X, Section 20, of the Colorado Constitution, in the General Fund in the amount of \$544,376.

**Note VI.** Other Information

A. Risk Management

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA provides liability and property, and workers' compensation insurance coverage to the Town. The coverages are provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA's rate setting policies are established by the Board of Directors, in consultation with independent actuaries.

The Town is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2007 limit CIRSA's per occurrence exposure to \$250,000 for property coverage, \$1,000,000 for casualty coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$400,000 for 2007 and provides coverage to statutory limits for the State of Colorado. Settlements did not exceed insurance coverage for each of the past three years.

The Town's 2007 contributions were \$250,012 and \$102,392 for the property and casualty pool and the workers' compensation pool, respectively.

B. Contingent Liabilities

1. Colorado Intergovernmental Risk Sharing Agency

The Town of Erie is self-insured for property and liability insurance. As discussed in paragraph A of this note, the Town of Erie is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

**Note VI. Other Information** *(continued)*

The ultimate liability to the Town of Erie resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town of Erie's financial statements.

2. Legal Action and Asserted Claims

The Town is currently the defendant in several lawsuits. Some of the lawsuits are in the process of settlement, and do not involve significant claims. 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. Joint Ventures

The Town of Erie participates in joint ventures created for special purposes, which are not part of the Town of Erie reporting entity. The following are the joint ventures in which the Town of Erie participates:

*Colorado Intergovernmental Risk Sharing Agency* – The Town of Erie is one of 207 local governments which are members of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) and one of 146 local governments in Colorado Intergovernmental Risk Sharing Agency/Workers Compensation (CIRSA/WC). CIRSA is an organization created by intergovernmental agreement in 1982 solely to provide property and casualty coverage to its members. Coverage is provided through pooling of self-insured losses and the purchase of stop-loss insurance coverage. In 1988, CIRSA/WC was formed as a separate pool by an intergovernmental agreement to provide coverage to members under the Colorado Worker's Compensation Act. Both CIRSA and CIRSA/WC are governed by a seven-member board elected by and from its members. The governing board is autonomous as to budgeting and fiscal matters.

Condensed financial information for this joint venture in which the Town of Erie has an interest is as follows:

*CIRSA and CIRSA/WC Combined Financial Information* – At December 31, 2007, CIRSA had assets of \$66,291,264, liabilities of \$32,691,419 (including \$31,020,083 reserved for losses and claims) and net assets of \$33,599,845. Total revenue for 2007 amounted to \$26,490,950 and total expenses were \$18,997,029 resulting in an excess of revenues over expenses of \$7,493,921. The amount of Town of Erie's share of these amounts is 1%.

Complete financial statements of this joint venture can be obtained from:

**Note VI. Other Information** *(continued)*

Colorado Intergovernmental Risk Sharing Agency  
950 South Cherry Street, Suite 800  
Denver, Colorado 80222

**D. Commitments**

The Town has several capital asset construction and acquisition projects in process. As a result of these projects, the Town has remaining outstanding commitments of \$19,674,393 to various general contractors and vendors.

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District (NCWCD). In 2008, the Town expected to contribute \$1,024,000 to the Northern Integrated Supply Project (NISP) and \$0 to the Windy Gap Firming Project. Future years' contributions to these projects depend on the Board of Trustees election to participate.

**E. TABOR Compliance**

In November 1992, voters approved an amendment (TABOR) to the Colorado State Constitution that specifies various revenue, spending, and debt requirements for all governmental entities in Colorado.

On November 8, 1994, the voting citizens of the Town of Erie authorized the town to collect and spend the full revenues during 1994 and each subsequent year, thereafter, 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 TABOR.

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# Supplementary Information

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**Town of Erie**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 7,102,746	\$ 6,681,200	\$ 6,972,300	\$ 130,446
Licenses & Permits	1,064,310	1,244,100	1,347,100	(282,790)
Intergovernmental	555,735	490,100	492,800	62,935
Fees & Charges for Services	796,853	563,700	663,700	133,153
Fines & Forfeitures	100,226	152,600	152,600	(52,374)
Investment Earnings	1,600,164	614,300	805,300	794,864
Miscellaneous	1,333,019	361,600	1,931,900	(598,881)
<b>Total Revenues</b>	<b>12,553,053</b>	<b>10,107,600</b>	<b>12,365,700</b>	<b>187,353</b>
<b>EXPENDITURES</b>				
Division:				
Legislation	357,735	209,700	479,600	121,865
Town Administrator's Office	174,666	189,500	192,800	18,134
Legal Services	283,060	229,600	229,600	(53,460)
Town Clerk's Office	96,712	106,800	118,600	21,888
Planning and Administration	445,474	442,800	944,100	498,626
Building Inspection	371,372	536,400	458,400	87,028
Central Charges	111,331	118,000	146,200	34,869
Debt Service	1,570,056	1,570,200	1,570,200	144
Capital Outlay	16,141,721	707,900	17,300,200	1,158,479
Municipal Court	92,375	114,600	115,100	22,725
Human Resources	67,544	50,600	98,400	30,856
Accounting	222,829	236,400	277,500	54,671
Communication and Information Services	169,391	133,300	188,600	19,209
Parks and Recreation Administration	94,972	-	111,700	16,728
Parks Maintenance	801,815	834,200	916,800	114,985
Recreation	504,866	516,100	665,000	160,134
Senior Citizens Program	42,748	65,100	51,200	8,452
Police Administration	415,799	435,500	429,900	14,101
Police Records	110,807	124,800	125,300	14,493
Community Policing	88,538	108,000	109,000	20,462
Investigations	147,732	173,400	175,600	27,868
Patrol	1,064,147	1,205,300	1,177,800	113,653
Code Enforcement	8,524	18,900	18,900	10,376
Public Works Administration	281,222	345,700	348,400	67,178
Engineering	247,605	317,600	351,800	104,195
Building Maintenance	191,615	249,200	283,300	91,685
Fleet Maintenance	185,931	246,300	247,300	61,369
Streets Maintenance	617,745	792,400	883,100	265,355
Cemetery	1,285	4,700	4,700	3,415
<b>Total Expenditures</b>	<b>24,909,617</b>	<b>10,083,000</b>	<b>28,019,100</b>	<b>3,109,483</b>
Excess (Deficiency) Revenues Over (Under) Expenditures	(12,356,564)	24,600	(15,653,400)	3,296,836
<b>OTHER FINANCING SOURCES</b>				
Proceeds from Sale of Capital Assets	155,730	-	-	155,730
Transfers In	101,000	142,400	142,400	(41,400)
<b>Total Other Financing Sources</b>	<b>256,730</b>	<b>142,400</b>	<b>142,400</b>	<b>114,330</b>
Net Changes in Fund Balance	(12,099,834)	\$ 167,000	\$ (15,511,000)	\$ 3,411,166
<b>Fund Balances - Beginning</b>	<b>30,389,442</b>			
<b>Fund Balances - Ending</b>	<b>\$ 18,289,608</b>			

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**Town of Erie**  
**Combining and Individual Fund Financial Statements and Schedules**  
**Nonmajor Governmental Funds**

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**Special Revenue Funds:**

Cemetery Perpetual Care Fund: to account for the Erie Mount Pleasant Cemetery

Conservation Trust: to account for revenues received from Colorado State Lottery through the State Conservation Trust Fund which are restricted to financing the acquisition and development of new conservation sites

DARE/SADD Fund: to accounts for the operations of the police programs DARE and SADD

Parks Improvement Impact: to account for revenues received from impact fees

Police Forfeiture and Seizure Fund: to account for forfeiture made by persons convicted of drug-related offences

Public Facilities Impact: to account for revenues received from impact fees

Storm Drainage Impact: to account for revenues received from impact fees

Trails and Natural Areas: to account for property tax revenues used to finance trails and natural areas

Transportation Impact: to account for revenues received from impact fees

Tree Impact: to account for revenues received from impact fees

**Town of Erie, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2007**

	Special Revenue Funds			
	Cemetery Perpetual Care	Conservation Trust	DARE/ SADD	Parks Improvement Impact
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,585	\$ 26,906	\$ 305	\$ 254,628
Investments	103,690	499,481	5,654	4,726,768
Receivables:				
Accounts	-	-	-	-
Property Taxes	-	-	-	-
<b>Total Assets</b>	<b>109,275</b>	<b>526,387</b>	<b>5,959</b>	<b>4,981,396</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Liabilities				
Accounts Payable	-	-	-	4,458
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,458</b>
<b>FUND BALANCES</b>				
Fund Balances				
Reserved for Capital Projects	-	526,387	-	4,976,938
Unreserved	109,275	-	5,959	-
<b>Total Fund Balances</b>	<b>109,275</b>	<b>526,387</b>	<b>5,959</b>	<b>4,976,938</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 109,275</b>	<b>\$ 526,387</b>	<b>\$ 5,959</b>	<b>\$ 4,981,396</b>

Special Revenue Funds						Total Nonmajor Governmental Fund
Police Forfeiture/ Seizure	Public Facilities Impact	Storm Drainage Impact	Trails and Natural Areas	Transportation Impact	Tree Impact	
\$ 3,298	\$ 362,288	\$ 137,887	\$ 59,876	\$ 197,231	\$ 38,089	\$ 1,086,093
61,211	6,725,298	2,559,660	1,110,971	3,661,289	707,055	20,161,077
-	-	-	-	41,967	-	41,967
-	-	-	779,775	-	-	779,775
<u>64,509</u>	<u>7,087,586</u>	<u>2,697,547</u>	<u>1,950,622</u>	<u>3,900,487</u>	<u>745,144</u>	<u>22,068,912</u>
-	-	75,000	9,421	191,752	8,335	288,966
-	-	-	779,775	-	-	779,775
-	-	75,000	789,196	191,752	8,335	1,068,741
-	7,087,586	2,622,547	1,161,425	3,708,736	736,809	20,820,428
64,509	-	-	-	-	-	179,743
<u>64,509</u>	<u>7,087,586</u>	<u>2,622,547</u>	<u>1,161,425</u>	<u>3,708,736</u>	<u>736,809</u>	<u>21,000,171</u>
<u>\$ 64,509</u>	<u>\$7,087,586</u>	<u>\$2,697,547</u>	<u>\$ 1,950,621</u>	<u>\$ 3,900,488</u>	<u>\$ 745,144</u>	<u>\$ 22,068,912</u>

**Town of Erie**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	Special Revenue Funds			
	Cemetery Perpetual Care	Conservation Trust	DARE/ SADD	Parks Improvement Impact
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	129,355	-	-
Fees and Charges for Services	6,265	-	-	536,920
Fines & Forfeitures	-	-	-	-
Investment Earnings	5,408	23,802	300	333,437
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>11,673</b>	<b>153,157</b>	<b>300</b>	<b>870,357</b>
<b>EXPENDITURES</b>				
Current Operating				
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	2,101,586
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,101,586</b>
Excess Revenues Over Expenditures	11,673	153,157	300	(1,231,229)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(597,300)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(597,300)</b>
Net Changes in Fund Balance	11,673	153,157	300	(1,828,529)
<b>Fund Balances - Beginning</b>	<b>97,602</b>	<b>373,230</b>	<b>5,659</b>	<b>6,805,467</b>
<b>Fund Balances - Ending</b>	<b>\$ 109,275</b>	<b>\$ 526,387</b>	<b>\$ 5,959</b>	<b>\$ 4,976,938</b>

Special Revenue Funds						
Police Forfeiture/ Seizure	Public Facilities Impact	Storm Drainage Impact	Trails and Natural Areas	Transportation Impact	Tree Impact	Total Nonmajor Governmental Fund
\$ -	\$ -	\$ -	\$ 669,782	\$ -	\$ -	\$ 669,782
-	-	-	-	-	-	129,355
-	716,498	409,354	-	1,175,107	77,000	2,921,144
12,967	-	-	-	-	-	12,967
2,916	349,675	128,154	57,206	188,199	45,252	1,134,349
-	-	-	-	-	559	559
<u>15,883</u>	<u>1,066,173</u>	<u>537,508</u>	<u>726,988</u>	<u>1,363,306</u>	<u>122,811</u>	<u>4,868,156</u>
-	-	-	-	-	101,857	101,857
-	-	1,197,021	267,155	1,908,417	159,241	5,633,420
-	-	1,197,021	267,155	1,908,417	261,098	5,735,277
<u>15,883</u>	<u>1,066,173</u>	<u>(659,513)</u>	<u>459,833</u>	<u>(545,111)</u>	<u>(138,287)</u>	<u>(867,121)</u>
-	-	-	-	597,300	-	597,300
-	-	-	-	(101,000)	-	(698,300)
-	-	-	-	496,300	-	(101,000)
<u>15,883</u>	<u>1,066,173</u>	<u>(659,513)</u>	<u>459,833</u>	<u>(48,811)</u>	<u>(138,287)</u>	<u>(968,121)</u>
<u>48,626</u>	<u>6,021,413</u>	<u>3,282,060</u>	<u>701,592</u>	<u>3,757,547</u>	<u>875,096</u>	<u>21,968,292</u>
<u>\$ 64,509</u>	<u>\$7,087,586</u>	<u>\$ 2,622,547</u>	<u>\$ 1,161,425</u>	<u>\$ 3,708,736</u>	<u>\$736,809</u>	<u>\$ 21,000,171</u>

**Town of Erie  
Cemetery Perpetual Care Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget  
For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 6,265	\$ 1,200	\$ 1,200	\$ 5,065
Investment Earnings	5,408	2,300	2,300	3,108
Total Revenues	<u>11,673</u>	<u>3,500</u>	<u>3,500</u>	<u>8,173</u>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	11,673	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 8,173</u>
<b>Fund Balances - Beginning</b>	<u>97,602</u>			
<b>Fund Balances - Ending</b>	<u>\$ 109,275</u>			

**Town of Erie  
Conservation Trust Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget  
For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 129,355	\$ 72,400	\$ 72,400	\$ 56,955
Investment Earnings	23,802	9,300	9,300	14,502
Total Revenues	<u>153,157</u>	<u>81,700</u>	<u>81,700</u>	<u>71,457</u>
<b>EXPENDITURES</b>				
Equipment	-	-	-	-
Vehicles	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over Expenditures	153,157	<u>\$ 81,700</u>	<u>\$ 81,700</u>	<u>\$ 71,457</u>
<b>Fund Balances - Beginning</b>	<u>373,230</u>			
<b>Fund Balances - Ending</b>	<u>\$ 526,387</u>			

**Town of Erie  
DARE/SADD Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget  
For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 300	\$ 200	\$ 200	\$ 100
Total Revenues	300	200	200	100
<b>EXPENDITURES</b>				
Program Operations	-	-	-	-
Total Expenditures	-	-	-	-
Excess Revenues Over Expenditures	300	\$ 200	\$ 200	\$ 100
<b>Fund Balances - Beginning</b>	5,659			
<b>Fund Balances - Ending</b>	\$ 5,959			

**Town of Erie**  
**Parks Improvement Impact Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees & Charges for Services	\$ 536,920	\$ 926,600	\$ 926,600	\$ (389,680)
Investment Earnings	333,437	78,000	200,000	133,437
Total Revenues	<u>870,357</u>	<u>1,004,600</u>	<u>1,126,600</u>	<u>(256,243)</u>
<b>EXPENDITURES</b>				
Capital Outlay	2,101,586	2,156,200	6,236,900	4,135,314
Total Expenditures	<u>2,101,586</u>	<u>2,156,200</u>	<u>6,236,900</u>	<u>4,135,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,231,229)</u>	<u>(1,151,600)</u>	<u>\$(5,110,300)</u>	<u>\$ 3,879,071</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(597,300)	-	(597,300)	-
Total Other Financing Sources (Uses)	<u>(597,300)</u>	<u>-</u>	<u>(597,300)</u>	<u>-</u>
Net Changes in Fund Balance	(1,828,529)	<u>\$(1,151,600)</u>	<u>\$(5,707,600)</u>	<u>\$ 3,879,071</u>
<b>Fund Balances - Beginning</b>	<u>6,805,467</u>			
<b>Fund Balances - Ending</b>	<u><u>\$4,976,938</u></u>			

**Town of Erie**  
**Police Forfeiture and Seizure Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fines & Forfeitures	\$ 12,967	\$ -	\$ -	\$ 12,967
Investment Earnings	2,916	200	200	2,716
<b>Total Revenues</b>	<b>15,883</b>	<b>200</b>	<b>200</b>	<b>15,683</b>
<b>EXPENDITURES</b>				
Equipment	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess Revenues Over Expenditures	15,883	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 15,683</u>
<b>Fund Balances - Beginning</b>	<b>48,626</b>			
<b>Fund Balances - Ending</b>	<b><u>\$ 64,509</u></b>			

**Town of Erie**  
**Public Facilities Impact Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 716,498	\$ 763,300	\$ 993,300	\$ (276,802)
Investment Earnings	349,675	141,000	180,000	169,675
Total Revenues	<u>1,066,173</u>	<u>904,300</u>	<u>1,173,300</u>	<u>(107,127)</u>
<b>EXPENDITURES</b>				
Community Facilities	-	3,500,000	4,425,000	4,425,000
Total Expenditures	<u>-</u>	<u>3,500,000</u>	<u>4,425,000</u>	<u>4,425,000</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	1,066,173	<u>\$ (2,595,700)</u>	<u>\$ (3,251,700)</u>	<u>\$ 4,317,873</u>
<b>Fund Balances - Beginning</b>	<u>6,021,413</u>			
<b>Fund Balances - Ending</b>	<u>\$ 7,087,586</u>			

**Town of Erie**  
**Storm Drainage Impact Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 409,354	\$ 556,400	\$ 556,400	\$ (147,046)
Investment Earnings	128,154	36,000	36,000	92,154
Total Revenues	<u>537,508</u>	<u>592,400</u>	<u>592,400</u>	<u>(54,892)</u>
<b>EXPENDITURES</b>				
Capital Outlay	1,197,021	1,040,000	2,902,100	1,705,079
Total Expenditures	<u>1,197,021</u>	<u>1,040,000</u>	<u>2,902,100</u>	<u>1,705,079</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,513)	<u>\$ (447,600)</u>	<u>\$ (2,309,700)</u>	<u>\$ 1,650,187</u>
<b>Fund Balances - Beginning</b>	<u>3,282,060</u>			
<b>Fund Balances - Ending</b>	<u>\$ 2,622,547</u>			

**Town of Erie**  
**Trails and Natural Areas Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 669,782	\$ 661,400	\$ 661,400	\$ 8,382
Investment Earnings	57,206	9,000	9,000	48,206
Miscellaneous	-	200,000	361,000	(361,000)
<b>Total Revenues</b>	<u>726,988</u>	<u>870,400</u>	<u>1,031,400</u>	<u>(304,412)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>267,155</u>	<u>340,000</u>	<u>1,189,700</u>	<u>922,545</u>
<b>Total Expenditures</b>	<u>267,155</u>	<u>340,000</u>	<u>1,189,700</u>	<u>922,545</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	459,833	<u>\$ 530,400</u>	<u>\$ (158,300)</u>	<u>\$ 618,133</u>
<b>Fund Balances - Beginning</b>	<u>701,592</u>			
<b>Fund Balances - Ending</b>	<u>\$ 1,161,425</u>			

**Town of Erie**  
**Transportation Impact Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 1,175,107	\$ 696,500	\$ 1,246,500	\$ (71,393)
Investment Earnings	188,199	39,000	110,000	78,199
Total Revenues	<u>1,363,306</u>	<u>735,500</u>	<u>1,356,500</u>	<u>6,806</u>
<b>EXPENDITURES</b>				
Street Improvement Projects	1,908,417	753,000	5,088,200	3,179,783
Total Expenditures	<u>1,908,417</u>	<u>753,000</u>	<u>5,088,200</u>	<u>3,179,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(545,111)</u>	<u>(17,500)</u>	<u>(3,731,700)</u>	<u>3,186,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	597,300	-	597,300	-
Transfers Out	(101,000)	(142,400)	(142,400)	41,400
Total Other Financing Sources (Uses)	<u>496,300</u>	<u>(142,400)</u>	<u>454,900</u>	<u>41,400</u>
Net Changes in Fund Balance	(48,811)	<u>\$ (159,900)</u>	<u>\$ (3,276,800)</u>	<u>\$ 3,227,989</u>
<b>Fund Balances - Beginning</b>	<u>3,757,547</u>			
<b>Fund Balances - Ending</b>	<u>\$ 3,708,736</u>			

**Town of Erie**  
**Tree Impact Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2007**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 77,000	\$ 128,400	\$ 128,400	\$ (51,400)
Investment Earnings	45,252	17,400	17,400	27,852
Miscellaneous	559	-	600	(41)
<b>Total Revenues</b>	<b>122,811</b>	<b>145,800</b>	<b>146,400</b>	<b>(23,589)</b>
<b>EXPENDITURES</b>				
Administration	2,942	2,500	3,100	158
Trees and Plants	98,915	234,000	234,000	135,085
Capital Outlay	159,241	-	210,800	51,559
<b>Total Expenditures</b>	<b>261,098</b>	<b>236,500</b>	<b>447,900</b>	<b>186,802</b>
Excess (Deficiency) Revenues Over (Under) Expenditures	(138,287)	<u>\$ (90,700)</u>	<u>\$ (301,500)</u>	<u>\$ 163,213</u>
<b>Fund Balances - Beginning</b>	<b>875,096</b>			
<b>Fund Balances - Ending</b>	<b><u>\$ 736,809</u></b>			

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**Town of Erie  
Combining and Individual Fund Financial Statements and Schedules  
Proprietary Funds**

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**Nonmajor Enterprise Fund Combining Statements:**

Airport: to account for operations of the Erie Municipal Airport

Erie Community Civic Fund: to account for the Town's  
not-for-profit entity

Housing Authority: to account for operations of the Town's senior housing projects

Storm Drainage Operating: account for the construction and maintenance  
of the Town's storm drainage systems

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

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

**Town of Erie, Colorado**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2007**

	Enterprise Funds				Total Nonmajor Enterprise Fund
	Airport	Housing Authority	Erie Community Civic Fund	Storm Drainage Operating	
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 22,853	\$ 62,684	\$ 10,500	\$ 34,514	\$ 130,551
Investments	424,224	-	-	640,696	1,064,920
Accounts Receivable	12,003	-	-	40,149	52,152
<b>Total Current Assets</b>	<b>459,080</b>	<b>62,684</b>	<b>10,500</b>	<b>715,359</b>	<b>1,247,623</b>
Noncurrent Assets					
Land	592,295	-	-	63,705	656,000
Property and Equipment	3,313,168	1,160,900	-	11,169,092	15,643,160
Accumulated Depreciation	(770,686)	(195,902)	-	(902,429)	(1,869,017)
Bond Issue Costs	-	25,254	-	-	25,254
<b>Total Noncurrent Assets</b>	<b>3,134,777</b>	<b>990,252</b>	<b>-</b>	<b>10,330,368</b>	<b>14,455,397</b>
<b>Total Assets</b>	<b>3,593,857</b>	<b>1,052,936</b>	<b>10,500</b>	<b>11,045,727</b>	<b>15,703,020</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	12,952	39,874	-	754	53,580
Accrued Interest Payable	-	2,748	-	5,817	8,565
Accrued Wages Payable	-	-	-	1,598	1,598
Loans Payable	-	15,855	-	10,467	26,322
<b>Total Current Liabilities</b>	<b>12,952</b>	<b>58,477</b>	<b>-</b>	<b>18,636</b>	<b>90,065</b>
Noncurrent Liabilities					
Loans Payable	-	852,848	-	377,352	1,230,200
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>852,848</b>	<b>-</b>	<b>377,352</b>	<b>1,230,200</b>
<b>Total Liabilities</b>	<b>12,952</b>	<b>911,325</b>	<b>-</b>	<b>395,988</b>	<b>1,320,265</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	3,134,777	121,549	-	9,942,549	13,198,875
Restricted	-	54,864	-	-	54,864
Unrestricted	446,128	(34,802)	10,500	707,190	1,129,016
<b>Total Net Assets</b>	<b>\$ 3,580,905</b>	<b>\$ 141,611</b>	<b>\$ 10,500</b>	<b>\$ 10,649,739</b>	<b>\$ 14,382,755</b>

**Town of Erie**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2007**

	Enterprise Funds				Total Nonmajor Enterprise Fund
	Airport	Housing Authority	Erie Community Civic Fund	Storm Drainage Operating	
<b>Operating Revenue</b>					
Charges for Services	\$ 332,927	74,560	-	\$ 355,649	\$ 763,136
Total Operating Revenue	332,927	74,560	-	355,649	763,136
<b>Operating Expenses</b>					
Personnel Services	17,056	-	-	72,261	89,317
Operations and Maintenance	332,173	37,612	-	43,737	413,522
Depreciation	130,717	29,023	-	221,460	381,200
Total Operating Expenses	479,946	66,635	-	337,458	884,039
Net Operating Income (Loss)	(147,019)	7,925	-	18,191	(120,903)
<b>Nonoperating Revenues (Expenses)</b>					
Interest Income	27,266	1,722	-	30,674	59,662
Other	11,889	975	-	69,165	82,029
Amortization of Debt Issuance Costs	-	(3,788)	-	-	(3,788)
Interest Expense	-	(37,399)	-	(7,808)	(45,207)
Total Nonoperating Revenues (Expenses)	39,155	(38,490)	-	92,031	92,696
Change in Net Assets	(107,864)	(30,565)	-	110,222	(28,207)
Total Net Assets - Beginning	3,688,769	172,176	10,500	10,539,517	14,410,962
Total Net Assets - Ending	\$ 3,580,905	\$ 141,611	\$ 10,500	\$ 10,649,739	\$ 14,382,755

**Town of Erie**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2007**

	Enterprise Funds				Total Nonmajor Enterprise Fund
	Airport	Housing Authority	Erie Community Civic Fund	Storm Drainage Operating	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 334,987	75,668	-	\$ 352,464	\$ 763,119
Payments to Employees	(24,539)	-	-	(56,218)	(80,757)
Payments to Suppliers	(329,960)	(38,081)	-	(138,487)	(506,528)
Net Cash Provided (Used) by Operating Activities	(19,512)	37,587	-	157,759	175,834
<b>Cash Flows from Noncapital Financing Activities</b>					
Developer Reimbursement	-	-	-	69,165	69,165
Cash Flows Used in Noncapital Financing Activities	-	-	-	69,165	69,165
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(5,945)	-	-	(20,865)	(26,810)
Disposition of Capital Assets	131,274	-	-	-	131,274
Principal Paid on Capital Debt	-	(19,665)	-	(10,262)	(29,927)
Interest Paid on Capital Debt	-	(34,651)	-	(7,962)	(42,613)
Cash Flows Provided (Used) by Capital and Related Financing Activities	125,329	(54,316)	-	(39,089)	31,924
<b>Cash Flows from Investing Activities</b>					
Purchase of Investments	(126,835)	-	-	(208,149)	(334,984)
Earnings on Investments	27,264	1,722	-	30,676	59,662
Cash Flows Provided by (Used in) Investing Activities	(99,571)	1,722	-	(177,473)	(275,322)
Net Increase (Decrease) in Cash and Cash Equivalents	6,246	(15,007)	-	10,362	1,601
Cash and Cash Equivalents - January 1	16,607	77,691	10,500	24,152	128,950
Cash and Cash Equivalents - December 31	\$ 22,853	\$ 62,684	\$ 10,500	\$ 34,514	\$ 130,551
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	(147,019)	7,925	-	18,191	(120,903)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation Expense	130,717	29,023	-	221,460	381,200
Other Income	11,891	975	-	-	12,866
Decrease in prepaid expenses	-	2,627	-	-	2,627
(Increase) decrease in accounts receivable	(9,831)	-	-	(3,185)	(13,016)
Increase (decrease) in accounts payable	5,836	(2,963)	-	(78,494)	(75,621)
Increase (decrease) in wages payable	(11,106)	-	-	(213)	(11,319)
Net Cash Provided (Used) by Operating Activities	\$ (19,512)	\$ 37,587	\$ -	\$ 157,759	\$ 175,834

**Town of Erie**  
**Water Fund**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets**  
**Actual and Budget (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2007**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Original Budget	Final Budget	Variance With Final Budget to Actual on Budgetary Basis Positive (Negative)
<b>REVENUES</b>						
Charges for Services	\$ 4,803,707	\$ -	\$ 4,803,707	\$ 4,522,800	\$ 4,522,800	\$ 280,907
Other Nonoperating Income	154,498	-	154,498	128,900	134,000	20,498
Interest Income	1,327,613	-	1,327,613	105,000	700,000	627,613
Bond Proceeds	-	19,836,405	19,836,405	18,000,000	19,840,000	(3,595)
Capital Contributions	8,641,733	(2,686,385)	5,955,348	8,332,400	8,922,800	(2,967,452)
<b>Total Revenues</b>	<b>14,927,551</b>	<b>17,150,020</b>	<b>32,077,571</b>	<b>31,089,100</b>	<b>34,119,600</b>	<b>(2,042,029)</b>
<b>EXPENSES</b>						
<b>Program Expenses</b>						
Personnel Services	1,029,458	-	1,029,458	1,133,100	1,100,400	70,942
Operating & Maintenance	1,362,413	-	1,362,413	1,805,500	1,835,800	473,387
Bond & Loan Payments	-	1,074,000	1,074,000	1,069,000	1,069,000	(5,000)
Interest Expense	1,455,097	(48,834)	1,406,263	1,230,300	1,535,300	129,037
Depreciation	1,363,239	(1,363,239)	-	-	-	-
Debt Service Escrow Payment	-	5,033,284	5,033,284	-	5,034,000	716
Bond Issue Costs	8,000	310,055	318,055	-	390,000	71,945
Amortization of Debt Issue Costs	288,742	(288,742)	-	-	-	-
<b>Total Program Expenses</b>	<b>5,506,949</b>	<b>4,716,524</b>	<b>10,223,473</b>	<b>5,237,900</b>	<b>10,964,500</b>	<b>741,027</b>
<b>Project Expenses</b>						
Water Meters And Yokes	-	326,358	326,358	348,400	348,400	22,042
Raw Water Acquisitions	338,347	4,476,800	4,815,147	6,725,900	8,061,100	3,245,953
NISP	-	48,861	48,861	368,000	368,000	319,139
Raw Water Pipeline	-	4,669,608	4,669,608	16,298,600	17,775,300	13,105,692
Airpark Waterline Replacement	-	2,943	2,943	-	515,500	512,557
Erie Lake Raw Water Pipeline	-	-	-	-	480,800	480,800
Water Looping Erie Village	-	-	-	-	108,500	108,500
Raw/Reuse Water Reservoir	-	-	-	1,000,000	1,600,000	1,600,000
Security Monitoring	-	-	-	-	4,200	4,200
Windy Gap Firming Project	-	-	-	166,300	2,275,400	2,275,400
Scada System Upgrade	-	27,537	27,537	-	54,500	26,963
Update Water Master Plan	-	-	-	-	6,600	6,600
Prince Lake Raw Waterline	-	1,077,234	1,077,234	2,645,000	2,724,400	1,647,166
Thomas Res Pump Station Building	-	68,507	68,507	-	72,500	3,993
Vacuum System Zone 4B Pump Station	3,995	-	3,995	-	13,800	9,805
Reuse Water Master Plan	-	53,395	53,395	-	26,400	(26,995)
Raw Water Diversion Structure	-	-	-	-	20,000	20,000
Water Rate Study Update	-	-	-	-	25,000	25,000
Reuse Line Between Water Rec Fac	-	-	-	75,000	75,000	75,000
<b>Total Project Expenses</b>	<b>342,342</b>	<b>10,751,243</b>	<b>11,093,585</b>	<b>27,627,200</b>	<b>34,555,400</b>	<b>23,461,815</b>
<b>Total Expenses</b>	<b>5,849,291</b>	<b>15,467,767</b>	<b>21,317,058</b>	<b>32,865,100</b>	<b>45,519,900</b>	<b>24,202,842</b>
Change in Net Assets	9,078,260	<u>\$ 1,682,253</u>	10,760,513	<u>\$(1,776,000)</u>	<u>\$(11,400,300)</u>	<u>\$ 22,160,813</u>
Total Net Assets - Beginning	86,523,709		86,523,709			
Bond Proceeds	-		(19,836,405)			
Debt Service Escrow Payment	-		5,033,284			
Bond Issue Costs	-		310,055			
Capital Contributions	-		2,686,385			
Capital Outlay	-		10,751,243			
Debt Expense	-		1,025,166			
Depreciation	-		(1,363,239)			
Amortization	-		(288,742)			
<b>Total Net Assets - Ending</b>	<b>\$95,601,969</b>		<b>\$95,601,969</b>			

**Town of Erie**  
**Wastewater Fund**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets**  
**Actual and Budget (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2007**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Original Budget	Final Budget	Variance With Final Budget to Actual on Budgetary Basis Positive (Negative)
<b>REVENUES</b>						
Charges for Services	\$ 2,004,146	\$ -	\$ 2,004,146	\$ 2,341,800	\$ 2,341,800	\$ (337,654)
Other Nonoperating Income	191,672	-	191,672	-	-	191,672
Interest Income	676,203	-	676,203	105,900	210,000	466,203
Debt Proceeds	-	-	-	-	18,000,000	(18,000,000)
Capital Contributions	3,660,647	(2,496,647)	1,164,000	1,712,000	1,816,000	(652,000)
<b>Total Revenues</b>	<b>6,532,668</b>	<b>(2,496,647)</b>	<b>4,036,021</b>	<b>4,159,700</b>	<b>22,367,800</b>	<b>(18,331,779)</b>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	834,735	-	834,735	925,400	898,700	63,965
Operating & Maintenance	378,584	25,438	404,022	651,800	650,000	245,978
Bond & Loan Payments	-	189,648	189,648	189,700	189,700	52
Interest Expense	137,694	1,977	139,671	142,500	142,500	2,829
Bond Issue Costs	-	-	-	-	400,000	400,000
Depreciation	705,813	(705,813)	-	-	-	-
Amortization of Debt Issue Costs	3,887	(3,887)	-	-	-	-
<b>Total Program Expenses</b>	<b>2,060,713</b>	<b>(492,637)</b>	<b>1,568,076</b>	<b>1,909,400</b>	<b>2,280,900</b>	<b>712,824</b>
Project Expenses						
Wastewater Master Plan Update	-	-	-	-	20,600	20,600
Reuse Wastewater Master Plan	-	-	-	-	26,400	26,400
North WRF	-	113,462	113,462	-	20,804,800	20,691,338
North WRF Influent Pipeline	-	272,019	272,019	2,425,000	8,274,800	8,002,781
Water Reclamation Fac Landscape	-	33,379	33,379	15,100	33,400	21
Wastewater Rate Study Update	-	-	-	-	25,000	25,000
Clarifier Covers	-	-	-	55,000	-	-
Basin Mixers	-	-	-	72,500	-	-
Plant Optimization	-	382,135	382,135	627,800	785,300	403,165
<b>Total Project Expenses</b>	<b>-</b>	<b>800,995</b>	<b>800,995</b>	<b>3,195,400</b>	<b>29,970,300</b>	<b>29,169,305</b>
<b>Total Expenses</b>	<b>2,060,713</b>	<b>308,358</b>	<b>2,369,071</b>	<b>5,104,800</b>	<b>32,251,200</b>	<b>29,882,129</b>
Change in Net Assets	4,471,955	\$ (2,805,005)	1,666,950	\$ (945,100)	\$ (9,883,400)	\$ 11,550,350
Total Net Assets - Beginning	32,606,422		32,606,422			
Capital Contributions	-		2,496,647			
Capital Outlay	-		826,433			
Debt Expense	-		191,625			
Depreciation	-		(705,813)			
Amortization	-		(3,887)			
<b>Total Net Assets - Ending</b>	<b>\$ 37,078,377</b>		<b>\$ 37,078,377</b>			

**Town of Erie**  
**Storm Drainage Fund**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets**  
**Actual and Budget (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2007**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Original Budget	Final Budget	Variance With Final Budget to Actual on Budgetary Basis Positive (Negative)
<b>REVENUES</b>						
Charges for Services	\$ 355,649	\$ -	\$ 355,649	\$ 390,000	\$ 390,000	\$ (34,351)
Interest Income	30,674	-	30,674	3,200	3,200	27,474
Miscellaneous	69,165	-	69,165	-	69,200	(35)
Total Revenues	455,488	-	455,488	393,200	462,400	(6,912)
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	72,261	-	72,261	83,300	85,000	12,739
Operating & Maintenance	43,737	-	43,737	64,400	83,600	39,863
Loan Payments	-	10,262	10,262	10,300	10,300	38
Interest Expense	7,808	154	7,962	8,000	8,000	38
Depreciation	221,460	(221,460)	-	-	-	-
Total Program Expenses	345,266	(211,044)	134,222	166,000	186,900	52,678
Project Expenses						
Coal Creek Flood Control	-	15,193	15,193	200,000	258,100	242,907
111th Street Storm Improvements	-	-	-	-	70,000	70,000
County Line Rd Storm Inlet	-	-	-	-	45,000	45,000
Total Project Expenses	-	15,193	15,193	200,000	373,100	357,907
Total Expenses	345,266	(195,851)	149,415	366,000	560,000	410,585
Change in Net Assets	110,222	\$ 195,851	306,073	\$ 27,200	\$ (97,600)	\$ 403,673
Total Net Assets - Beginning	10,539,517		10,539,517			
Capital Outlay	-		15,193			
Loan Payment	-		10,262			
Interest Expense	-		154			
Depreciation	-		(221,460)			
Total Net Assets - Ending	\$ 10,649,739		\$ 10,649,739			

**Town of Erie**  
**Airport Fund**  
**Schedule of Revenues, Expenses and Changes in Fund Net Assets**  
**Actual and Budget (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2007**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Original Budget	Final Budget	Variance With Final Budget to Actual on Budgetary Basis Positive (Negative)
<b>REVENUES</b>						
Charges for Services	\$ 332,927	\$ -	\$ 332,927	\$ 30,500	\$ 355,000	\$ (22,073)
Other Nonoperating Income	11,889	131,274	143,163	2,000	289,900	(146,737)
Interest Income	27,266	-	27,266	2,000	10,000	17,266
Capital Contributions	-	-	-	153,900	461,700	(461,700)
<b>Total Revenues</b>	<b>372,082</b>	<b>131,274</b>	<b>503,356</b>	<b>188,400</b>	<b>1,116,600</b>	<b>(613,244)</b>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	17,056	-	17,056	3,200	16,200	(856)
Operating & Maintenance	329,673	-	329,673	25,000	290,300	(39,373)
Depreciation	130,717	(130,717)	-	-	-	-
<b>Total Program Expenses</b>	<b>477,446</b>	<b>(130,717)</b>	<b>346,729</b>	<b>28,200</b>	<b>306,500</b>	<b>(40,229)</b>
Project Expenses						
Terminal Bldg/Runway Maint	2,500	-	2,500	-	315,800	313,300
Pavement Maintenance	-	-	-	157,900	157,900	157,900
Runway And Taxiway Painting	-	-	-	-	7,000	7,000
New Septic Tank	-	5,945	5,945	-	6,000	55
Replace Breaker Panel	-	-	-	-	3,500	3,500
<b>Total Project Expenses</b>	<b>2,500</b>	<b>5,945</b>	<b>8,445</b>	<b>157,900</b>	<b>490,200</b>	<b>481,755</b>
<b>Total Expenses</b>	<b>479,946</b>	<b>(124,772)</b>	<b>355,174</b>	<b>186,100</b>	<b>796,700</b>	<b>441,526</b>
Change in Net Assets	(107,864)	\$ 256,046	148,182	\$ 2,300	\$ 319,900	\$ (171,718)
Total Net Assets - Beginning	3,688,769		3,688,769			
Land Sale	-		(131,274)			
Capital Outlay	-		5,945			
Depreciation	-		(130,717)			
<b>Total Net Assets - Ending</b>	<b>\$ 3,580,905</b>		<b>\$ 3,580,905</b>			

# 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.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	105
Revenue Capacity <i>These schedules contain trend information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	109
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	114
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within the government’s financial activities take place.</i>	121
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services that the government provides and activities it performs.</i>	123



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

	Fiscal Year			
	2004 <sup>(1)</sup>	2005	2006	2007
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 22,215,485	\$ 26,124,027	\$ 24,900,765	\$ 53,190,093
Restricted	9,472,616	17,668,735	22,213,890	21,364,804
Unrestricted	7,273,410	11,207,490	29,704,628	16,480,097
<b>Total Governmental Activities Net Assets</b>	<b>38,961,511</b>	<b>55,000,252</b>	<b>76,819,283</b>	<b>91,034,994</b>
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	65,392,592	89,746,378	103,006,082	112,940,934
Restricted	13,699,842	4,718,710	4,583,110	14,328,718
Unrestricted	12,822,358	22,471,445	25,951,901	19,793,449
<b>Total Business-Type Activities Net Assets</b>	<b>91,914,792</b>	<b>116,936,533</b>	<b>133,541,093</b>	<b>147,063,101</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	87,608,077	115,870,405	127,906,847	166,131,027
Restricted	23,172,458	22,387,445	26,797,000	35,693,522
Unrestricted	20,095,768	33,678,935	55,656,529	36,273,546
<b>Total Primary Government Net Assets</b>	<b>\$ 130,876,303</b>	<b>\$ 171,936,785</b>	<b>\$ 210,360,376</b>	<b>\$ 238,098,095</b>

Source: Town of Erie Finance Department

<sup>(1)</sup>The Town implemented GASB 34, the new reporting standard, in fiscal year 2004.

Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year			
	2004 <sup>(1)</sup>	2005	2006	2007
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 2,936,254	\$ 2,516,273	\$ 2,279,543	\$ 2,852,921
Parks & Recreation	910,232	1,103,296	1,453,447	1,833,112
Public Safety	1,382,872	1,719,409	1,864,065	1,934,542
Public Works	1,417,943	1,792,625	2,215,283	2,457,612
Interest on Long-Term Debt	185,984	178,160	245,770	1,177,219
Total Governmental Activities Expenses	6,833,285	7,309,763	8,058,108	10,255,406
Business-Type Activities:				
Water	3,914,473	4,258,665	4,916,945	5,849,291
Wastewater	1,559,719	1,854,437	2,019,365	2,060,713
Storm Drainage	183,331	287,721	321,017	345,266
Airport	295,410	368,502	482,347	479,946
Housing Authority	111,662	107,904	106,572	107,822
Total Business-Type Activities Expenses	6,064,595	6,877,229	7,846,246	8,843,038
Total Primary Government Expenses	\$ 12,897,880	\$ 14,186,992	\$ 15,904,354	\$ 19,098,444
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
General Government	\$ 2,119,343	\$ 2,188,739	\$ 1,435,627	\$ 970,615
Public Works	204,563	240,794	403,518	634,361
Other Activities	166,550	242,331	258,231	191,390
Operating Grants and Contributions	125,064	59,624	33,306	8,632
Capital Grants and Contributions	11,138,506	9,205,961	17,486,048	10,684,131
Total Governmental Activities Program Revenues	13,754,026	11,937,449	19,616,730	12,489,129
Business-Type Activities:				
Charges for Services				
Water	2,705,358	3,625,729	4,792,751	4,803,707
Wastewater	1,133,672	1,398,101	1,738,799	2,004,146
Other Activities	553,884	393,410	757,614	763,136
Capital Grants and Contributions	38,237,409	27,232,102	14,934,116	12,481,218
Total Business-Type Activities Program Revenues	42,630,323	32,649,342	22,223,280	20,052,207
Total Primary Government Program Revenues	\$ 56,384,349	\$ 44,586,791	\$ 41,840,010	\$ 32,541,336
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ 6,920,741	\$ 4,627,686	\$ 11,558,622	\$ 2,233,723
Business-Type Activities	36,565,728	26,037,753	14,377,034	11,209,169
Total Primary Government Net (Expense) Revenue	\$ 43,486,469	\$ 30,665,439	\$ 25,935,656	\$ 13,442,892
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes				
Sales & Use Taxes	\$ 5,521,258	\$ 5,698,013	\$ 4,619,335	\$ 3,922,663
Property Taxes	788,955	1,297,382	1,628,286	3,078,525
Franchise Taxes	282,980	389,787	456,110	507,525
Transportation Taxes	468,683	538,998	673,676	806,622
Other Taxes	89,183	90,766	133,689	142,283
Investment Earnings	184,664	786,400	2,193,728	2,734,514
Other Miscellaneous	514,218	456,322	455,373	789,859
Total Governmental Activities	7,849,941	9,257,668	10,160,197	11,981,991
Business-Type Activities:				
Investment Earnings	361,030	954,971	1,583,138	2,063,478
Other Miscellaneous	102,527	182,403	664,385	249,360
Total Business-Type Activities	463,557	1,137,374	2,247,523	2,312,838
Total Primary Government General Revenue and Other Changes in Net Assets	\$ 8,313,498	\$ 10,395,042	\$ 12,407,720	\$ 14,294,829
<b>Changes in Net Assets</b>				
Governmental Activities	\$ 14,770,682	\$ 13,885,354	\$ 21,718,819	\$ 14,215,714
Business-Type Activities	37,029,285	27,175,127	16,624,557	13,522,007
Total Primary Government Changes in Net Assets	\$ 51,799,967	\$ 41,060,481	\$ 38,343,376	\$ 27,737,721

Source: Town of Erie Finance Department

<sup>(1)</sup>The Town implemented GASB 34, the new reporting standard, in fiscal year 2004. Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005	2006	2007
General Fund										
Reserved	\$ 180,852	\$ 224,756	\$ 218,572	\$ 354,049	\$ 244,747	\$ 265,249	\$ 362,116	\$ 229,174	\$ 15,307,980	\$ 2,884,711
Unreserved	814,898	1,639,798	1,575,585	675,698	1,445,663	3,266,617	7,351,717	11,504,917	15,081,463	15,404,897
Total General Fund	<u>\$ 995,750</u>	<u>\$ 1,864,554</u>	<u>\$ 1,794,157</u>	<u>\$ 1,029,747</u>	<u>\$ 1,690,410</u>	<u>\$ 3,531,866</u>	<u>\$ 7,713,833</u>	<u>\$ 11,734,091</u>	<u>\$ 30,389,443</u>	<u>\$ 18,289,608</u>
All Other Governmental Funds										
Reserved	\$ 5,973,859	\$ 4,160,690	\$ 2,464,322	\$ 1,137,612	\$ 2,015,105	\$ 4,077,830	\$ 11,444,500	\$ 17,455,004	\$ 21,816,406	\$ 20,820,428
Unreserved, Reported in:										
Special Revenue Funds	112,932	138,357	177,271	(518,295)	(376,105)	414,479	-	-	151,887	179,743
Total of All Other Governmental Funds	<u>\$ 6,086,791</u>	<u>\$ 4,299,047</u>	<u>\$ 2,641,593</u>	<u>\$ 619,317</u>	<u>\$ 1,639,000</u>	<u>\$ 4,492,309</u>	<u>\$ 11,444,500</u>	<u>\$ 17,455,004</u>	<u>\$ 21,968,293</u>	<u>\$ 21,000,171</u>

Source: Town of Erie Finance Department

<sup>(1)</sup>Other governmental fund reserved 2004 fund balance restated from \$9,291,114 to \$11,444,500

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 2,058,572	\$ 2,514,757	\$ 2,977,631	\$ 3,122,093	\$ 3,542,260	\$ 4,615,254	\$ 6,675,205	\$ 7,508,967	\$ 6,852,042	\$ 7,772,528
Licenses and Permits	1,208,426	1,391,613	1,186,213	966,722	1,067,286	1,360,490	2,325,491	2,360,069	1,566,609	1,064,310
Intergovernmental	531,702	589,829	258,927	334,412	651,796	436,368	475,854	505,979	659,054	685,090
Charges for Services	2,246,075	2,437,982	2,290,956	1,297,136	1,672,063	3,275,115	6,246,396	6,205,411	4,972,613	3,717,997
Fines	37,270	47,717	84,644	73,817	82,000	88,712	116,525	179,917	192,831	113,193
Investment Earnings	-	-	-	-	-	-	184,664	786,400	2,193,728	2,734,513
Miscellaneous	330,932	750,853	528,752	658,561	1,028,128	561,426	554,354	286,456	1,355,123	1,333,578
<b>Total Revenues</b>	<b>6,412,977</b>	<b>7,732,751</b>	<b>7,327,123</b>	<b>6,452,741</b>	<b>8,043,533</b>	<b>10,337,365</b>	<b>16,578,489</b>	<b>17,833,199</b>	<b>17,792,000</b>	<b>17,421,209</b>
<b>Expenditures</b>										
General Government	1,557,216	2,181,688	2,540,591	2,670,424	2,433,224	2,534,185	2,775,019	2,403,844	2,185,379	2,392,489
Parks & Recreation	-	243,153	411,859	559,822	597,834	644,330	764,938	1,026,281	1,766,445	1,546,258
Public Safety	637,747	788,251	942,510	1,028,182	952,885	1,135,186	1,306,503	1,601,394	1,411,911	1,835,547
Public Works	1,245,364	677,560	824,531	828,331	747,506	758,968	1,008,671	1,237,714	1,267,684	1,525,403
Small Equipment	-	-	-	9,552	39,248	-	-	-	-	-
Capital Outlay	2,576,748	5,037,123	4,666,027	3,935,142	1,021,915	119,098	1,316,354	1,134,252	4,672,496	21,775,141
Debt Service										
Principal	93,946	106,238	98,919	270,637	373,297	257,000	239,600	220,110	205,000	340,000
Interest	11,297	301,188	347,673	215,087	204,838	193,833	186,633	178,843	133,055	1,230,056
Bond Issuance Costs	198,058	-	-	-	-	-	-	-	297,249	-
<b>Total Expenditures</b>	<b>6,320,376</b>	<b>9,335,201</b>	<b>9,832,110</b>	<b>9,517,177</b>	<b>6,370,747</b>	<b>5,642,600</b>	<b>7,597,718</b>	<b>7,802,438</b>	<b>11,939,219</b>	<b>30,644,894</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,601	(1,602,450)	(2,504,987)	(3,064,436)	1,672,786	4,694,765	8,980,771	10,030,761	5,852,781	(13,223,685)
<b>Other Financing Sources (Uses)</b>										
Open Space Land Financing	-	-	-	292,750	7,560	-	-	-	-	-
Proceeds from Capital Lease	31,781	135,647	97,936	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	155,730
Bond Proceeds	4,714,859	-	-	-	-	-	-	-	20,206,989	-
Payment for Refunded Bonds	-	-	-	-	-	-	-	-	(2,991,338)	-
Operating Transfers In	510,000	600,000	1,650,000	308,557	-	-	-	135,000	85,000	698,300
Operating Transfers Out	-	(100,000)	(970,800)	(323,557)	-	-	-	(135,000)	(85,000)	(698,300)
<b>Total Other Financing Sources (Uses)</b>	<b>5,256,640</b>	<b>635,647</b>	<b>777,136</b>	<b>277,750</b>	<b>7,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,215,651</b>	<b>155,730</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 5,349,241</b>	<b>\$ (966,803)</b>	<b>\$ (1,727,851)</b>	<b>\$ (2,786,686)</b>	<b>\$ 1,680,346</b>	<b>\$ 4,694,765</b>	<b>\$ 8,980,771</b>	<b>\$ 10,030,761</b>	<b>\$ 23,068,432</b>	<b>\$ (13,067,955)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.06%	10.47%	9.46%	9.53%	12.12%	8.89%	7.28%	6.36%	5.10%	21.51%

Source: Town of Erie Finance Department

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

Year	Property Tax	Sales Tax	Use Tax	Franchise Tax	Specific Ownership Tax	Highway Users Tax Fund	Road and Bridge Tax	Cigarette Tax	Other	Total
1998	\$ 143,092	\$ 283,378	\$ 1,538,064	\$ 71,446	\$ 14,048	( <sup>2</sup> )	( <sup>2</sup> )	\$ 5,669	\$ 2,875	\$ 2,058,572
1999	193,655	674,200	1,513,176	102,287	19,463	( <sup>2</sup> )	( <sup>2</sup> )	5,541	6,435	2,514,757
2000	285,998	1,417,497	1,084,929	147,882	28,339	( <sup>2</sup> )	( <sup>2</sup> )	6,201	6,785	2,977,631
2001	403,037	1,777,499	675,648	204,855	41,507	( <sup>2</sup> )	( <sup>2</sup> )	8,967	10,580	3,122,093
2002	609,799	1,781,426	883,541	186,554	59,895	( <sup>2</sup> )	( <sup>2</sup> )	10,545	10,500	3,542,260
2003	689,563	1,974,189	1,635,785	220,058	65,753	( <sup>2</sup> )	( <sup>2</sup> )	9,291	20,615	4,615,254
2004	788,955	2,130,344	3,390,914	282,980	72,923	\$ 311,861	\$ 45,076	9,089	118,917	7,151,059
2005 <sup>(1)</sup>	1,297,382	2,381,629	3,316,384	389,787	116,034	324,076	53,675	7,751	128,228	8,014,946
2006	1,628,286	2,466,173	2,153,162	456,110	139,605	406,578	75,940	8,706	176,536	7,511,096
2007	3,078,525	2,790,694	1,131,969	507,525	255,553	421,734	72,883	8,262	190,473	8,457,618

Source: Town of Erie Finance Department

<sup>(1)</sup> In November 2004, voters approved a mill levy increase for trails and natural areas.

For the 2005 collection year, the mill increase is 3.677.

For collection years after 2005, the mill levy is 4.000.

<sup>(2)</sup> The Town implemented GASB 34, the new reporting standard, in fiscal year 2004.

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

Boulder County						
Year <sup>(1)</sup>	Residential	Commercial	Vacant		Less:	Total Taxable
	Property	Property	Land	Other	Tax Exempt	Assessed
					Real Property	Value
1998	\$ 3,106,010	\$ 628,800	\$ 2,711,050	\$ 1,662,020	\$ 1,111,240	\$ 6,996,640
1999	9,747,300	740,650	1,935,910	1,816,740	1,122,850	13,117,750
2000	20,326,710	873,530	2,925,160	1,799,110	1,249,630	24,674,880
2001	32,499,690	2,742,394	1,813,340	2,204,870	1,470,880	37,789,414
2002	49,259,450	4,571,510	4,630,550	4,076,341	3,072,530	59,465,321
2003	53,238,801	5,126,990	7,560,772	4,059,434	3,144,226	66,841,771
2004	58,441,760	5,665,970	5,873,440	3,329,435	2,555,300	70,755,305
2005	60,062,310	5,611,070	5,451,010	3,611,585	2,732,240	72,003,735
2006	62,791,610	6,643,210	5,907,990	5,204,830	4,299,810	76,247,830
2007	66,653,030	6,259,170	7,285,150	5,583,390	4,391,300	81,389,440

Weld County						
Year <sup>(1)</sup>	Residential	Commercial	Vacant		Less:	Total Taxable
	Property	Property	Land	Other	Tax Exempt	Assessed
					Real Property	Value
1998	\$ 6,792,380	\$ 1,630,340	\$ 904,170	\$ 1,582,340	\$ 825,270	\$ 10,083,960
1999	7,802,630	1,821,190	1,257,250	2,338,816	1,022,240	12,197,646
2000	9,656,030	2,517,470	1,584,060	2,192,140	1,064,510	14,885,190
2001	11,205,440	3,007,230	1,375,560	3,004,490	1,109,930	17,482,790
2002	15,139,110	4,125,980	1,848,180	4,442,400	1,536,840	24,018,830
2003	16,182,630	5,660,820	3,649,540	5,443,974	2,079,070	28,857,894
2004	18,349,390	5,642,800	11,586,950	5,285,636	2,361,000	38,503,776
2005	25,402,000	7,853,590	9,620,900	6,762,300	2,541,870	47,096,920
2006	44,068,480	7,576,960	11,197,350	9,540,820	4,275,890	68,107,720
2007	63,060,810	7,447,830	6,873,180	11,529,760	4,941,450	83,970,130

Boulder County and Weld County			
Year <sup>(1)</sup>	Total	Grand Total	Assessed Value
	Direct Tax	Estimated Actual	as a Percentage
	Rate	Taxable Value	of Actual Value <sup>(2)</sup>
1998	8.435	\$ 128,328,988	14.82%
1999	7.654	186,920,583	14.69%
2000	7.288	337,211,466	12.42%
2001	7.288	477,976,939	12.10%
2002	7.288	770,492,477	11.43%
2003	7.288	864,701,557	11.67%
2004	7.288	1,091,098,977	10.46%
2005	10.965	1,201,664,213	10.35%
2006	11.288	1,493,390,668	10.24%
2007	18.608	1,773,561,146	9.85%

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

<sup>(1)</sup>Taxes for the year assessed are collected in the following year. For example: 2005 assessed will be collected in 2006 calendar year.

<sup>(2)</sup>Includes tax-exempt property

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

Boulder County														
Year	Town of Eric	Boulder County	St Vrain Valley School District	Boulder Valley School District	Mountain View Fire Protection District	Colorado Water Conservation District	Urban Drainage & Flood District	Lafayette Rural Fire District	Weld Library Special District <sup>(2)</sup>	Total	Northern			
											View	Water		
Rates (In mills) <sup>(1)</sup>														
1998	8.435	22.245	50.022	45.344	9.337	1.000	0.696	1.776	-	138.855				
1999	7.654	22.245	49.635	50.356	8.695	1.000	0.696	1.776	-	142.057				
2000	7.288	22.245	44.096	44.000	8.451	1.000	0.696	1.776	-	129.552				
2001	7.288	22.245	42.173	42.890	8.367	1.000	0.696	1.776	-	126.435				
2002	7.288	17.621	36.256	34.807	8.237	1.000	0.521	1.090	-	106.820				
2003	7.288	20.087	41.025	38.524	8.197	1.000	0.531	2.500	-	119.152				
2004	7.288	20.088	40.374	38.255	8.117	1.000	0.533	2.500	-	118.155				
2005	10.965	21.267	40.089	37.423	8.037	1.000	0.538	2.500	-	121.819				
2006	11.288	21.867	39.982	37.685	8.037	1.000	0.532	2.500	-	122.891				
2007	18.608	22.467	38.035	39.564	8.137	1.000	0.542	2.500	3.261	134.114				
Levy														
1998	\$ 59,125	\$ 64,274,536	\$ 36,434,752	\$ 103,464,954	\$ 1,244,959	\$ 2,650,732	\$ 1,481,940	\$ 15,000	\$ -	\$ 209,625,998				
1999	100,500	68,872,207	38,414,961	119,611,856	1,257,073	2,759,366	1,566,930	7,020	-	232,589,913				
2000	179,922	72,751,467	39,725,582	122,176,389	1,492,244	3,197,424	1,577,962	6,888	-	241,107,878				
2001	276,328	78,053,932	41,257,611	126,008,817	1,633,482	3,386,034	1,706,603	6,946	-	252,329,753				
2002	436,965	78,183,325	43,439,341	111,929,873	2,131,288	3,732,647	1,642,246	7,507	-	241,503,192				
2003	495,474	90,859,290	51,086,213	125,399,588	2,229,895	3,811,130	1,695,961	23,130	-	275,600,681				
2004	517,203	94,356,356	53,815,770	127,737,793	2,268,931	4,086,177	1,746,793	23,846	-	284,552,869				
2005	789,521	100,896,978	54,469,902	125,759,422	2,422,949	4,352,070	1,777,428	42,605	-	290,510,875				
2006	860,686	108,354,720	55,361,648	133,570,367	2,386,953	4,538,972	1,855,614	73,179	-	307,002,139				
2007	1,514,495	112,630,364	54,340,416	140,792,830	2,621,708	4,593,229	1,902,890	84,158	265,411	318,745,501				
Weld County														
Year	Town of Eric	Weld County	St Vrain Valley School District	Frederick Firestone Fire Protection District	Mountain View Fire Protection District	Colorado Water Conservation District	Tri-Area Ambulance Special District	Vista Ridge Metro Special District	Weld Library Special District	St Vrain Sanatation District	Eric Commons Metro #2	Eric Corporate Center Metro #2	Eric Corporate Center Metro #3	Total
1998	8.435	22.038	50.022	7.560	9.337	1.000	6.543	-	1.409	-	-	-	-	106.344
1999	7.654	22.038	49.635	7.560	8.695	1.000	6.301	-	1.449	-	-	-	-	104.332
2000	7.288	22.038	44.096	7.560	8.451	1.000	6.543	-	3.249	-	-	-	-	100.225
2001	7.288	22.038	42.173	9.560	8.367	1.000	6.543	-	3.249	-	-	-	-	100.218
2002	7.288	20.559	36.256	7.560	8.237	1.000	6.543	47.257	3.249	-	-	-	-	137.949
2003	7.288	20.056	41.025	9.560	8.197	1.000	6.543	47.257	3.249	-	-	-	-	144.175
2004	7.288	21.474	40.374	9.560	8.117	1.000	4.543	52.827	3.249	-	-	-	-	148.432
2005	10.965	19.957	40.089	9.560	8.037	1.000	6.543	52.989	3.249	-	40,000	40,000	11,000	243.389
2006	11.288	17.900	39.982	9.560	8.037	1.000	3.250	54.332	3.281	-	43,000	40,000	11,000	242.630
2007	18.608	16.804	38.035	13.360	7.977	1.000	-	59.246	3.261	3.321	50,000	40,000	11,000	262.612
Levy														
1998	\$ 85,058	\$ 32,608,877	\$ 6,732,777	\$ 236,327	\$ 1,038,128	\$ 1,140,902	\$ 266,791	\$ -	\$ 1,838,175	\$ -	\$ -	\$ -	\$ -	\$ 43,947,035
1999	93,361	34,162,938	7,501,006	268,978	1,054,286	1,206,293	276,560	-	1,983,418	-	-	-	-	46,546,840
2000	108,483	36,053,130	7,580,502	346,697	1,106,841	1,307,156	338,086	-	4,674,328	-	-	-	-	51,515,223
2001	127,415	38,846,297	8,718,454	447,916	1,272,636	1,423,599	424,846	-	5,056,154	-	-	-	-	56,317,317
2002	175,049	45,683,851	10,535,268	650,279	1,734,822	1,782,779	603,578	20,576	6,446,561	-	-	-	-	67,632,763
2003	210,316	48,691,835	13,701,751	972,351	1,973,426	1,978,011	763,813	191,471	7,009,411	-	-	-	-	75,492,385
2004	280,616	53,414,937	14,614,834	1,066,571	2,085,244	2,052,881	608,149	414,361	7,111,739	-	-	-	-	81,649,332
2005	516,418	59,739,651	16,656,447	1,234,942	2,793,480	2,399,590	1,074,342	618,857	8,618,092	-	9,070	172	82	93,661,143
2006	768,800	64,714,321	19,653,853	1,564,289	2,793,480	2,771,826	611,522	1,392,366	10,591,984	-	11,908	1,879	522	104,876,750
2007	1,562,516	70,643,162	21,713,602	3,092,694	2,872,315	3,190,486	-	2,076,070	12,141,237	698,882	121,952	12,882	7,261	118,133,059

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

<sup>(1)</sup>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: 2005 assessed will be collected in 2006 calendar year

<sup>(2)</sup>In November 2005, Boulder County residents voted to be included into the Weld County Library District.

Town of Erie  
Principal Taxpayers  
December 31, 2007

Taxpayer	Boulder County					
	2007			1998		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Arapahoe Ridge Retail Center LLC	\$ 2,502,920	1	2.92 %	\$ -	-	- %
Richmond American Homes of Colorado	1,741,140	2	2.03	-	-	-
Engle Homes/James Company	1,058,400	3	1.23	-	-	-
Boulder Valley Investment LLC	854,500	4	1.00	-	-	-
John H & Rosemarie Zahn	820,610	5	0.96	-	-	-
Westpac Realty Fund II LLC	804,000	6	0.94	-	-	-
Cottonwood Vista by Remington Homes	794,690	7	0.93	-	-	-
Tousa Homes Inc	436,050	9	0.51	-	-	-
Safeway Inc/ Store #1667	424,240	10	0.49	-	-	-
KDB Homes Inc	-	-	-	822,360	1	11.75
WL Homes	-	-	-	472,650	2	6.76
1995 Corp DBA Remington Homes Inc	-	-	-	339,180	3	4.85
Century Square Inc	-	-	-	243,350	4	3.48
KDB Homes Inc	-	-	-	224,400	5	3.21
Patina Oil & Gas Corporation	-	-	-	169,950	6	2.43
Johnson Communities Inc	-	-	-	167,620	7	2.40
Ryland Group Inc	-	-	-	157,600	8	2.25
HS Resources Inc	-	-	-	157,460	9	2.25
Richard E & Deborah L Oliver	451,640	8	0.53	152,450	10	2.18
			-			
	<u>\$ 9,888,190</u>		<u>11.53 %</u>	<u>\$ 2,907,020</u>		<u>41.55 %</u>

Taxpayer	Weld County					
	2007			1998		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Noble Energy	\$ 1,945,710	1	2.19 %	\$ -	-	- %
Vista Ridge Development LLC	1,375,490	2	1.55	-	-	-
Encana Oil & Gas (USA) Inc	1,276,220	3	1.44	-	-	-
VRC Development LLC	1,116,620	4	1.26	-	-	-
Vista Ridge Development Corp	1,112,890	5	1.25	-	-	-
Kerr-McGee Oil & Gas Onshore LP	1,023,140	6	1.15	-	-	-
In Play Membership Golf Inc	971,990	7	1.09	-	-	-
Comcast of Colorado LLC	923,780	8	1.04	-	-	-
Woodcrest Homes Inc	816,090	9	0.92	-	-	-
1010 Redevelopment Inc	737,160	10	0.83	-	-	-
North American Resources Co	-	-	0.00	420,190	1	3.85
Bolder Enterprises LTD	-	-	-	367,210	2	3.37
Environmental Recycling & Disposal Inc	-	-	-	260,970	3	2.39
Patina Oil & Gas Corporation	-	-	-	173,780	4	1.59
Sprint PCS	-	-	-	171,800	5	1.57
Schofield Sheridan	-	-	-	164,360	6	1.51
Greeley Cellular Telephone Co	-	-	-	163,000	7	1.49
Comcast Corporation	-	-	-	123,290	8	1.13
Robert & Maurine McMillan Trustees	-	-	-	78,620	9	0.72
Erie Exchange LLC	-	-	-	73,440	10	0.67
	<u>\$ 11,299,090</u>		<u>12.71 %</u>	<u>\$ 1,996,660</u>		<u>18.30 %</u>

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

**Town of Erie**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Collection Year	Total Tax Levy <sup>(1)</sup>	Total Tax Collections	Collections As a Percent of Tax Levy
1998	\$ 130,833	\$ 143,092	109.37 %
1999	184,647	193,655	104.88
2000	288,048	285,998	99.29
2001	404,040	403,037	99.75
2002	612,014	609,799	99.64
2003	705,700	689,563	97.71
2004	797,800	788,955	98.89
2005 <sup>(2)</sup>	1,305,939	1,297,459	99.35
2006	1,629,486	1,626,286	99.80
2007 <sup>(3)</sup>	3,077,011	3,078,525	100.05

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

<sup>(1)</sup>Collection year follows levy year.

<sup>(2)</sup> In November 2004, voters approved a mill levy increase for trails and natural areas.  
For the 2005 collection year, the mill increase is 3.677.  
For collection years after 2005, the mill increase will be 4.000.

<sup>(3)</sup> In November 2005, voters approved a mill levy increase for the construction

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

Fiscal Year	Governmental Activities				Business-	
	General Obligation Bonds	Open Space	Capital Leases	Compensated Absences	Water Revenue Bonds <sup>(2)</sup>	Wastewater Revenue Bonds <sup>(2)</sup>
1998	\$ -	\$ -	\$ 109,597	\$ 65,442	\$ 217,000	\$ 3,881,813
1999	4,500,000	-	139,006	89,010	16,451,000	3,785,432
2000	4,460,000	-	178,023	188,001	16,245,000	3,683,281
2001	4,290,000	292,750	77,386	198,239	15,988,000	3,529,962
2002	4,115,000	151,710	27,689	201,271	15,561,000	3,375,841
2003	3,935,000	74,710	-	223,146	29,614,000	3,215,819
2004	3,745,000	25,110	-	244,017	28,501,000	3,044,534
2005	3,550,000	-	-	298,649	27,503,000	2,872,287
2006	20,211,095	-	-	312,282	26,469,000	2,688,691
2007	19,871,095	-	-	358,900	39,700,000	2,499,043

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

<sup>(1)</sup>Information not available

<sup>(2)</sup>Water and Wastewater Revenue Bonds include revenue bonds and loans from the Colorado Water Resources and Power Development Authority

<sup>(3)</sup> In 2006, Housing Authority forgivable loan was restated as a prior period adjustment to the beginning balance of \$60,000

Type Activities			Total Primary Government	Boulder County	Weld County	Per Capita
Storm Drainage Loan	Housing Authority <sup>(3)</sup>	Capital Leases		Percentage of Personal Income	Percentage of Personal Income	
\$ 473,254	\$ -	\$ 22,638	\$ 4,769,744	0.05%	0.13%	1,149
464,495	-	-	25,428,944	0.25%	0.61%	4,303
455,562	-	-	25,209,867	0.21%	0.55%	4,007
446,450	-	-	24,822,787	0.21%	0.50%	3,175
437,155	-	-	23,869,666	0.21%	0.48%	2,793
427,675	884,511	-	38,374,861	0.33%	0.76%	3,886
418,005	900,770	-	36,878,436	0.30%	0.69%	2,951
408,141	883,746	32,030,000	67,545,824	0.53%	1.19%	4,915
398,081	888,368	31,550,000	82,517,517	0.58%	1.35%	5,386
387,879	868,703	31,045,000	94,730,620	(1)	(1)	5,620

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

Year	Population	Estimated Actual Taxable Value	General Bonded Debt <sup>(1)</sup>	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
1998	4,150	\$ 128,328,988	\$ -	- %	\$ -
1999	5,910	186,920,583	4,500,000	2.41	761
2000	6,291	337,211,466	4,460,000	1.32	709
2001	7,817	477,976,939	4,290,000	0.90	549
2002	8,546	770,492,477	4,115,000	0.53	482
2003	9,875	864,701,557	3,935,000	0.46	398
2004	12,499	1,091,098,977	3,745,000	0.34	300
2005	13,744	1,201,664,213	3,550,000	0.30	258
2006	15,320	1,493,390,668	20,211,095	1.35	1,319
2007	16,856	1,773,561,146	19,871,095	1.12	1,179

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

<sup>(1)</sup>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, 2007**

	<b>Outstanding General Bonded Debt</b>	<b>Percentage Applicable to the Town</b>	<b>Share of Debt Applicable to the Town</b>
Direct Debt			
Town of Erie	\$ 19,871,095	100 %	\$ 19,871,095
Overlapping Debt			
Boulder Valley School District	\$ 230,175,000	1	\$ 2,301,750
Frederick-Firestone Fire Protection District	3,610,000	1	36,100
Mountain View Fire Protection District	105,000	18	18,900
Northern Colorado Water Conservation District	4,064,830	2	81,297
St Vrain Valley School District	299,035,000	5	14,951,750
Vista Ridge Metropolitan District	<u>40,000,000</u>	100	<u>40,000,000</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 596,860,925</u>		<u>\$ 77,260,892</u>

Source: Provided by each government entity

<sup>(1)</sup>The following governments had no outstanding general bonded debt as of December 31, 2007

Boulder County, Weld County, Left Hand Water District, Boulder Valley Conservation Soil District, Tri-Area Ambulance Special District, Weld Library Special District, Urban Drainage & Flood District, Lafayette Rural Fire District, Erie Commons Metro District #1, Erie Commons Metro District #2, Erie Corporate Center Metro District #1, Erie Corporate Center Metro District #2, and Erie Corporate Center Metro District #3

Town of Erie  
 Legal Debt Margin Information  
 Last Ten Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 3,849,870	\$ 5,607,617	\$ 10,116,344	\$ 14,339,308	\$ 23,114,774	\$ 25,941,047	\$ 32,732,969	\$ 36,049,926	\$ 44,801,720	\$ 53,206,834
Total Net Debt Applicable to Limit	-	4,500,000	4,460,000	4,290,000	4,115,000	3,935,000	3,745,000	3,550,000	20,211,095	19,871,095
Legal Debt Margin	\$ 3,849,870	\$ 1,107,617	\$ 5,656,344	\$ 10,049,308	\$ 18,999,774	\$ 22,006,047	\$ 28,987,969	\$ 32,499,926	\$ 24,590,625	\$ 33,335,739
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	80.25%	44.09%	29.92%	17.80%	15.17%	11.44%	9.85%	45.11%	37.35%

Legal Debt Margin Calculation for Fiscal Year 2006

1773561146	Actual Valuation	
	Boulder County	\$ 871,984,346
	Weld County	901,576,800
	Total Actual Valuation	<u>\$ 1,773,561,146</u>
	Legal Debt Margin	
	Debt Limitation:	
	3 Percent of Total Assessed Valuation	\$ 53,206,834
	Debt Applicable to Limitation:	
	Outstanding Balance of General	
	Obligation Bonds	<u>19,871,095</u>
	Legal Debt Margin	<u>\$ 33,335,739</u>

Source: Town of Erie Finance Department

<sup>(1)</sup>Information not available

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

Year	Gross Revenues <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	\$ 5,343,648	\$ 512,021	\$ 4,831,627	\$ 295,073	\$ 52,158	\$ 347,231	13.91
1999	6,280,116	833,157	5,446,959	32,595	41,940	74,535	73.08
2000	7,996,536	1,217,131	6,779,405	233,127	835,078	1,068,205	6.35
2001	5,957,292	1,453,984	4,503,308	1,695,643	795,770	2,491,413	1.81
2002	7,731,349	1,635,801	6,095,548	427,000	784,818	1,211,818	5.03
2003	12,300,859	1,604,694	10,696,165	447,000	767,143	1,214,143	8.81
2004	17,282,608	1,971,336	15,311,272	1,113,000	1,148,790	2,261,790	6.77
2005	20,713,764	1,904,744	18,809,019	998,000	1,273,168	2,271,168	8.28
2006	13,640,867	2,717,169	10,923,698	1,169,000	1,135,369	2,304,369	4.74
2007	10,759,055	2,742,213	8,016,842	1,189,000	1,420,392	2,609,392	3.07

Source: Town of Erie Finance Department

<sup>(1)</sup>Gross revenues consist of water sales and capital contributions (tap fees)

<sup>(2)</sup>Operating expenses excludes depreciation

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

Year	Gross Revenues <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	\$ 2,761,635	\$ 305,696	\$ 2,455,939	\$ 74,877	\$ -	\$ 74,877	32.80
1999	3,508,935	517,677	2,991,258	96,381	99,218	195,599	15.29
2000	3,271,277	632,177	2,639,100	183,950	102,151	286,101	9.22
2001	1,531,284	750,365	780,919	153,299	180,370	333,669	2.34
2002	1,861,514	766,549	1,094,965	154,141	174,582	328,723	3.33
2003	2,845,253	732,385	2,112,868	160,022	168,573	328,595	6.43
2004	4,097,672	995,223	3,102,449	171,285	163,779	335,064	9.26
2005	4,478,101	1,106,541	3,371,561	172,247	155,075	327,322	10.30
2006	3,450,476	1,226,783	2,223,693	183,596	147,430	331,026	6.72
2007	3,346,984	1,213,319	2,133,665	189,648	139,671	329,319	6.48

Source: Town of Erie Finance Department

<sup>(1)</sup>Gross revenues consist of water sales and capital contributions (tap fees)

<sup>(2)</sup>Operating expenses excludes depreciation

**Town of Erie  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Year	Population	Boulder County <sup>(1)</sup>					Weld County <sup>(1)</sup>				
		Personal Income (amounts expressed in thousands)	Per Capita Income	Median Age	School Enrollment <sup>(2)</sup>	Unemployment Rate	Personal Income (amounts expressed in thousands)	Per Capita Income	Median Age	School Enrollment <sup>(2)</sup>	Unemployment Rate
1998	4,150	\$ 9,346,188	\$ 33,672	33.2	26,288	3.3	\$ 3,752,251	\$ 22,530	30.9	17,583	4.5
1999	5,910	10,304,130	36,041	33.5	26,951	2.6	4,167,443	23,904	30.9	18,009	3.6
2000	6,291	11,825,466	40,362	33.6	27,085	2.4	4,586,448	25,036	31.0	18,310	3.4
2001	7,817	12,085,925	40,436	33.8	27,500	3.5	4,950,093	25,567	31.0	19,113	4.0
2002	8,546	11,274,957	40,469	34.1	27,924	5.7	4,939,537	24,150	31.1	20,038	6.0
2003	9,875	11,541,201	41,517	34.4	27,818	5.8	5,045,684	23,795	31.3	20,631	6.7
2004	12,499	12,199,592	43,640	34.8	27,867	5.0	5,374,013	24,432	31.4	20,913	5.4
2005	13,744	12,815,298	45,849	35.1	27,922	4.5	5,668,873	24,846	31.5	21,467	5.1
2006	15,320	14,199,700	49,628	35.5	27,922	3.7	6,120,013	26,002	31.3	22,482	4.6
2007	16,856	<sup>(3)</sup>	<sup>(3)</sup>	35.8	28,457	3.3	<sup>(3)</sup>	<sup>(3)</sup>	31.5	23,975	4.2

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

<sup>(1)</sup>This information is for the entire county

<sup>(2)</sup>Boulder County overlaps into St. Vrain Valley School District (Residents from Boulder County attend school in the St Vrain Valley School District)  
School enrollment for Boulder County is only for Boulder Valley School District

<sup>(3)</sup>Information not available

**Town of Erie  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2007			1998 <sup>(1)</sup>		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Erie	167	1	6.68 %	-	-	- %
Safeway	135	2	5.40	-	-	-
Better Business Cleaning	65	3	2.60	-	-	-
Erie Elementary	46	3	1.84	-	-	-
Erie middle/Senior High	45	4	1.80	-	-	-
Town & Country Disposal	35	5	1.40	-	-	-
John Murphy Millworks	25	6	1.00	-	-	-
County Line Lumber	20	7	0.80	-	-	-
Forever Young	13	9	0.52	-	-	-
Erie Pre-Cast Concrete	12	10	0.48	-	-	-
Total	<u>563</u>		<u>22.52 %</u>	<u>-</u>		<u>- %</u>

Source: Erie Chamber of Commerce

<sup>(1)</sup>Information not available

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

Function	Full-Time Equivalent employees as of December 31									
	1998 <sup>(1)</sup>	1999 <sup>(1)</sup>	2000	2001	2002	2003	2004	2005	2006	2007 <sup>(2)</sup>
General Government	-	-	23.800	24.750	14.000	12.375	13.775	14.775	15.900	16.400
Parks & Recreation										
Parks	-	-	4.000	8.000	9.000	8.500	10.000	11.000	11.000	11.000
Recreation	-	-	3.000	4.150	4.100	4.600	4.650	4.650	4.650	50.540
Public Safety										
Police	-	-	18.250	18.250	18.250	18.250	20.250	22.650	22.650	22.650
Public Works	-	-	19.500	24.000	9.000	7.750	8.500	8.750	8.750	8.125
Water	-	-	4.000	4.000	15.000	13.833	14.848	15.973	16.515	16.828
Wastewater	-	-	3.000	3.000	12.000	10.803	11.808	11.933	12.475	12.787
Storm Drainage	-	-	-	-	-	0.990	1.320	1.320	1.340	1.340
Airport	-	-	1.000	1.000	1.000	1.000	1.000	1.000	1.020	0.020
<b>Total</b>	-	-	76.550	87.150	82.350	78.101	86.151	92.051	94.300	139.690

Source: Town of Erie Finance Department

<sup>(1)</sup>Information not available

<sup>(2)</sup>During 2007, the Town increased its recreation staff for the opening and operation of the Erie Community Center

**Town of Erie**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Parks										
Total Acres of Parks Maintained	7	7	20	24	24	68	69	72	87.3	72.9
Total Acres of Open Space Maintained	12	12	14	14	32	116	116	120	169.18	259.21
Recreation										
Participation in Recreation Activities	(2)	301	511	549	700	576	284	391	1,470	1,558
Participation in Sports	(2)	270	791	830	947	984	1,039	1,147	1,267	1,347
Participation in Senior Activities	(2)	(1)	(1)	849	682	920	1,179	893	1,029	849
Senior Lunches	(2)	1,494	1,607	1,687	1,271	1,550	2,037	2,177	2,082	1,833
Police										
Traffic Violations	599	559	706	710	779	660	1,011	1,586	987	838
Criminal Violations	334	382	484	650	690	554	615	821	828	323
Water										
Number of Service Connections	1,624	2,172	2,887	3,141	3,404	3,850	4,574	5,340	5,787	6,030
Average Daily Flow (million gallons per day)	0.441	0.734	1.146	(1)	1.72	1.54	1.78	2.25	2.60	2.50
Wastewater										
Number of Service Connections	(3)	2,117	2,707	2,945	3,243	3,673	4,343	5,070	5,551	5,789
Average Monthly Flows (million gallons per day)	(3)	0.407	0.522	0.528	0.510	0.578	0.706	0.784	0.840	0.964

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

(1) Information not available

(2) Recreation department was established in 1999

(3) The current Water Reclamation Facility began operations in 1999.  
Prior to 1999, wastewater was treated via a method that did not track flows.

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

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Parks										
Parks	3	3	4	5	5	8	8	8	8	8
Park Acreage	7	7	20	24	24	68	69	72	87.3	72.9
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	2	3	4	4	4	6	6	6	7	8
Public Works										
Streets (miles)	(1)	45.87	56.31	67.15	72.26	90.29	99.34	100.09	119.00	105.13
Water										
Water Mains (miles)	(1)	33.66	44.12	46.39	52.60	72.30	93.12	117.01	153.00	110
Maximum Daily Capacity (million gallons per day)	1.00	2.00	4.00	4.00	6.00	6.00	6.00	12.00	12.00	7.25
Wastewater										
Sanitary Sewers (miles)	(1)	22.47	31.00	33.54	40.79	51.29	66.29	86.17	164.00	93.43
Maximum Daily Capacity (million gallons per day)	(1)	0.60	0.80	0.80	0.80	0.80	0.80	1.20	1.20	1.2
Storm Drainage										
Storm Sewers (miles)	(1)	8.75	11.56	12.61	16.53	20.23	27.32	36.75	88.00	(1)
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1

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

(1) Information not available

**Town of Erie**  
**Property Value and Construction**  
**Last Ten Fiscal Years**

Year	Estimated Actual Property Value			Commercial Construction		Residential Construction	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
1998	\$ 7,789,885	\$ 98,646,137	\$ 106,436,022	5	\$ 4,912,938	666	\$ 82,581,900
1999	8,833,848	155,174,287	164,008,135	27	14,897,865	634	77,193,117
2000	11,700,473	297,483,136	309,183,609	13	1,872,949	469	60,930,746
2001	19,826,322	430,506,306	450,332,628	9	872,658	220	36,249,078
2002	29,991,326	692,471,021	722,462,347	15	3,829,314	265	42,365,276
2003	37,199,528	758,631,662	795,831,190	3	4,758,676	478	87,767,115
2004	38,995,466	964,666,797	1,003,662,263	10	3,476,978	909	185,210,129
2005	46,429,974	1,073,620,314	1,120,050,288	3	4,862,241	803	188,301,798
2006	49,034,286	1,342,384,348	1,391,418,634	6	2,878,000	612	116,554,370
2007	47,264,926	1,629,471,893	1,676,736,819	11	26,601,742	249	59,080,987

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

## **Compliance Section**

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The following information regarding debt covenants is required supplementary information.

1. Wastewater Colorado Water Resources and Power Development Authority (CWRPDA) Loans

The Town is required by certain debt covenants to maintain rates and charges for the Wastewater system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 110% of the debt services due on the Town's CWRPDA loans and revenue bonds.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$ 2,004,146	
Capital Contributions (Tap Fees)	<u>1,342,838</u>	
Total Operating Revenue		\$ 3,346,984
Operating & Maintenance Expense <sup>1</sup>		<u>1,213,319</u>
Net Revenue		<u>2,133,665</u>
2007 Principal Due	189,648	
2007 Interest Due	<u>139,671</u>	
Total Debt Service	329,319	
110% of Total Debt Service		<u>362,251</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 1,771,414</u></u>

<sup>1</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

There were no material violations of legal covenants for the ended December 31, 2007.

## 2. 1997 Wastewater Revenue Bond

The Town is required by certain debt covenants to maintain rates and charges for the Wastewater system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the debt services due on the Town's 1997 Wastewater Revenue Bonds and other loans.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$ 2,004,146	
Capital Contributions (Tap Fees)	<u>1,342,838</u>	
Total Operating Revenue		\$ 3,346,984
Operating & Maintenance		
Expense <sup>1</sup>		<u>1,213,319</u>
Net Revenue		2,133,665
2007 Principal Due	189,648	
2007 Interest Due	<u>139,671</u>	
Total Debt Service	329,319	
125% of Total Debt Service		<u>411,649</u>
Amount Net Revenue Exceeded Loan Requirements		<u>\$ 1,722,016</u>

<sup>1</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

There were no material violations of legal covenants for the ended December 31, 2007.

### 3. 1998 Water Refunding Bond

The Town is required by certain debt covenants to maintain rates and charges for the Water system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the of maximum principal and interest payments due on the Town's 1998 Water Refunding Bonds and at least 125% of the current year's annual debt service payment for all other bonds and loans.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$	4,803,707
Other Income		154,498
Investment Earnings		1,327,613
Capital Contributions (Tap Fees)		5,955,348
Total Operating Revenue		<u>\$ 12,241,166</u>
Operating & Maintenance		
Expense <sup>1</sup>		<u>2,742,213</u>
Net Revenue		<u>9,498,953</u>
CWRPDA and GMAC Principal Due		549,000
CWRPDA and GMAC Interest Due		558,885
Revenue Bonds (2007a/2007b) Principal Due		5,000
Revenue Bonds (2007a/2007b) Interest Due		293,757
Refunding Bond (1998) Maximum Debt Service		<u>1,202,750</u>
Total Debt Service		<u>2,609,392</u>
125% of Total Debt Service		<u>3,261,740</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>6,237,213</u></u>

<sup>1</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

There were no material violations of legal covenants for the ended December 31, 2007.

#### 4. 2007a Water Revenue Bond

The Town is required by certain debt covenants to maintain rates and charges for the Water system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the current year's principal and interest payments due on the Town's bonds and loans.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$ 4,803,707	
Other Income	154,498	
Investment Earnings	1,327,613	
Capital Contributions (Tap Fees)	5,955,348	
Total Operating Revenue		\$ 12,241,166
Operating & Maintenance Expense <sup>1</sup>		<u>2,742,213</u>
Net Revenue		<u>9,498,953</u>
CWRPDA and GMAC Principal Due	549,000	
CWRPDA and GMAC Interest Due	558,885	
Revenue Bonds (2007a/2007b) Principal Due	5,000	
Revenue Bonds (2007a/2007b) Interest Due	293,757	
Refunding Bond (1998) Maximum Debt Service	1,202,750	
Total Debt Service	<u>2,609,392</u>	
125% of Total Debt Service		<u>3,261,740</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 6,237,213</u></u>

<sup>1</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

There were no material violations of legal covenants for the ended December 31, 2007.

## 5. 2007b Water Revenue Bond

The Town is required by certain debt covenants to maintain rates and charges for the Water system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the current year's principal and interest payments due on the Town's bonds and loans.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$ 4,803,707	
Other Income	154,498	
Investment Earnings	1,327,613	
Capital Contributions (Tap Fees)	5,955,348	
Total Operating Revenue		\$ 12,241,166
Operating & Maintenance Expense <sup>1</sup>		<u>2,742,213</u>
Net Revenue		<u>9,498,953</u>
CWRPDA and GMAC Principal Due	549,000	
CWRPDA and GMAC Interest Due	558,885	
Revenue Bonds (2007a/2007b) Principal Due	5,000	
Revenue Bonds (2007a/2007b) Interest Due	293,757	
Refunding Bond (1998) Maximum Debt Service	1,202,750	
Total Debt Service	<u>2,609,392</u>	
125% of Total Debt Service		<u>3,261,740</u>
Amount Net Revenue Exceeded Loan Requirements		<u>\$ 6,237,213</u>

<sup>1</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

There were no material violations of legal covenants for the ended December 31, 2007.

6. Water CWRPDA 2004 Loan

The Town is required by certain debt covenants to maintain rates and charges for the Water system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the debt service due on the Town's CWRPDA loan and other Water bonds.

The rate maintenance calculation for the year ended December 31, 2007, is as follows:

Operating Revenue		
Charges for Services	\$ 4,803,707	
Other Income	154,498	
Investment Earnings	1,327,613	
Capital Contributions (Tap Fees) <sup>1</sup>	1,488,837	
Total Operating Revenue		\$ 7,774,655
Operating & Maintenance Expense <sup>2</sup>		<u>2,742,213</u>
Net Revenue		<u>5,032,442</u>
CWRPDA and GMAC Principal Due	549,000	
CWRPDA and GMAC Interest Due	558,885	
Revenue Bonds (2007a/2007b) Principal Due	5,000	
Revenue Bonds (2007a/2007b) Interest Due	293,757	
Refunding Bond (1998) Maximum Debt Service	1,202,750	
Total Debt Service	<u>2,609,392</u>	
125% of Total Debt Service		<u>3,261,740</u>
Amount Net Revenue Exceeded Loan Requirements		<u>\$ 1,770,702</u>

<sup>1</sup>For the purpose of this rate maintenance calculation, 75% of capital contributions are excluded.

<sup>2</sup>For the purpose of the rate maintenance calculation, operating and maintenance expenses exclude depreciation

In addition, the debt covenants of the Water CWRPDA Loan require the Town to report the following:

Years (December 31)	Total Accounts
1998	1,624
1999	2,172
2000	2,887
2001	3,141
2002	3,430
2003	3,864
2004	4,574
2005	5,340
2006	5,787
2007	6,030

Table 3  
System Accounts

Classification	Number of Accounts	Percent of Total Accounts
Residential	5,840	97%
Commercial	190	3%
Total	6,030	100%

Table 4  
Five Largest Consumers of the System

Customer	Revenue Percentage
Town of Erie	3.77%
St Vrain Valley School District	2.63%
Blue Sky at Vista Ridge	1.56%
Grandview HOA	1.12%
Canyon Creek S 2 HOA	0.74%

Table 5  
System Income

	2002	2003	2004	2005	2006	2007
User Charges	\$ 2,451,849	\$ 2,150,035	\$ 2,705,358	\$ 3,625,729	\$ 4,792,751	\$ 4,803,707
Contributed Capital - Tap Fees	5,279,500	10,139,600	14,577,250	17,093,209	8,848,116	5,955,348
Contributed Capital - Capital Donations	-	-	5,464,826	1,426,622	1,923,176	2,686,385
Other Fees and Charges	37,889	116,828	31,651	112,640	97,532	154,498
Investment Earnings	91,157	74,104	246,101	658,406	979,127	1,327,613
Total System Revenue	<u>\$ 7,860,395</u>	<u>\$ 12,480,567</u>	<u>\$ 23,025,186</u>	<u>\$ 22,916,606</u>	<u>\$ 16,640,702</u>	<u>\$ 14,927,551</u>

There were no material violations of legal covenants for the ended December 31, 2007.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	YEAR ENDING : December 2007

This Information From The Records Of (example - City of _ or County of )	Prepared By: Phone:
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,410,234
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	416,488
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	1,226,050	b. Snow and ice removal	
3. Other local imposts (from page 2)	1,430,659	c. Other	201,256
4. Miscellaneous local receipts (from page 2)	188,198	d. Total (a. through c.)	201,256
5. Transfers from toll facilities		4. General administration & miscellaneous	528,827
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,556,805
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	143,308
7. Total (1 through 6)	2,844,907	b. Redemption	215,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	358,308
<b>C. Receipts from State government</b> (from page 2)	507,316	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,352,223	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	358,308
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,915,113

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	3,411,095	0	215,000	3,196,095
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,757,547	3,352,223	3,915,113	3,194,657	0

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2007

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	188,198
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,175,106	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	255,553	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,430,659	h. Other	
c. Total (a. + b.)	1,430,659	i. Total (a. through h.)	188,198
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	421,734	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	56,452	d. Federal Transit Admin	
d. Other (Specify) - CDO T grant	29,130	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	85,582	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	507,316	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		1,908,416	1,908,416
(2). Capacity Improvements			0
(3). System Preservation		501,818	501,818
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,410,234	2,410,234
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,410,234	2,410,234
			(Carry forward to page 1)

Notes and Comments:

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