

# TOWN OF ERIE, COLORADO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2009

ERIE POLICE DEPARTMENT BICYCLE RODEO



# Town of Erie, Colorado

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2009

Prepared by the Finance Department:

*Molly M. W. Kostecky, CPA, Finance Director*  
*Christine M. Morrison, Chief Accountant*

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**Town of Erie, Colorado**  
 Comprehensive Annual Financial Report  
 For the fiscal year ended December 31, 2009

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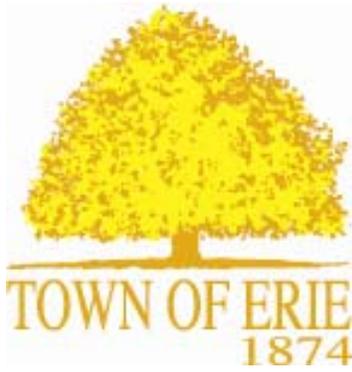
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# Introductory Section

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May 10, 2010

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, 2009.

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.

Johnson, Holscher & Company, 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, 2009, 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, 2009, 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 18,088. 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.

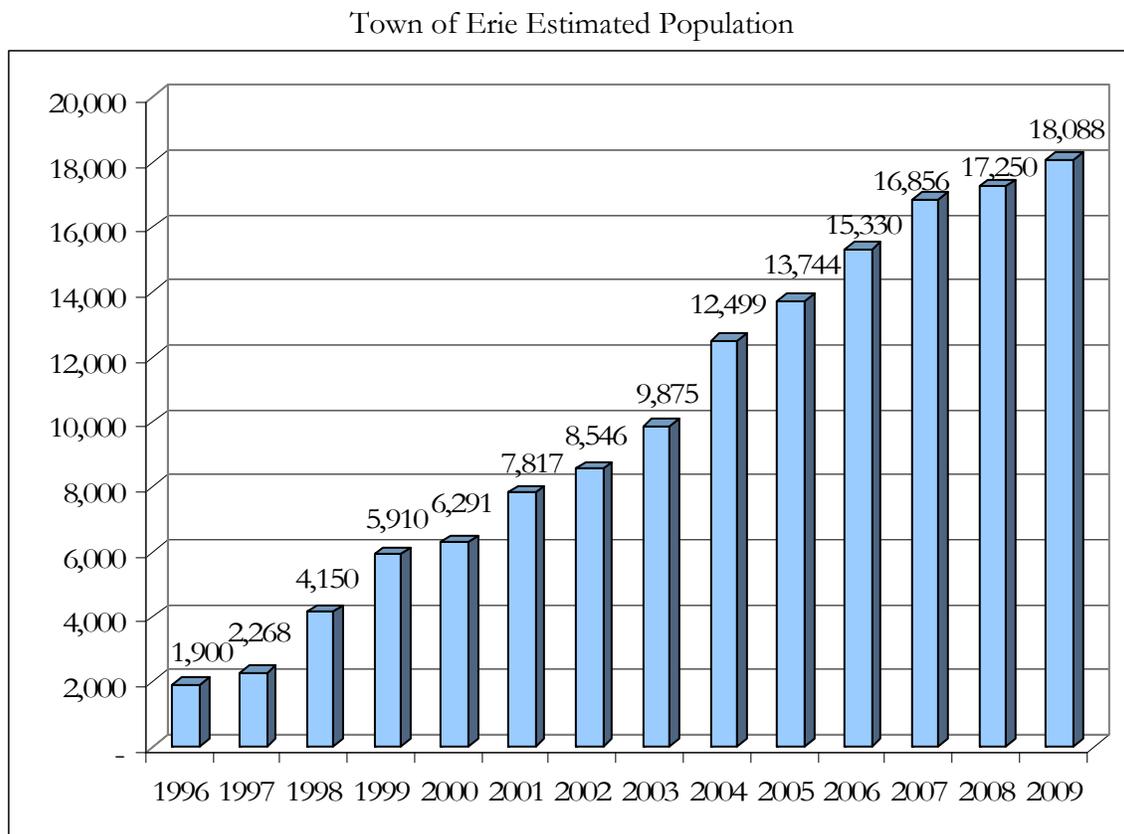
Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, the comparison is presented on page 40, as part of the basic financial statements for the governmental funds. For all other governmental funds,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

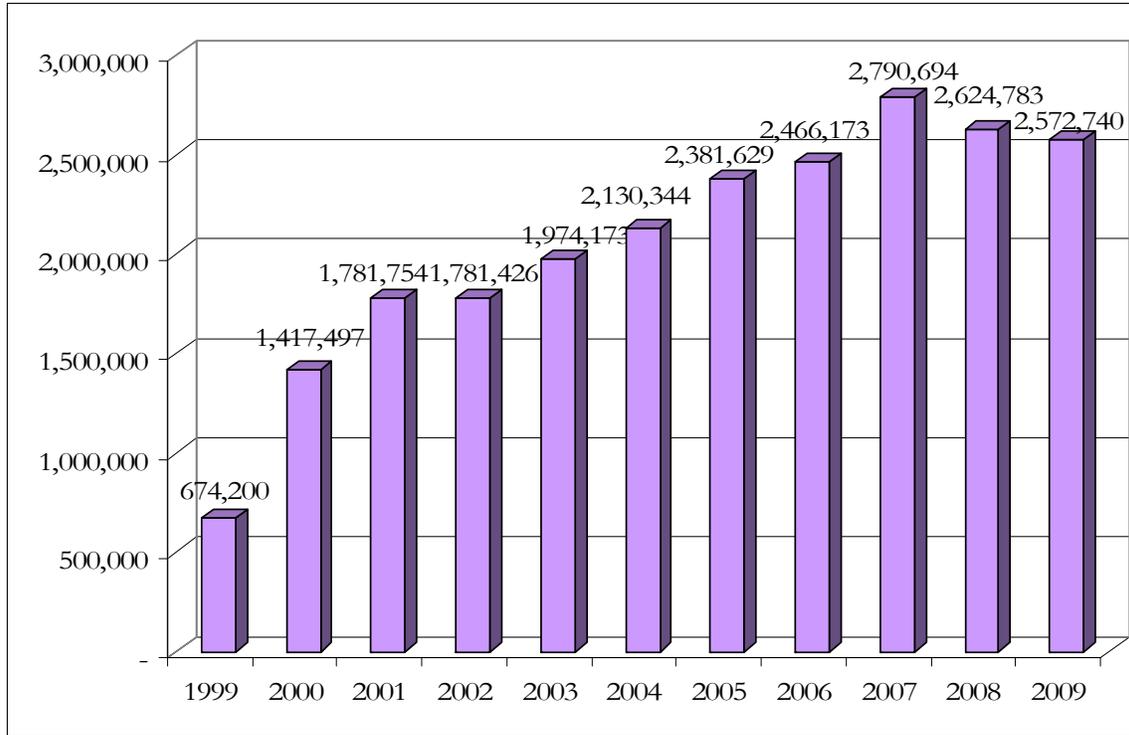
The Town of Erie has seen the community grow over the last ten years. In the early 1990s, the Town had a population of 1,300 and today the Town has a population estimated at 18,088. The following chart reflects the population growth.



The Town has been able to provide the necessary services to its residents. In 2009 the Town began construction of the new Northern Water Reclamation Facility and wastewater transmission pipeline/reuse water pipeline. These projects are funded through revenue bonds issued in 2008 and 2009 as well as cash funds on hand. The Town also utilized several interest-free and low interest loan programs available with American Recovery and Reinvestment Act of 2009 (ARRA) to construction a new pumpstation. In addition, the Town received two transportation grants through ARRA for the construction of bikes lanes on County Line Road and Erie Parkway.

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 over the last ten years. Although Erie did experience slight decreases in sales tax revenues in 2008 and 2009, the decrease is directly attributed to a decline in motor vehicle sales tax. The Town does not expect this trend to continue because of the continued increase in the Town's commercial development. The Town does expect to compete with surrounding communities for any future significant increase in sales tax revenues. Below is a chart reflecting the change in sales tax revenues over the last ten years.

Town of Erie Sales Tax Revenues



The Town's commercial property increased in 2009 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 150 part-time employees, making it one of Erie's top five employers. The community is expected to maintain moderate growth of quality 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 Town issued \$8,000,000 in debt to begin the project in 2008 and issued an additional \$10,000,000 in 2009 to complete the project. Construction began in the fall of 2009.

Additionally, the Board authorized two loans through the Colorado Water Resources and Power Development Authority in the fall of 2009 to construct a pumpstation at the new waster reclamation facility. The loans utilized funds from ARRA, allowed for an interest-free loan and a reduced interest rate loan, saving approximately \$1.6 million dollars and allowing the project to move forward.

## **Relevant Financial Policies**

The Town adopted financial policies in 2003. These policies guide the financial operations of the Town and provide a structure when developing the budget. The Town's balanced budget policy provides that the fund balance in the General Fund only be expended on capital one-time expenditures unless otherwise authorized by the Board of Trustees. The Town's operating reserve policy requires the Town to maintain a fund balance in the General Fund of twenty-five percent of the current year's budgeted operating expenditures. Enterprise funds must maintain a ninety-day operating and maintenance expense reserve.

## **Major Initiatives**

The Town began construction on several major wastewater-related projects. They include construction of the North Water Reclamation Facility and the construction an influent pipeline leading to the new facility. The facility is expected to be completed in 2011. The Town expects to hire additional staff to run the facility in 2011.

The Town was awarded two projects funded by the American Recovery and Reinvestment Act of 2009 (ARRA) to construct bike lanes on Erie Parkway and County Line Road. The projects are scheduled to be completed in early 2010 and will require minimal additional maintenance expenditures.

## **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, 2008. 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.

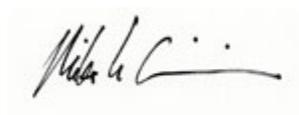
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Town received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning January 1, 2009. This is the sixth 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.

The Town received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual popular financial report fiscal year ended December 31, 2008. This is the second consecutive year that the Town has received this prestigious award. In order to qualify for the Award for Outstanding Achievement in Popular Annual Financial Reporting, the Town's annual popular financial report was judged to be proficient in several categories, including reader appeal, understandability, and distribution.

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, 2008

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.



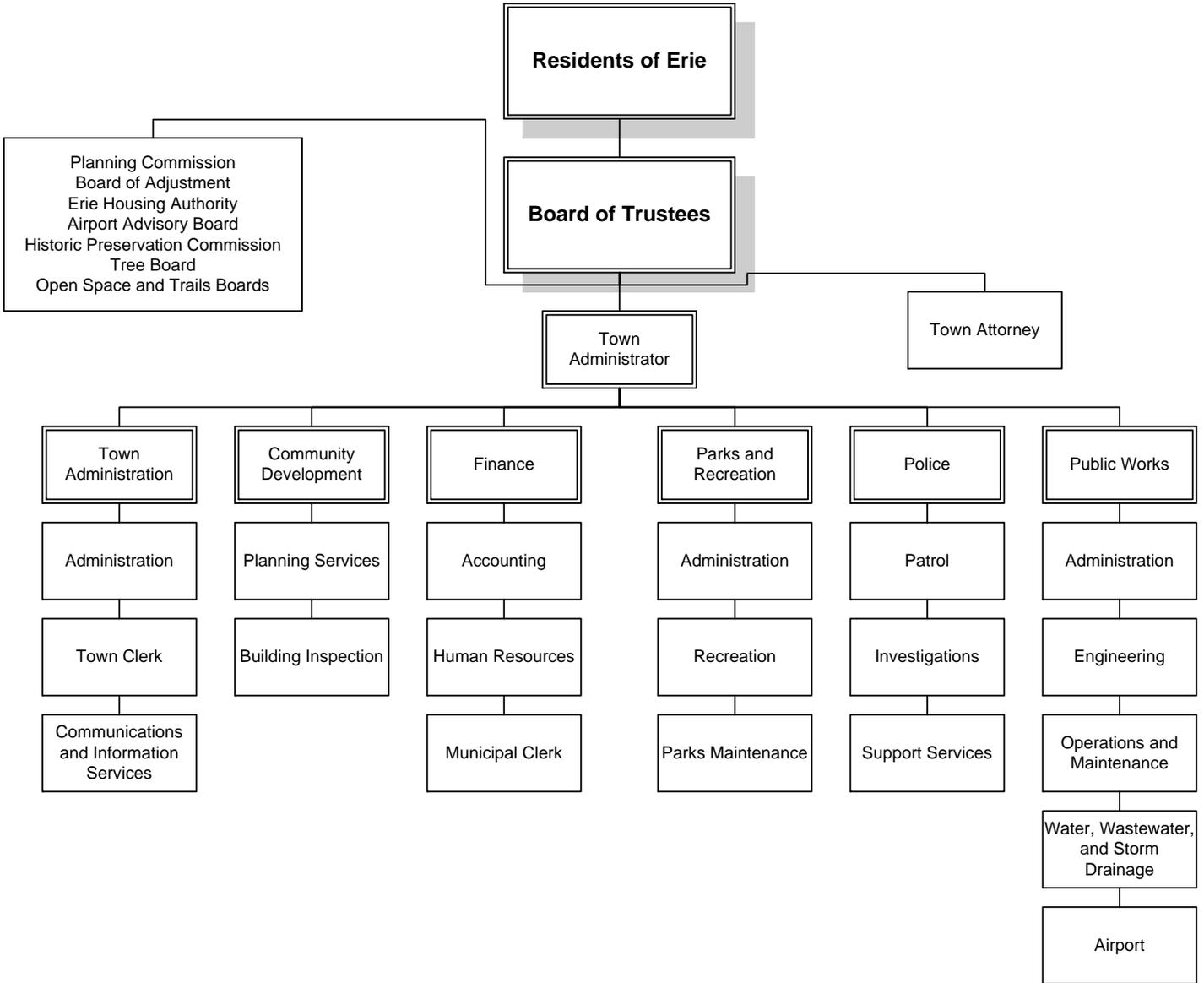
A stylized, handwritten signature in black ink, appearing to be "J. H. ...".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emmer".

Executive Director

# Organizational Chart



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

Elected Officials: Mayor and Board of Trustees

Joe Wilson	Mayor
Cheryl Hauger	Mayor Pro-Tem
Joe Carnival	Trustee
Ronda Grassi	Trustee
Mark Gruber	Trustee
Paul Ogg	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

To the Board of Trustees  
Town of Erie, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, Colorado, as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Erie, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, Colorado, as of December 31, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2010, on our consideration of the Town of Erie, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Erie, Colorado's basic financial statements. The combining and individual fund financial statements and schedules, and the other information listed in the table of contents are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Johnson, Holcomb & Company, P.C.*

Centennial, Colorado  
May 10, 2010

## 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, 2009. 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, 2009 by \$256 million (net assets). Of this amount, \$39 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 \$3 million (1%). The governmental net assets increased by \$1 million (.09%) and the business-type net assets increased by \$2 million (1.4%).
- ❖ At December 31, 2009, the Town's governmental funds reported combined ending fund balances of \$35.4 million, a decrease of \$7 million in comparison with the prior year.
- ❖ The general fund, the Town's operating fund, reported an unreserved fund balance of \$17.4, or 135% of the total general fund expenditures.
- ❖ The Town issued \$10.7 million in new wastewater revenue bonds and \$3.5 million in wastewater revenue loans. These bond and loan issues are accounted for in the wastewater fund.
- ❖ The Town issued \$6.4 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 ten individual governmental funds. The general fund and the parks improvement impact fund are major funds. 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.

#### **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.

#### **Required Supplementary Information**

The statement of revenues, expenditures, and changes in fund balances – actual and budget has been included in the required 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 77-98.

## **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 131-145.

## **Government-wide Financial Analysis**

As stated earlier, the Town's net assets at fiscal year end are \$256 million. The largest portion of the Town's net assets (76%) 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 \$23 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 \$39 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
	2009	2008	2009	2008	2009	2008	of Total 2009
<b>Assets</b>							
Current Assets	\$ 42,804,901	\$ 48,442,463	\$ 52,345,421	\$ 46,173,367	\$ 95,150,322	\$ 94,615,830	25%
Other Assets	353,505	372,869	1,490,193	861,145	1,843,698	1,234,014	0%
Capital Assets	83,764,890	76,557,317	202,365,497	193,399,150	286,130,387	269,956,467	75%
<b>Total Assets</b>	<b>126,923,296</b>	<b>125,372,649</b>	<b>256,201,111</b>	<b>240,433,662</b>	<b>383,124,407</b>	<b>365,806,311</b>	<b>100%</b>
<b>Liabilities</b>							
Current Liabilities	8,653,124	7,230,000	7,127,929	4,892,271	15,781,053	12,122,271	12%
Noncurrent Liabilities	18,079,275	18,939,597	92,765,858	81,409,353	110,845,133	100,348,950	88%
<b>Total Liabilities</b>	<b>26,732,399</b>	<b>26,169,597</b>	<b>99,893,787</b>	<b>86,301,624</b>	<b>126,626,186</b>	<b>112,471,221</b>	<b>100%</b>
<b>Net Assets</b>							
Invested in Capital Assets, net of debt - restated	65,207,177	57,152,274	129,658,852	120,143,310	194,866,029	177,295,584	76%
Restricted - restated	17,065,975	22,628,014	5,939,968	5,735,435	23,005,943	28,363,449	9%
Unrestricted - restated	17,917,745	19,422,764	20,708,504	28,253,293	38,626,249	47,676,057	15%
<b>Total Net Assets</b>	<b>\$ 100,190,897</b>	<b>\$ 99,203,052</b>	<b>\$ 156,307,324</b>	<b>\$ 154,132,038</b>	<b>\$ 256,498,221</b>	<b>\$ 253,335,090</b>	<b>100%</b>

The Town reported positive balances in net assets for both governmental and business-type activities. Net assets increased by about \$1 million in the governmental activities and \$2 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. 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 wastewater revenue bonds issued during 2009. 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.

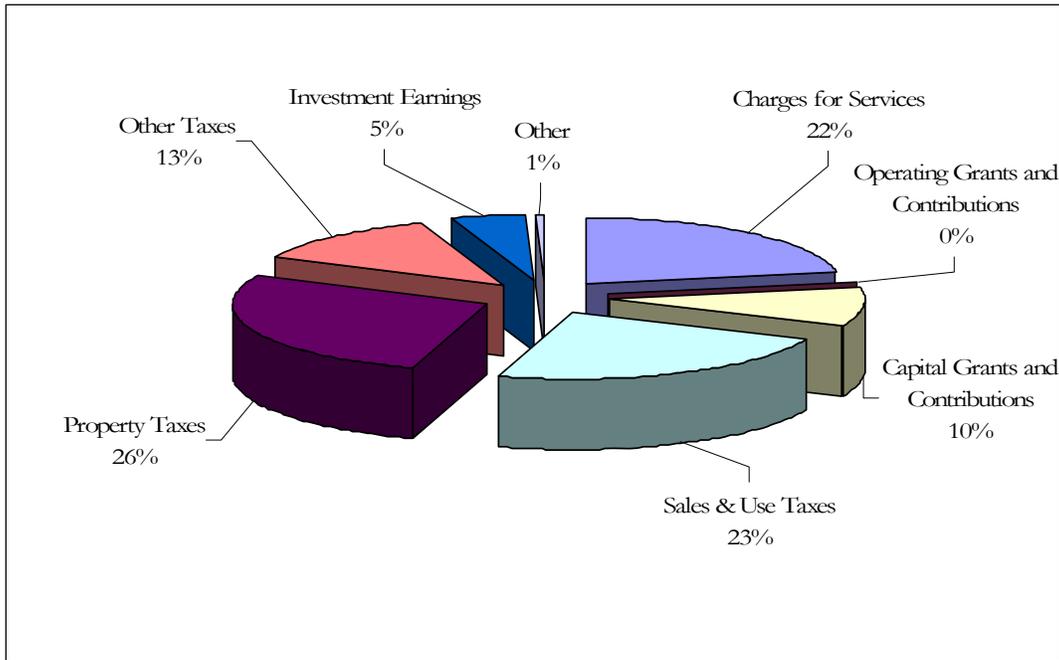
**Statement of Activities and Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total		Percent
	2009	2008	2009	2008	2009	2008	of Total
							2009
Revenues							
Program Revenues							
Charges for Services	\$ 2,985,842	\$ 3,852,144	\$ 7,907,415	\$ 8,093,903	\$ 10,893,257	\$ 11,946,047	42%
Operating Grants and Contributions	11,924	-	-	-	11,924	-	0%
Capital Grants and Contributions	1,330,022	6,269,316	3,689,777	6,312,796	5,019,799	12,582,112	20%
General Revenues							
Taxes	8,579,214	8,736,002	-	-	8,579,214	8,736,002	33%
Investment Earnings	621,372	1,633,905	438,286	1,405,388	1,059,658	3,039,293	4%
Other	84,860	204,953	92,529	271,320	177,389	476,273	1%
Total Revenues	<u>13,613,234</u>	<u>20,696,320</u>	<u>12,128,007</u>	<u>16,083,407</u>	<u>25,741,241</u>	<u>36,779,727</u>	<u>100%</u>
Expenses							
General Government	2,191,872	2,542,611	-	-	2,191,872	2,542,611	10%
Parks and Recreation	4,700,478	4,178,321	-	-	4,700,478	4,178,321	21%
Public Safety	2,106,365	2,070,326	-	-	2,106,365	2,070,326	9%
Public Works	2,757,873	2,830,931	-	-	2,757,873	2,830,931	12%
Interest on Long-term Debt	868,802	907,069	-	-	868,802	907,069	4%
Water	-	-	6,412,330	5,920,041	6,412,330	5,920,041	28%
Wastewater	-	-	2,728,947	2,370,152	2,728,947	2,370,152	12%
Storm Drainage	-	-	381,752	359,817	381,752	359,817	2%
Airport	-	-	320,180	246,451	320,180	246,451	1%
Housing Authority	-	-	109,513	118,011	109,513	118,011	1%
Total Expenses	<u>12,625,390</u>	<u>12,529,258</u>	<u>9,952,722</u>	<u>9,014,472</u>	<u>22,578,112</u>	<u>21,543,730</u>	<u>100%</u>
Increase in Net Assets	987,844	8,167,062	2,175,285	7,068,935	3,163,129	15,235,997	
Net Assets - Beginning	<u>99,203,053</u>	<u>91,034,990</u>	<u>154,132,039</u>	<u>147,063,103</u>	<u>253,335,092</u>	<u>238,098,093</u>	
Net Assets - Ending	<u>100,190,897</u>	<u>99,202,052</u>	<u>156,307,324</u>	<u>154,132,038</u>	<u>256,498,221</u>	<u>253,334,090</u>	

**Governmental Revenues**

The Town is reliant on taxes to support governmental operations. Taxes total approximately 63% of total governmental revenues. In addition, charges for services make up approximately 22% of total governmental revenues while capital contributions make up only 10%. Note that program revenues are less than expenses by \$8.3 million. This is an ordinary occurrence for many governments and indicates that taxes provide revenues to support governmental operations.

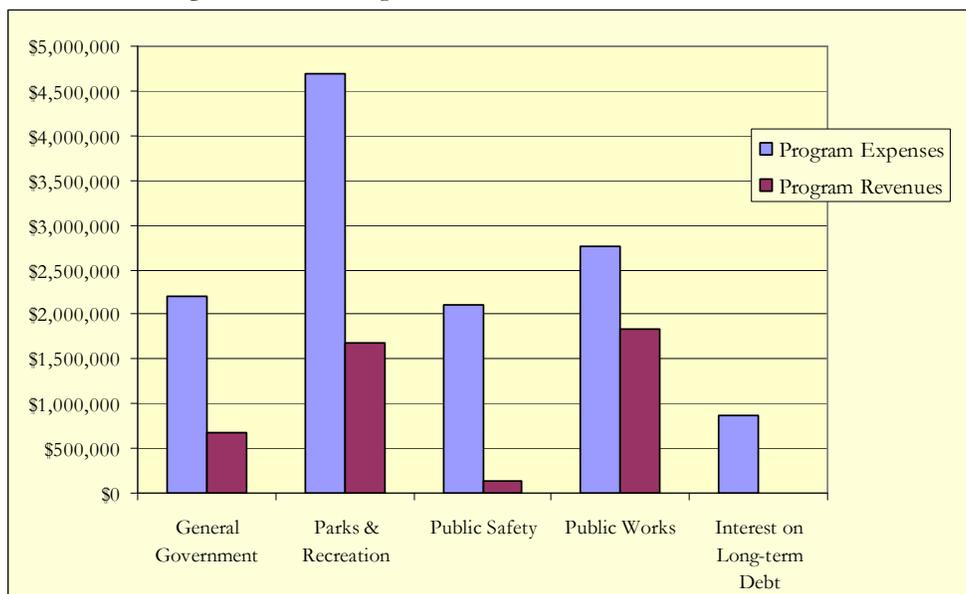
2009 Revenues by Source – Governmental Activities



**Governmental Expenses**

Parks and recreation expenses represent the largest area of governmental expenses at 37% and 21% of total expenses. Public works expenses make up 22% of the Town’s total governmental expenses and 12% of total expenses. General government expenses comprise 17% of the Town’s total governmental expenses. Public safety expenses comprise 17% of governmental expenses.

2009 Expenses and Program Revenues – Governmental Activities

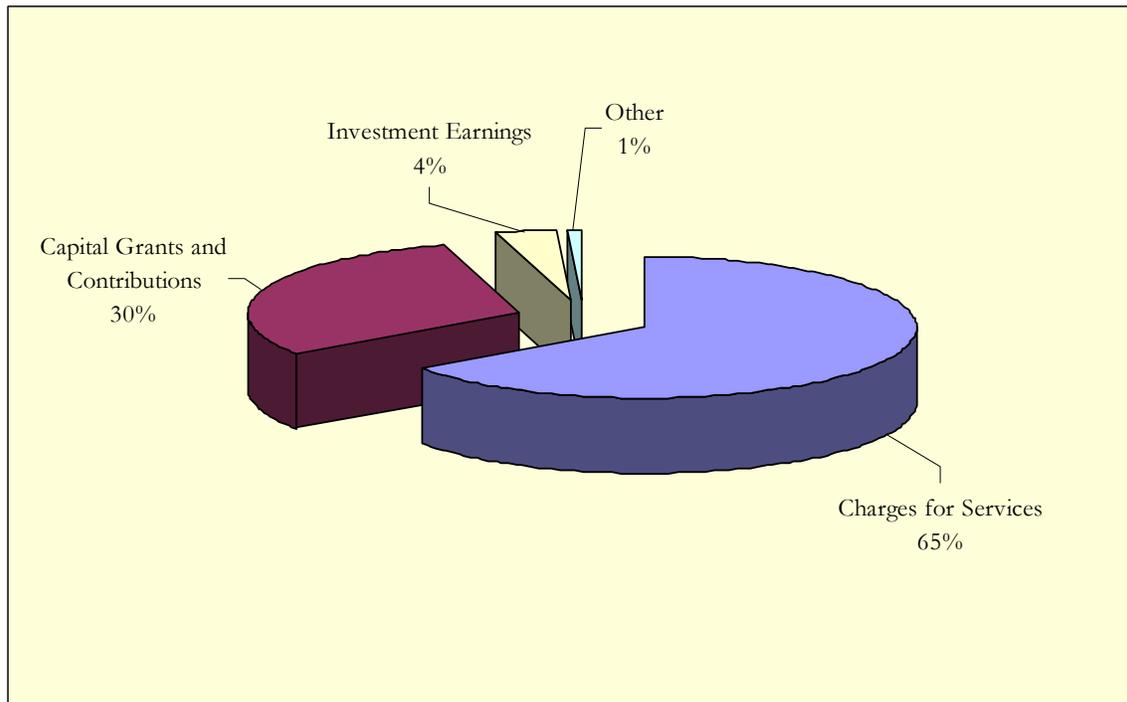


## Business-type Activities

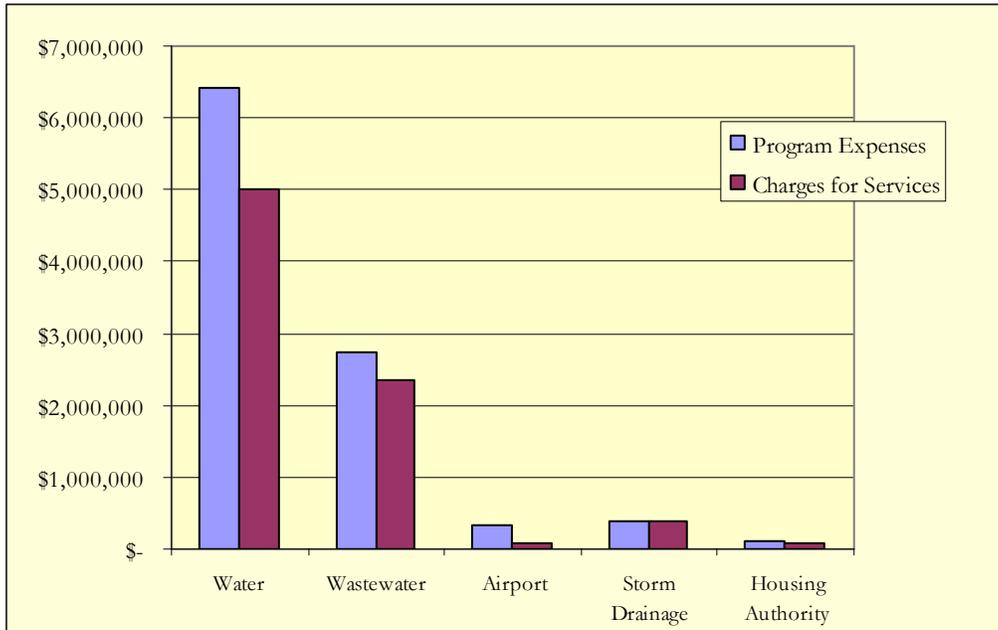
Business-type activities primarily rely on charges for services to support function expenses. Charges for services were about 65% of total business-type activities revenue. The charges for services revenue decreased by 2% from 2008 to 2009. This slight decrease is due primarily to the conservation of water resources by customers because of the slow economy.

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.

2009 Revenues by Source – Business-type Activities



2009 Program Expenses and Charges for Services 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, 2009, the Town’s governmental funds reported combined ending fund balances of \$35.4 million, a decrease of \$7 million, or 16%, over the prior fiscal year. Approximately \$17 million, or 49%, 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 (\$0.8 million) and (2) to fund a state constitution mandated emergency reserve (\$426,400). The amount reserved to liquidate contracts and purchase orders is primarily made up of the estimated remaining construction costs of the bikes lanes on County Line Road and Erie Parkway and several consulting agreements for various departments and projects. 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 \$18.6 million, of which \$17 million is unreserved fund balance. The fund balance decreased \$1.5 million over the prior fiscal year. The decrease 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.
- Decrease in investment income because of the reduction in yield available because of national and global economic factors.

## **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 \$156 million, of which \$21 million is unrestricted net assets. This is an increase in total net assets of \$7 million, or 5%, over the prior year.

In the water enterprise fund, operating revenues (charges for services) are \$5 million, which represents a decrease of \$0.4 million, or 7%, over the prior fiscal year. This decrease can be attributed to customers' conservation of water during a slow economy and fewer construction water customers. Additionally, water fund operating expenses are \$4.6 million, which represents an increase from the prior year of \$0.6 million or 13% . This can be attributed to an increase in depreciation expense and an increase in operations and maintenance expenses.

In the wastewater enterprise fund, operating revenues (charges for services) are \$2.3 million, which represents an increase of \$0.2 million, or 11%, over the prior fiscal year. This increase can be attributed to an increase in customer base and an annually scheduled rate increase. Additionally, wastewater fund operating expenses are \$2.2 million, which represents no change from the prior year.

## **Budgetary Highlights**

### **Governmental Funds**

#### *General Fund*

The general fund final budget totaled \$19.4 million, which represents an increase of \$4.5 million over the original budget. This increase can be attributed to the following items:

- Increase in capital outlay budget of \$3.45 million in 2009. The 2009 final budget included budgeting for the following capital projects: Erie Community Park, Leon A Wurl Service Center, bikes lanes on Erie Parkway and County Line Road.
- Increase in interfund transfers of \$.3 million. \$320,000 was loaned to the Parks Improvement Impact Fund to allow for additional amenities to be constructed in the Erie Community Park. The General Fund will be repaid over a 5-year period.

- Increase in governmental activities of \$0.3 million for various projects and consultation services.

The increase in expenditures was funded by an increase in grant revenues (\$1.6 million) and the Board's authorization to use fund balance for one-time and capital projects.

The actual general fund expenditures amounted to \$12.9 million, approximately \$6 million less than budgeted. The differences are primarily attributed to projects that were budgeted in 2009 but were not complete prior to the end of the year. The majority will be re-appropriated into the next budget year.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The Town's investment of capital assets as of December 31, 2009 for its governmental and business-type activities amounted to \$286 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*

- ❖ Construction of the Erie Community Park (\$5.5 million)
- ❖ Construction of the Leon A Wurl Service Center (\$1.5 million)
- ❖ Construction of Erie Parkway Bike Lanes (\$320,000)
- ❖ Street maintenance program (\$310,000)
- ❖ Various trail projects (\$230,000)
- ❖ Erie Community Center (\$210,000)

#### *Business-type Activities*

- ❖ Design and engineering of the North Water Reclamation Facility (\$3.3 million)
- ❖ Acquisition of water shares (\$2.9 million)
- ❖ Construction of a new wastewater transmission line (\$1.6 million)
- ❖ Raw water reservoir at the North Water Reclamation Facility (\$1 million)
- ❖ Various airport improvement projects (\$790,000)
- ❖ Construction of a reuse water line (\$700,000)

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 7,529,061	\$ 6,689,287	\$ 3,759,396	\$ 3,759,396	\$ 11,288,457	\$ 10,448,683
Water Shares	-	-	76,778,085	74,915,585	76,778,085	74,915,585
Buildings/Plants	21,728,237	3,004,408	105,291,306	92,210,288	127,019,543	95,214,696
Improvements other than Buildings	46,197,106	44,343,501	-	-	46,197,106	44,343,501
Machinery and Equipment	739,114	790,102	152,742	192,541	891,856	982,643
Vehicles	172,325	160,818	-	-	172,325	160,818
Construction in Progress	7,399,047	21,569,201	16,383,968	22,321,340	23,783,015	43,890,541
<b>Total Capital Assets</b>	<b>\$ 83,764,890</b>	<b>\$ 76,557,317</b>	<b>\$ 202,365,497</b>	<b>\$ 193,399,150</b>	<b>\$ 286,130,387</b>	<b>\$ 269,956,467</b>

Additional information on the Town's capital assets can be found in Note V.C. on pages 60-62 of this report.

### Long-term Debt

At the end of the fiscal year, the Town had total debt outstanding of \$81,062,027 in bonds and loans. Of the amount, \$18,235,000 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	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 18,235,000	\$ 19,071,095	\$ -	\$ -	\$ 18,235,000	\$ 19,071,095
Revenue Bonds	-	-	45,801,000	36,731,000	45,801,000	36,731,000
Revenue Loans	-	-	16,187,088	13,355,305	16,187,088	13,355,305
Mortgage Revenue Bonds	-	-	778,939	796,328	778,939	796,328
Capital Lease Purchase	-	-	29,955,000	30,515,000	29,955,000	30,515,000
Other	-	-	60,000	60,000	60,000	60,000
<b>Total Debt Outstanding</b>	<b>\$ 18,235,000</b>	<b>\$ 19,071,095</b>	<b>\$ 92,782,027</b>	<b>\$ 81,457,633</b>	<b>\$ 111,017,027</b>	<b>\$ 100,528,728</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 \$64,712,508.

Additional information on the Town's long-term debt can be found in Note V.D. on pages 62-67 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. During 2009, the Town experienced a decrease in new residential construction, which was , in part, offset by an influx of new commercial construction, however tap and impact fees declined when compared to prior years. Additionally, sales tax revenues declined in 2009 because of the economy, primarily because of the reduction in vehicle sales.

## **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%. The first year of operation for the department and the Erie Community Center was 2008.

## **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, 2009**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash & Cash Equivalents	\$ 1,292,905	\$ 1,557,201	\$ 2,850,106
Investments	36,214,776	27,673,690	63,888,466
Restricted Investments			
Unspent Debt Proceeds	-	17,299,903	17,299,903
Receivables			
Property Taxes	3,972,308	-	3,972,308
Accounts	830,408	2,467,932	3,298,340
Restricted Receivable			
Loans Receivable	-	3,155,647	3,155,647
Prepaid Expenses	2,996	187,596	190,592
Accrued Interest Receivable	491,508	3,452	494,960
Total Current Assets	<u>42,804,901</u>	<u>52,345,421</u>	<u>95,150,322</u>
Noncurrent Assets			
Capital Assets			
Non-depreciable	14,928,108	96,921,449	111,849,557
Depreciable (Net)	68,836,782	105,444,048	174,280,830
Deferred Charges	353,505	1,490,193	1,843,698
Total Noncurrent Assets	<u>84,118,395</u>	<u>203,855,690</u>	<u>287,974,085</u>
Total Assets	<u>126,923,296</u>	<u>256,201,111</u>	<u>383,124,407</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable and other Current Liabilities	2,821,386	3,922,213	6,743,599
Accrued Interest Payable	71,454	247,775	319,229
Unearned Revenue	4,598,441	8,400	4,606,841
Prepaid Revenues	-	616,000	616,000
Accrued Compensated Absences	281,843	-	281,843
Capital Lease Purchase	-	585,000	585,000
Loans Payable	-	833,541	833,541
Bonds Payable	880,000	915,000	1,795,000
Total Current Liabilities	<u>8,653,124</u>	<u>7,127,929</u>	<u>15,781,053</u>
Noncurrent Liabilities			
Prepaid Revenues	-	1,488,314	1,488,314
Accrued Compensated Absences	184,330	-	184,330
Accrued Arbitrage Payable	137,900	-	137,900
Capital Lease Purchase	-	29,370,000	29,370,000
Loans Payable - net of unamortized discounts/premiums	-	16,270,130	16,270,130
Bonds Payable, net of unamortized discounts/premiums	17,757,045	45,637,414	63,394,459
Total Noncurrent Liabilities	<u>18,079,275</u>	<u>92,765,858</u>	<u>110,845,133</u>
Total Liabilities	<u>26,732,399</u>	<u>99,893,787</u>	<u>126,626,186</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	65,207,177	129,658,852	194,866,029
Restricted for:			
Capital Projects	16,639,587	-	16,639,587
Debt Service	-	4,253,251	4,253,251
Operations & Maintenance	-	1,686,717	1,686,717
Emergencies	426,388	-	426,388
Unrestricted	17,917,745	20,708,504	38,626,249
Total Net Assets	<u>\$ 100,190,897</u>	<u>\$ 156,307,324</u>	<u>\$ 256,498,221</u>

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, 2009**

FUNCTION ACTIVITIES	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
General Government	\$ 2,191,872	\$ 656,516	\$ 4,264	\$ 20,347	\$ 681,127
Parks & Recreation	4,700,478	1,254,479	-	430,095	1,684,574
Public Safety	2,106,365	121,429	7,660	-	129,089
Public Works	2,757,873	953,418	-	879,580	1,832,998
Interest on Long-Term Debt	868,802	-	-	-	-
<b>Total Governmental Activities</b>	<b>12,625,390</b>	<b>2,985,842</b>	<b>11,924</b>	<b>1,330,022</b>	<b>4,327,788</b>
Business-type Activities:					
Water	6,412,330	4,995,495	-	2,463,790	7,459,285
Wastewater	2,728,947	2,359,528	-	493,910	2,853,438
Storm Drainage	381,752	380,023	-	-	380,023
Airport	320,180	91,398	-	732,077	823,475
Housing Authority	109,513	80,971	-	-	80,971
<b>Total Business-type Activities:</b>	<b>9,952,722</b>	<b>7,907,415</b>	<b>-</b>	<b>3,689,777</b>	<b>11,597,192</b>
<b>Total Primary Government</b>	<b>\$22,578,112</b>	<b>\$10,893,257</b>	<b>\$ 11,924</b>	<b>\$ 5,019,799</b>	<b>\$15,924,980</b>

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
\$ (1,510,745)	\$ -	\$ (1,510,745)
(3,015,904)	-	(3,015,904)
(1,977,276)	-	(1,977,276)
(924,875)	-	(924,875)
(868,802)	-	(868,802)
<u>(8,297,602)</u>	<u>-</u>	<u>(8,297,602)</u>
-	1,046,955	1,046,955
-	124,491	124,491
-	(1,729)	(1,729)
-	503,295	503,295
-	(28,542)	(28,542)
<u>-</u>	<u>1,644,470</u>	<u>1,644,470</u>
<u>(8,297,602)</u>	<u>1,644,470</u>	<u>(6,653,132)</u>

**GENERAL REVENUES**

Taxes:

Sales & Use Taxes	3,126,330	-	3,126,330
Property Taxes	3,720,316	-	3,720,316
Franchise Taxes	571,130	-	571,130
Transportation Taxes	926,189	-	926,189
Other Taxes	235,249	-	235,249
Investment Earnings	621,372	438,286	1,059,658
Other Miscellaneous	84,860	92,529	177,389
	<u>9,285,446</u>	<u>530,815</u>	<u>9,816,261</u>
Changes in Net Assets	987,844	2,175,285	3,163,129
Net Assets - Beginning	<u>99,203,053</u>	<u>154,132,039</u>	<u>253,335,092</u>
Net Assets - Ending	<u>\$ 100,190,897</u>	<u>\$ 156,307,324</u>	<u>\$ 256,498,221</u>

**Town of Erie, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2009**

	General	Parks Improvement Impact	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 689,847	\$ 33,985	\$ 569,073	\$ 1,292,905
Investments	18,985,531	970,903	16,258,342	36,214,776
Receivables:				
Property Taxes	3,048,408	-	923,900	3,972,308
Accounts	830,408	-	-	830,408
Interest	491,508	-	-	491,508
Prepaid Items	2,996	-	-	2,996
<b>Total Assets</b>	<b>\$ 24,048,698</b>	<b>\$ 1,004,888</b>	<b>\$ 17,751,315</b>	<b>\$ 42,804,901</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 822,928	\$ 747,378	\$ 311,732	\$ 1,882,038
Accrued Wages Payable	158,448	-	-	158,448
Due to Other Organizations	780,900	-	-	780,900
Deferred Revenue	3,674,541	-	923,900	4,598,441
<b>Total Liabilities</b>	<b>5,436,817</b>	<b>747,378</b>	<b>1,235,632</b>	<b>7,419,827</b>
<b>FUND BALANCES</b>				
Reserved for Encumbrances	827,021	-	-	827,021
Reserved for Capital Projects	-	257,510	16,382,077	16,639,587
Reserved for Emergencies	426,388	-	-	426,388
Unreserved, reported in:				
General Fund	17,358,472	-	-	17,358,472
Special Revenue Funds	-	-	133,606	133,606
<b>Total Fund Balances</b>	<b>18,611,881</b>	<b>257,510</b>	<b>16,515,683</b>	<b>35,385,074</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,048,698</b>	<b>\$ 1,004,888</b>	<b>\$ 17,751,315</b>	<b>\$ 42,804,901</b>

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, 2009**

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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)	\$ 35,385,074
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	83,764,890
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>(18,959,067)</u>
Net assets of governmental activities (page 33)	<u><u>\$ 100,190,897</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, 2009**

	General	Parks Improvement Impact	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 6,841,021	\$ -	\$ 837,199	\$ 7,678,220
Licenses & Permits	501,629	-	-	501,629
Intergovernmental	1,080,533	-	118,493	1,199,026
Fees & Charges for Services	2,362,784	222,995	625,572	3,211,351
Fines & Forfeitures	121,429	-	-	121,429
Investment Earnings	324,392	51,454	245,526	621,372
Miscellaneous	280,207	-	-	280,207
<b>Total Revenues</b>	<b>11,511,995</b>	<b>274,449</b>	<b>1,826,790</b>	<b>13,613,234</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	2,000,171	-	-	2,000,171
Public Safety	2,035,521	-	-	2,035,521
Public Works	1,513,339	-	-	1,513,339
Parks and Recreation	4,175,175	-	96,937	4,272,112
Capital Outlay	1,393,796	5,560,781	2,102,488	9,057,065
Debt Service:				
Principal	845,000	-	-	845,000
Interest	889,732	-	-	889,732
<b>Total Expenditures</b>	<b>12,852,734</b>	<b>5,560,781</b>	<b>2,199,425</b>	<b>20,612,940</b>
Excess of Revenue Over Expenditures	(1,340,739)	(5,286,332)	(372,635)	(6,999,706)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	398,200	320,000	-	718,200
Transfers Out	(620,000)	-	(98,200)	(718,200)
<b>Total Other Financing Sources (Uses)</b>	<b>(221,800)</b>	<b>320,000</b>	<b>(98,200)</b>	<b>-</b>
Net Change in Fund Balances	(1,562,539)	(4,966,332)	(470,835)	(6,999,706)
<b>Fund Balances - Beginning</b>	<b>20,174,420</b>	<b>5,223,842</b>	<b>16,986,518</b>	<b>42,384,780</b>
<b>Fund Balances - Ending</b>	<b>\$ 18,611,881</b>	<b>\$ 257,510</b>	<b>\$ 16,515,683</b>	<b>\$ 35,385,074</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, 2009**

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)	\$ (6,999,706)
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.	7,207,573
The net effect of various miscellaneous transactions involving capital assets (i.e., capital contributions, sales, trade-ins, and donations) is to increase net assets.	-
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.	836,095
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.	(56,118)
Change in net assets of governmental activities (page 35)	<u>\$ 987,844</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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,841,021	\$ 7,480,800	\$ 7,480,800	\$ (639,779)
Licenses & Permits	501,629	783,800	783,800	(282,171)
Intergovernmental	1,080,533	621,700	1,845,600	(765,067)
Fees & Charges for Services	2,362,784	2,880,300	2,686,500	(323,716)
Fines & Forfeitures	121,429	124,700	124,700	(3,271)
Investment Earnings	324,392	452,500	452,500	(128,108)
Miscellaneous	280,207	171,800	746,200	(465,993)
Total Revenues	<u>11,511,995</u>	<u>12,515,600</u>	<u>14,120,100</u>	<u>(2,608,105)</u>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	2,000,171	2,368,600	2,792,900	792,729
Public Safety	2,035,521	2,167,900	2,167,900	132,379
Public Works	1,513,339	1,940,600	1,934,300	420,961
Parks and Recreation	4,175,175	4,686,800	4,783,600	608,425
Capital Outlay	1,393,796	849,800	5,373,600	3,979,804
Debt Service:				
Principal	845,000	836,100	836,100	(8,900)
Interest	889,732	898,700	898,700	8,968
Total Expenditures	<u>12,852,734</u>	<u>13,748,500</u>	<u>18,787,100</u>	<u>5,934,366</u>
Excess Revenues Over (Under) Expenditures	<u>(1,340,739)</u>	<u>(1,232,900)</u>	<u>(4,667,000)</u>	<u>3,326,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	398,200	398,200	398,200	-
Transfers Out	<u>(620,000)</u>	<u>(300,000)</u>	<u>(620,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(221,800)</u>	<u>98,200</u>	<u>(221,800)</u>	<u>-</u>
Net Changes in Fund Balance	(1,562,539)	<u>\$ (1,134,700)</u>	<u>\$ (4,888,800)</u>	<u>\$ 3,326,261</u>
<b>Fund Balances - Beginning</b>	<u>20,174,420</u>			
<b>Fund Balances - Ending</b>	<u>\$ 18,611,881</u>			

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, 2009**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Water	Wastewater	Other Enterprise Funds	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 1,041,270	\$ 436,798	\$ 79,133	\$ 1,557,201
Investments	12,090,540	14,488,583	1,094,567	27,673,690
Restricted Investments				
Unspent Debt Proceeds	596,052	16,703,851	-	17,299,903
Accounts Receivable	1,370,729	749,809	347,394	2,467,932
Restricted Receivable				
Loans Receivable	-	3,155,647	-	3,155,647
Prepaid Expenses	173,370	-	14,226	187,596
Accrued Interest Receivable	695	2,757	-	3,452
<b>Total Current Assets</b>	<b>15,272,656</b>	<b>35,537,445</b>	<b>1,535,320</b>	<b>52,345,421</b>
Noncurrent Assets				
Land and Water Rights	79,822,459	59,022	656,000	80,537,481
Buildings, Property and Equipment	77,480,162	29,972,494	15,856,868	123,309,524
Accumulated Depreciation	(10,108,611)	(5,155,241)	(2,601,624)	(17,865,476)
Construction in Progress	8,170,576	7,470,771	742,621	16,383,968
Unamortized Bond Issue Costs	897,457	575,059	17,677	1,490,193
<b>Total Noncurrent Assets</b>	<b>156,262,043</b>	<b>32,922,105</b>	<b>14,671,542</b>	<b>203,855,690</b>
<b>Total Assets</b>	<b>171,534,699</b>	<b>68,459,550</b>	<b>16,206,862</b>	<b>256,201,111</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	571,488	3,145,723	145,807	3,863,018
Accrued Interest Payable	137,187	102,746	7,842	247,775
Accrued Wages Payable	32,807	24,061	2,327	59,195
Deferred Revenue	-	-	8,400	8,400
Prepaid Tap Fees	396,000	220,000	-	616,000
Capital Lease Purchase	585,000	-	-	585,000
Loans Payable	600,000	205,178	28,363	833,541
Bonds Payable	660,000	255,000	-	915,000
<b>Total Current Liabilities</b>	<b>2,982,482</b>	<b>3,952,708</b>	<b>192,739</b>	<b>7,127,929</b>
Noncurrent Liabilities				
Prepaid Tap Fees	1,003,304	485,010	-	1,488,314
Capital Lease Purchase	29,370,000	-	-	29,370,000
Loans Payable, net of unamortized discounts/premiums	10,627,643	4,465,236	1,177,251	16,270,130
Bonds Payable, net of unamortized discounts/premiums	25,528,421	20,108,993	-	45,637,414
<b>Total Noncurrent Liabilities</b>	<b>66,529,368</b>	<b>25,059,239</b>	<b>1,177,251</b>	<b>92,765,858</b>
<b>Total Liabilities</b>	<b>69,511,850</b>	<b>29,011,947</b>	<b>1,369,990</b>	<b>99,893,787</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	89,034,625	27,175,976	13,448,251	129,658,852
Restricted				
Bond Reserves	2,230,314	2,009,763	13,174	4,253,251
Operations & Maintenance Reserves	1,200,927	485,790	-	1,686,717
Unrestricted	9,556,983	9,776,074	1,375,447	20,708,504
<b>Total Net Assets</b>	<b>\$ 102,022,849</b>	<b>\$ 39,447,603</b>	<b>\$ 14,836,872</b>	<b>\$ 156,307,324</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, 2009**

	Business-type Activities - Enterprise Funds			Total Enterprise Funds
	Water	Wastewater	Other Enterprise Funds	
<b>Operating Revenue</b>				
Charges for Services	\$ 4,995,495	\$ 2,359,528	\$ 552,392	\$ 7,907,415
Total Operating Revenue	4,995,495	2,359,528	552,392	7,907,415
<b>Operating Expenses</b>				
Personnel Services	1,174,353	920,831	124,988	2,220,172
Operations and Maintenance	1,502,418	489,404	276,787	2,268,609
Project Expenses	336,063	-	-	336,063
Depreciation	1,583,509	777,846	363,073	2,724,428
Total Operating Expenses	4,596,343	2,188,081	764,848	7,549,272
Net Operating Income (Loss)	399,152	171,447	(212,456)	358,143
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	187,881	227,299	23,106	438,286
Other	77,770	4,384	10,375	92,529
Amortization of Debt Issuance Costs	(25,114)	(7,936)	(3,789)	(36,839)
Interest Expense	(1,790,873)	(532,930)	(42,808)	(2,366,611)
Total Nonoperating Revenues (Expenses)	(1,550,336)	(309,183)	(13,116)	(1,872,635)
Income before contributions	(1,151,184)	(137,736)	(225,572)	(1,514,492)
Capital Contributions	2,463,790	493,910	732,077	3,689,777
Change in Net Assets	1,312,606	356,174	506,505	2,175,285
Total Net Assets - Beginning	100,710,243	39,091,429	14,330,367	154,132,039
Total Net Assets - Ending	\$ 102,022,849	\$ 39,447,603	\$ 14,836,872	\$ 156,307,324

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, 2009**

	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	\$ 4,920,906	\$ 2,297,075	\$ 567,739	\$ 7,785,720
Payments to Employees	(1,168,283)	(916,045)	(124,418)	(2,208,746)
Payments to Suppliers	(1,691,432)	686,965	(236,246)	(1,240,713)
Net Cash Provided by Operating Activities	<u>2,061,191</u>	<u>2,067,995</u>	<u>207,075</u>	<u>4,336,261</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Developer Reimbursements	498	487	-	985
Cash Flows Provided (Used) in Noncapital Financing Activities	<u>498</u>	<u>487</u>	<u>-</u>	<u>985</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Capital Debt	6,356,301	10,797,673	-	17,153,974
Payments for the defeasance of Capital Debt	(7,130,000)	-	-	(7,130,000)
Acquisition and Construction of Capital Assets	(5,771,145)	(4,141,959)	(902,260)	(10,815,364)
Principal Paid on Capital Debt	(1,735,000)	(474,480)	(28,065)	(2,237,545)
Interest Paid on Capital Debt	(1,828,147)	(421,506)	(42,936)	(2,292,589)
Prepaid Capital Contributions	(50,760)	(87,470)	-	(138,230)
Capital Contributions	2,337,367	493,910	437,436	3,268,713
Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(7,821,384)</u>	<u>6,166,168</u>	<u>(535,825)</u>	<u>(2,191,041)</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	-	(9,035,331)	(170,128)	(9,205,459)
Proceeds from Sale and Maturities of Investments	4,861,963	-	401,123	5,263,086
Earnings on Investments	192,368	229,915	23,106	445,389
Cash Flows Used in Investing Activities	<u>5,054,331</u>	<u>(8,805,416)</u>	<u>254,101</u>	<u>(3,496,984)</u>
Net Decrease in Cash and Cash Equivalents	(705,364)	(570,766)	(74,649)	(1,350,779)
Cash and Cash Equivalents - January 1	<u>1,746,634</u>	<u>1,007,564</u>	<u>153,782</u>	<u>2,907,980</u>
Cash and Cash Equivalents - December 31	<u>\$ 1,041,270</u>	<u>\$ 436,798</u>	<u>\$ 79,133</u>	<u>\$ 1,557,201</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 399,152	\$ 171,447	\$ (212,456)	\$ 358,143
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation Expense	1,583,509	777,846	363,073	2,724,428
Other Income	77,272	3,899	10,375	91,546
(Increase) decrease in prepaid expenses	154,047	-	(14,046)	140,001
(Increase) decrease in accounts receivable	(74,589)	(66,352)	(3,245)	(144,186)
Increase (decrease) in accounts payable	(84,270)	1,178,990	54,404	1,149,124
Increase (decrease) in deferred revenue	-	-	8,400	8,400
Increase (decrease) in wages payable	6,070	2,165	570	8,805
Net Cash Provided by Operating Activities	<u>\$ 2,061,191</u>	<u>\$ 2,067,995</u>	<u>\$ 207,075</u>	<u>\$ 4,336,261</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Contributions of Capital Assets from Developers	-	-	-	-

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, 2009**

**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 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 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.

The *parks improvement impact fund* is a special revenue fund. It accounts for the revenues received from parks impact funds.

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, 2009, 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 2009, the Town implemented GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments.*" The objective of GASB Statement No. 55 is to establish consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value

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

For fiscal year 2009, the Town implemented GASB Statement No. 55, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*” The objective of GASB Statement No. 55 is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board’s (GASB) authoritative literature. The “GAAP hierarchy” consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

For fiscal year 2009, the Town implemented GASB Statement No. 56, “*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.*” GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board’s (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants’ Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting* principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the *preparation* of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

**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	\$ 18,235,000
Plus: Issuance premium (to be amortized over life of debt)	402,045
Less: Deferred charge for issuance costs (to be amortized over the life of the debt)	(353,505)
Accrued Interest Payable	71,454
Arbitrage Payable	137,900
Compensated Absences	<u>466,173</u>
Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 18,959,067</u></u>

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

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	\$ 8,951,052
Depreciation Expense	<u>(1,743,479)</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>\$ 7,207,573</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	<u>836,095</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>\$ 836,095</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:

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

Compensated Absences	\$	(57,684)
Accrued Interest		20,930
Amortization of Bond Issuance Costs		<u>(19,364)</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>	\$	<u><u>(56,118)</u></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.

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

<b>Fund</b>	<b>Original Budget</b>	<b>Supplemental Appropriations</b>	<b>Final Budget</b>
General Fund	\$ 14,048,500	\$ 5,358,600	\$ 19,407,100
Special Revenue Funds:			
Conservation Trust Fund	18,700	100,000	118,700
Parks Improvement Impact Fund	945,200	4,742,300	5,687,500
Police Forfeiture & Seizure Fund	21,000	-	21,000
Public Facilities Impact Fund	-	6,090,000	6,090,000
Storm Drainage Impact Fund	-	1,675,000	1,675,000
Trails & Natural Areas Fund	40,000	926,900	966,900
Transportation Impact Fund	918,200	(524,800)	393,400
Tree Impact Fund	240,000	100,000	340,000
Enterprise Funds:			
Water Fund	14,886,500	7,705,600	22,592,100
Wastewater Fund	3,605,600	32,642,400	36,248,000
Storm Drainage Fund	398,600	447,200	845,800
Airport Fund	901,900	241,300	1,143,200
	<u>\$ 36,024,200</u>	<u>\$ 59,504,500</u>	<u>\$ 95,528,700</u>

Note: No expenditures were budgeted in the following fund:  
Cemetery Fund

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, 2009, was \$2,824,733. The bank balances were \$2,752,627 of which \$760,967 was covered by federal deposit insurance and \$1,991,660 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, 2009, State regulatory commissioners have indicated that all the financial institutions holding deposits for the Town are eligible public

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

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.

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 Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and United States Treasury Notes. These investments are 18.18%, 45.79%, 28.35%, 2.73% and 4.94% respectively, of the Town's total investments in securities. These investments were rated AAA.

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

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, 2009, the Town had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities	
			Up to 120 Days	121 Days to 5 Years
Federal Home Loan Bank (FHLB)	AAA	\$ 23,268,188	\$ 6,510,000	\$ 16,758,188
Federal Home Loan Mortgage Corporation (FHLMC)	AAA	14,405,694	1,514,082	12,891,612
Federal Farm Credit Bank (FFCB)	AAA	9,240,250	-	9,240,250
United States Treasury Note	AAA	2,509,668	2,509,668	-
Federal National Mortgage Association (FNMA)	AAA	1,389,750	-	1,389,750
ColoTrust	AAA	22,224,418	22,224,418	-
CSAFE	AAA	8,150,401	8,150,401	-
Total Investments Controlled by Town		81,188,369	\$ 40,908,569	\$ 40,279,800
Percent of Total			50%	50%
Reconciliation to Total Deposits and Investments				
Cash on Hand and in Banks		<u>2,850,106</u>		
Total Deposits and Investments		<u>\$ 84,038,475</u>		

The Town had invested a total of \$22,224,418 and \$8,150,401 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 were established under the authority of, and in conformity with, Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes. The State of Colorado provides regulatory oversight for these 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

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

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.colotrust.com](http://www.colotrust.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:

	<u>Total</u>
Statement of Net Assets:	
Cash and Cash Equivalents	\$ 2,850,106
Investments	\$63,888,466
Restricted Investments	<u>17,299,903</u>
	<u><u>\$84,038,475</u></u>

**B. Receivables**

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

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables					
Interest	\$ 491,508	\$ 695	\$ 2,757	\$ -	\$ 494,960
Taxes	3,048,408	-	-	923,900	3,972,308
Grants	-	-	-	294,641	294,641
Loans	-	-	3,155,647	-	3,155,647
Accounts	<u>839,467</u>	<u>1,370,729</u>	<u>749,809</u>	<u>53,557</u>	<u>3,013,562</u>
Gross Receivables	4,379,383	1,371,424	3,908,213	1,272,098	10,931,118
Less: Allowance for Uncollectible	<u>(9,059)</u>	<u>-</u>	<u>-</u>	<u>(804)</u>	<u>(9,863)</u>
Total Net Receivables	<u><u>\$ 4,370,324</u></u>	<u><u>\$ 1,371,424</u></u>	<u><u>\$ 3,908,213</u></u>	<u><u>\$ 1,271,294</u></u>	<u><u>\$ 10,921,255</u></u>

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

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

	Beginning Balance	Additions	Dispositions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 6,689,287	\$ 839,774	\$ -	\$ 7,529,061
Construction in Progress	21,569,201	7,508,274	21,678,428	7,399,047
Total Capital Assets, not being depreciated:	<u>28,258,488</u>	<u>8,348,048</u>	<u>21,678,428</u>	<u>14,928,108</u>
Capital Assets, being depreciated:				
Buildings & Improvements	3,869,384	18,803,347	-	22,672,731
Improvements other than Buildings	48,929,787	3,289,825	-	52,219,612
Machinery & Equipment	2,942,483	91,338	-	3,033,821
Vehicles	1,350,537	96,922	-	1,447,459
Total Capital Assets, being depreciated:	<u>57,092,191</u>	<u>22,281,432</u>	<u>-</u>	<u>79,373,623</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	(864,976)	(79,518)	-	(944,494)
Improvements other than Buildings	(4,586,286)	(1,436,220)	-	(6,022,506)
Machinery & Equipment	(2,152,381)	(142,326)	-	(2,294,707)
Vehicles	(1,189,719)	(85,415)	-	(1,275,134)
Total Accumulated Depreciation	<u>(8,793,362)</u>	<u>(1,743,479)</u>	<u>-</u>	<u>(10,536,841)</u>
Total Capital Assets, being depreciated, net	<u>48,298,829</u>	<u>20,537,953</u>	<u>-</u>	<u>68,836,782</u>
Governmental Activities Capital Assets, net	<u>\$ 76,557,317</u>	<u>\$ 28,886,001</u>	<u>\$ 21,678,428</u>	<u>\$ 83,764,890</u>
	Beginning Balance	Additions	Dispositions	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 3,759,396	\$ -	\$ -	\$ 3,759,396
Water Shares	74,915,585	1,862,500	-	76,778,085
Construction in Progress	22,321,340	9,400,517	15,337,889	16,383,968
Total Capital Assets, not being depreciated:	<u>100,996,321</u>	<u>11,263,017</u>	<u>15,337,889</u>	<u>96,921,449</u>
Capital Assets, being depreciated:				
Plants, Buildings & Improvements	107,000,422	15,765,647	-	122,766,069
Machinery & Equipment	543,455	-	-	543,455
Total Capital Assets, being depreciated:	<u>107,543,877</u>	<u>15,765,647</u>	<u>-</u>	<u>123,309,524</u>
Less Accumulated Depreciation for:				
Plants, Buildings & Improvements	(14,790,134)	(2,684,629)	-	(17,474,763)
Machinery & Equipment	(350,914)	(39,799)	-	(390,713)
Total Accumulated Depreciation	<u>(15,141,048)</u>	<u>(2,724,428)</u>	<u>-</u>	<u>(17,865,476)</u>
Total Capital Assets, being depreciated, net	<u>92,402,829</u>	<u>13,041,219</u>	<u>-</u>	<u>105,444,048</u>
Business-type Activities Capital Assets, net	<u>\$ 193,399,150</u>	<u>\$ 24,304,236</u>	<u>\$ 15,337,889</u>	<u>\$ 202,365,497</u>

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

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

Governmental Activities:	
General Government	\$ 82,232
Parks & Recreation	395,332
Public Safety	72,248
Public Works	<u>1,193,667</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,743,479</u>
Business-type Activities:	
Water	\$ 1,583,509
Wastewater	777,846
Storm Drainage Operating	225,988
Airport	108,062
Housing Authority	<u>29,023</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 2,724,428</u>

**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, 2009:

**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	\$ 159,000	\$ 131,000
1996	Housing Authority FHLB forgivable loan	0.00	2016	60,000	-	60,000
1996	Storm Drainage revenue loan from CWCB	2.00	2035	498,512	131,837	366,675
1997	Wastewater revenue loan from CWRPDA	4.54	2017	1,821,690	945,569	876,121
1997	Wastewater revenue loan from CWRPDA	4.50	2017	500,000	240,407	259,593
1997	Wastewater revenue bonds	4.00-6.00	2008	1,635,000	1,635,000	-
1998	Transportation general obligation bond	3.60-5.15	2018	4,500,000	4,500,000	-
1998	Water revenue refunding/improvement bonds	3.70-5.00	2023	16,240,000	16,240,000	-
2004	Housing Authority mortgage revenue loan*	4.50	2014	808,703	29,764	778,939
2004	Water revenue loan from CWRPDA	4.21	2023	14,500,000	3,350,000	11,150,000
2006	Comm. Recreation Center general obligation bond	4.00 - 5.25	2026	16,800,000	1,295,000	15,505,000
2006	Refunding bonds general obligation bond**	4.00 - 4.50	2018	2,971,095	241,095	2,730,000
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	275,000	4,760,000
2008	Wastewater revenue bonds	4.00 - 4.75	2028	8,900,000	140,000	8,760,000
2008	Wastewater revenue bonds refunding bonds****	4.00	2017	985,000	100,000	885,000
2009	Wastewater revenue loan from CWRPDA	2.00	2030	1,534,700	-	1,534,700
2009	Wastewater revenue loan - ARRA	0.00	2030	2,000,000	-	2,000,000
2009	Wastewater revenue bonds	4.50 - 5.00	2037	10,650,000	-	10,650,000
2009	Water revenue bonds refunding bonds *****	2.00 - 4.00	2023	6,390,000	-	6,390,000

\* Refinance of 2000 mortgage bonds

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

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

\*\*\*\* Refunding of callable portion of 1997 Wastewater revenue bonds

\*\*\*\*\* Refunding of remaining outstanding 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	
2010	\$ 880,000	\$ 857,444	\$ 1,748,540	\$ 2,653,025	\$ 6,139,009
2011	915,000	820,681	1,884,168	2,621,886	6,241,735
2012	950,000	782,456	1,939,087	2,557,997	6,229,540
2013	1,000,000	736,331	2,013,316	2,485,895	6,235,542
2014	1,040,000	692,056	2,766,739	2,403,721	6,902,516
2015	1,090,000	646,006	2,140,731	2,309,435	6,186,172
2016	1,140,000	596,744	2,270,271	2,234,438	6,241,453
2017	1,190,000	546,269	2,295,600	2,148,023	6,179,892
2018	1,245,000	493,156	2,391,017	2,057,035	6,186,208
2019	925,000	437,131	2,478,745	1,966,977	5,807,853
2020	970,000	394,350	2,554,507	1,871,602	5,790,459
2021	1,015,000	348,275	2,656,305	1,771,873	5,791,453
2022	1,065,000	300,063	2,768,139	1,663,602	5,796,804
2023	1,115,000	246,813	2,880,009	1,548,762	5,790,584
2024	1,170,000	191,063	2,171,918	1,426,329	4,959,310
2025	1,230,000	132,563	2,268,864	1,328,715	4,960,142
2026	1,295,000	67,988	2,370,850	1,225,017	4,958,855
2027	-	-	2,482,875	1,116,366	3,599,241
2028	-	-	2,594,942	1,002,262	3,597,204
2029	-	-	2,657,049	882,704	3,539,753
2030	-	-	2,877,459	762,079	3,639,538
2031	-	-	2,911,506	628,218	3,539,724
2032	-	-	3,056,836	483,138	3,539,974
2033	-	-	1,212,172	330,801	1,542,973
2034	-	-	1,272,516	270,708	1,543,224
2035	-	-	1,332,866	207,607	1,540,473
2036	-	-	1,380,000	141,500	1,521,500
2037	-	-	1,450,000	72,500	1,522,500
Total	<u>\$ 18,235,000</u>	<u>\$ 8,289,389</u>	<u>\$ 62,827,027</u>	<u>\$ 40,172,215</u>	<u>\$ 129,523,631</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 2009, the rate ranged from 1.30% to 3.65%. 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
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>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 29,955,000</u>	<u>\$ 57,545,100</u>	<u>\$ 87,500,100</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, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds/Loans Payable:					
General Obligation Bonds	\$ 19,071,095	\$ -	\$ (836,095)	\$ 18,235,000	\$ 880,000
Amortization of Bond Issuance Costs	(286,531)	-	12,358	(274,173)	-
Amortization of Bond Refunding Revenues	(86,338)	-	7,006	(79,332)	-
Amortization of Bond Discounts/Premiums	420,286	-	(18,241)	402,045	-
Arbitrage	137,900	-	-	137,900	-
Accrued Compensated Absences	408,489	485,925	(428,241)	466,173	281,843
	<u>\$ 19,664,901</u>	<u>\$ 485,925</u>	<u>\$ (1,263,213)</u>	<u>\$ 18,887,613</u>	<u>\$ 1,161,843</u>
Total Governmental Activity					
Long-term Liabilities	<u>\$ 19,664,901</u>	<u>\$ 485,925</u>	<u>\$ (1,263,213)</u>	<u>\$ 18,887,613</u>	<u>\$ 1,161,843</u>
<b>Business-type Activities:</b>					
Bonds/Loans Payable:					
Revenue Bonds	\$ 36,731,000	\$ 17,040,000	\$ (7,970,000)	\$ 45,801,000	\$ 915,000
CWRPDA Loans	12,977,953	3,534,700	(692,240)	15,820,413	805,178
CWCBC Loan	377,352	-	(10,677)	366,675	10,890
Mortgage Revenue Loan	796,328	-	(17,389)	778,939	17,473
FHLB Forgivable Loan	60,000	-	-	60,000	-
Capital Lease Purchase	30,515,000	-	(560,000)	29,955,000	585,000
Amortization of Bond Issuance Costs	(861,145)	(846,228)	217,180	(1,490,193)	-
Amortization of Bond Discounts/Premiums	490,787	150,507	187,764	829,058	-
	<u>\$ 81,087,275</u>	<u>\$ 19,878,979</u>	<u>\$ (8,845,362)</u>	<u>\$ 92,120,892</u>	<u>\$ 2,333,541</u>
Total Business-type Activity					
Long-term Liabilities	<u>\$ 81,087,275</u>	<u>\$ 19,878,979</u>	<u>\$ (8,845,362)</u>	<u>\$ 92,120,892</u>	<u>\$ 2,333,541</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. This transaction resulted in an economic gain of \$99,650 and a reduction of \$110,398 in future debt service payments. At December 31, 2009, \$2,670,000 of the Town's general obligation bonds are considered defeased.

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. This transaction resulted in an economic gain of \$198,637 and a reduction of \$319,556 in future debt service payments. At December 31, 2009, \$4,725,000 of the Town's water revenue bonds are considered defeased.

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

The Town has defeased certain bonds in 2008 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. This transaction resulted in an economic gain of \$95,783 and a reduction of \$192,943 in future debt service payments. At December 31, 2009, \$955,000 of the Town's wastewater revenue bonds are considered defeased.

The Town has defeased certain bonds in 2009 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. This transaction resulted in an economic gain of \$742,052 and a reduction of \$965,588 in future debt service payments. At December 31, 2009, \$7,130,000 of the Town's water revenue bonds are considered defeased.

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.

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

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>2009</u>	<u>2008</u>	<u>2007</u>
Town's Contribution	<u>\$ 96,942</u>	<u>\$ 91,809</u>	<u>\$ 81,406</u>

**F. Net Assets Calculation**

**1. Investments in Net Assets**

Net assets on the government-wide statement of net assets as of December 31, 2009, 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	\$ 94,301,731	\$ 220,230,973	\$ 314,532,704
Less Accumulated Depreciation	<u>(10,536,841)</u>	<u>(17,865,476)</u>	<u>(28,402,317)</u>
Book Value	83,764,890	202,365,497	286,130,387
Less Capital Related Debt	(18,235,000)	(92,782,028)	(111,017,028)
Plus Bond Refunding Revenue	79,332	448,890	528,222
Plus (Less) Debt Discounts/Premiums	(402,045)	(829,057)	(1,231,102)
Plus Unspent Capital Related Debt	<u>-</u>	<u>20,455,550</u>	<u>20,455,550</u>
Invested in Capital Assets, Net of Related Debt:	<u>\$ 65,207,177</u>	<u>\$ 129,658,852</u>	<u>\$ 194,866,029</u>

**2. Restricted Net Assets**

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

Reserved for Capital Projects - Conservation Trust	\$ 723,052
Reserved for Capital Projects - Parks Improvement Impact	257,510
Reserved for Capital Projects - Public Facilities Impact	6,362,298
Reserved for Capital Projects - Storm Drainage Impact	3,258,050
Reserved for Capital Projects - Trails and Natural Areas	2,190,755
Reserved for Capital Projects - Transportation Impact	3,280,806
Reserved for Capital Projects - Tree Impact	567,116
Reserved for Emergencies	<u>426,388</u>
Total Restricted Net Assets	<u>\$ 17,065,975</u>

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

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

Debt Reserve Accounts - Water	\$ 2,230,314
Debt Reserve Accounts - Wastewater	2,009,763
Debt Reserve Accounts - Other	13,174
Operations & Maintenance Reserve - Water	1,200,927
Operations & Maintenance Reserve - Wastewater	485,790
	<hr/>
Total Restricted Net Assets	<u><u>\$ 5,939,968</u></u>

Bonds covenants require that the Town maintain operations and maintenance reserves for water and wastewater funds.

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 \$426,388.

G. Prior Period Adjustments

The Statement of Net Assets has been restated for 2008. Net assets, invested in capital assets, restricted net assets, and unrestricted net assets have been restated to exclude bond proceeds from restricted net assets and exclude bond issues costs from net assets, invested in capital assets. There is no change to total net assets and has no impact on 2009.

**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 insurance coverage to the Town. The coverage is 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 2009 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. Settlements did not exceed insurance coverage for each of the past three years.

The Town's 2009 contribution was \$206,257 for the property and casualty pool.

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

**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.

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 234 local governments which are members of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). 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. CIRSA is governed by a seven-member board elected by and from its members. The governing board is autonomous as to budgeting and fiscal matters.

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

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, 2009, CIRSA had assets of \$77,038,970, liabilities of \$37,353,198 (including \$33,735,457 reserved for losses and claims) and net assets of \$39,685,772. Total revenue for 2009 amounted to \$21,683,444 and total expenses were \$18,251,999 resulting in an excess of revenues over expenses of \$3,467,445. The amount of Town of Erie's share of these amounts is 1%.

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

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 \$37,146,626 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 2010, the Town expected to contribute \$350,000 to the Northern Integrated Supply Project (NISP) and \$895,000 to the Windy Gap Firing 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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## **Required Supplementary Information**

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**Town of Eric**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget**  
**For the Year Ended December 31, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,841,021	\$ 7,480,800	\$ 7,480,800	\$ (639,779)
Licenses & Permits	501,629	783,800	783,800	(282,171)
Intergovernmental	1,080,533	621,700	1,845,600	(765,067)
Fees & Charges for Services	2,362,784	2,880,300	2,686,500	(323,716)
Fines & Forfeitures	121,429	124,700	124,700	(3,271)
Investment Earnings	324,392	452,500	452,500	(128,108)
Miscellaneous	280,207	171,800	746,200	(465,993)
Total Revenues	<u>11,511,995</u>	<u>12,515,600</u>	<u>14,120,100</u>	<u>(2,608,105)</u>
<b>EXPENDITURES</b>				
Division:				
Legislation	182,928	152,800	282,400	99,472
Town Administrator's Office	191,795	298,800	232,500	40,705
Legal Services	281,725	285,100	310,100	28,375
Town Clerk's Office	106,658	115,000	145,000	38,342
Communication and Information Services	157,133	207,700	207,700	50,567
Planning Administration	176,653	322,900	542,900	366,247
Building Inspection	324,574	369,300	369,300	44,726
Central Charges	151,801	170,000	202,000	50,199
Debt Service	1,734,732	1,734,800	1,734,800	68
Capital Outlay	1,393,796	849,800	5,373,600	3,979,804
Municipal Court	104,948	104,500	104,500	(448)
Human Resources	80,827	85,700	96,700	15,873
Accounting	241,129	256,800	299,800	58,671
Parks and Recreation Administration	419,378	460,100	460,100	40,722
Parks Maintenance	1,060,131	1,279,200	1,287,000	226,869
Recreation	2,695,666	2,947,500	3,036,500	340,834
Police Administration	418,829	424,600	424,600	5,771
Police Records	111,302	124,500	124,500	13,198
Community Policing	102,894	109,000	109,000	6,106
Investigations	180,703	189,100	189,100	8,397
Patrol	1,209,667	1,307,600	1,307,600	97,933
Code Enforcement	12,126	13,100	13,100	974
Public Works Administration	209,928	242,300	242,300	32,372
Engineering	227,851	383,600	368,600	140,749
Building Maintenance	183,934	237,800	239,000	55,066
Fleet Maintenance	211,700	295,500	295,500	83,800
Streets Maintenance	677,589	777,300	784,800	107,211
Cemetery	2,337	4,100	4,100	1,763
Total Expenditures	<u>12,852,734</u>	<u>13,748,500</u>	<u>18,787,100</u>	<u>5,934,366</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	<u>(1,340,739)</u>	<u>(1,232,900)</u>	<u>(4,667,000)</u>	<u>3,326,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	398,200	398,200	398,200	-
Transfers Out	<u>(620,000)</u>	<u>(300,000)</u>	<u>(620,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(221,800)</u>	<u>98,200</u>	<u>(221,800)</u>	<u>-</u>
Net Changes in Fund Balance	<u>(1,562,539)</u>	<u>\$ (1,134,700)</u>	<u>\$ (4,888,800)</u>	<u>\$ 3,326,261</u>
Fund Balances - Beginning	<u>20,174,420</u>			
Fund Balances - Ending	<u>\$ 18,611,881</u>			

**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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees & Charges for Services	\$ 222,995	\$ 433,000	\$ 433,000	\$ (210,005)
Investment Earnings	51,454	15,300	15,300	36,154
Total Revenues	<u>274,449</u>	<u>448,300</u>	<u>448,300</u>	<u>(173,851)</u>
<b>EXPENDITURES</b>				
Capital Outlay	5,560,781	945,200	5,687,500	126,719
Total Expenditures	<u>5,560,781</u>	<u>945,200</u>	<u>5,687,500</u>	<u>126,719</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	<u>(5,286,332)</u>	<u>(496,900)</u>	<u>(5,239,200)</u>	<u>(47,132)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	320,000	-	320,000	-
Total Other Financing Sources	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>
Net Changes in Fund Balance	(4,966,332)	<u>\$ (496,900)</u>	<u>\$ (4,919,200)</u>	<u>\$ (47,132)</u>
<b>Fund Balances - Beginning</b>	<u>5,223,842</u>			
<b>Fund Balances - Ending</b>	<u>\$ 257,510</u>			

**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

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, 2009**

	Special Revenue Funds			
	Cemetery Perpetual Care	Conservation Trust	Police Forfeiture/ Seizure	Public Facilities Impact
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,353	\$ 24,453	\$ 166	\$ 225,551
Investments	124,355	698,599	4,732	6,443,731
Receivables:				
Property Taxes	-	-	-	-
Total Assets	<u>128,708</u>	<u>723,052</u>	<u>4,898</u>	<u>6,669,282</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	-	-	-	306,984
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,984</u>
Fund Balances				
Reserved for Capital Projects	-	723,052	-	6,362,298
Unreserved	128,708	-	4,898	-
Total Fund Balances	<u>128,708</u>	<u>723,052</u>	<u>4,898</u>	<u>6,362,298</u>
Total Liabilities and Fund Balances	<u>\$ 128,708</u>	<u>\$ 723,052</u>	<u>\$ 4,898</u>	<u>\$ 6,669,282</u>

<u>Special Revenue Funds</u>				
<u>Storm Drainage Impact</u>	<u>Trails and Natural Areas</u>	<u>Transportation Impact</u>	<u>Tree Impact</u>	<u>Total Nonmajor Governmental Fund</u>
\$ 110,185	\$ 74,089	\$ 110,955	\$ 19,321	\$ 569,073
3,147,865	2,117,212	3,169,851	551,997	16,258,342
-	923,900	-	-	923,900
<u>3,258,050</u>	<u>3,115,201</u>	<u>3,280,806</u>	<u>571,318</u>	<u>17,751,315</u>
-	546	-	4,202	311,732
-	923,900	-	-	923,900
-	924,446	-	4,202	1,235,632
3,258,050	2,190,755	3,280,806	567,116	16,382,077
-	-	-	-	133,606
<u>3,258,050</u>	<u>2,190,755</u>	<u>3,280,806</u>	<u>567,116</u>	<u>16,515,683</u>
<u>\$3,258,050</u>	<u>\$ 3,115,201</u>	<u>\$ 3,280,806</u>	<u>\$ 571,318</u>	<u>\$ 17,751,315</u>

**Town of Erie**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2009**

	Special Revenue Funds			
	Cemetery Perpetual Care	Conservation Trust	Police Forfeiture/ Seizure	Public Facilities Impact
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	118,493	-	-
Fees and Charges for Services	7,960	-	-	199,597
Investment Earnings	1,822	10,672	237	97,780
<b>Total Revenues</b>	<b>9,782</b>	<b>129,165</b>	<b>237</b>	<b>297,377</b>
<b>EXPENDITURES</b>				
Current Operating				
Parks and Recreation	-	-	-	-
Capital Outlay	-	73,008	21,000	1,448,406
<b>Total Expenditures</b>	<b>-</b>	<b>73,008</b>	<b>21,000</b>	<b>1,448,406</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,782	56,157	(20,763)	(1,151,029)
<b>OTHER FINANCING USES</b>				
Transfers Out	-	-	-	-
Net Changes in Fund Balance	9,782	56,157	(20,763)	(1,151,029)
<b>Fund Balances - Beginning</b>	<b>118,926</b>	<b>666,895</b>	<b>25,661</b>	<b>7,513,327</b>
<b>Fund Balances - Ending</b>	<b>\$ 128,708</b>	<b>\$ 723,052</b>	<b>\$ 4,898</b>	<b>\$6,362,298</b>

<u>Special Revenue Funds</u>				
<u>Storm Drainage Impact</u>	<u>Trails and Natural Areas</u>	<u>Transportation Impact</u>	<u>Tree Impact</u>	<u>Total Nonmajor Governmental Fund</u>
\$ -	\$ 837,199	\$ -	\$ -	\$ 837,199
-	-	-	-	118,493
173,287	-	212,628	32,100	625,572
46,839	31,185	47,285	9,706	245,526
<u>220,126</u>	<u>868,384</u>	<u>259,913</u>	<u>41,806</u>	<u>1,826,790</u>
-	-	-	96,937	96,937
5,700	294,884	159,490	100,000	2,102,488
<u>5,700</u>	<u>294,884</u>	<u>159,490</u>	<u>196,937</u>	<u>2,199,425</u>
<u>214,426</u>	<u>573,500</u>	<u>100,423</u>	<u>(155,131)</u>	<u>(372,635)</u>
-	-	(98,200)	-	(98,200)
214,426	573,500	2,223	(155,131)	(470,835)
<u>3,043,624</u>	<u>1,617,255</u>	<u>3,278,583</u>	<u>722,247</u>	<u>16,986,518</u>
<u>\$ 3,258,050</u>	<u>\$ 2,190,755</u>	<u>\$ 3,280,806</u>	<u>\$ 567,116</u>	<u>\$ 16,515,683</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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 7,960	\$ 3,000	\$ 3,000	\$ 4,960
Investment Earnings	1,822	2,800	2,800	(978)
Total Revenues	<u>9,782</u>	<u>5,800</u>	<u>5,800</u>	<u>3,982</u>
<b>Fund Balances - Beginning</b>	<u>118,926</u>			
<b>Fund Balances - Ending</b>	<u><u>\$ 128,708</u></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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 118,493	\$ 128,000	\$ 128,000	\$ (9,507)
Investment Earnings	10,672	16,100	16,100	(5,428)
<b>Total Revenues</b>	<b>129,165</b>	<b>144,100</b>	<b>144,100</b>	<b>(14,935)</b>
<b>EXPENDITURES</b>				
Equipment	18,068	18,700	18,700	632
Capital Outlay	54,940	-	100,000	45,060
<b>Total Expenditures</b>	<b>73,008</b>	<b>18,700</b>	<b>118,700</b>	<b>45,692</b>
Excess Revenues Over Expenditures	56,157	<u>\$ 125,400</u>	<u>\$ 25,400</u>	<u>\$ 30,757</u>
<b>Fund Balances - Beginning</b>	<b>666,895</b>			
<b>Fund Balances - Ending</b>	<b>\$ 723,052</b>			

**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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 237	\$ -	\$ -	\$ 237
<b>EXPENDITURES</b>				
Vehicles	21,000	21,000	21,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,763)	\$ (21,000)	\$ (21,000)	\$ 237
<b>Fund Balances - Beginning</b>	25,661			
<b>Fund Balances - Ending</b>	\$ 4,898			

**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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 199,597	\$ 445,600	\$ 445,600	\$ (246,003)
Investment Earnings	97,780	78,100	78,100	19,680
Total Revenues	<u>297,377</u>	<u>523,700</u>	<u>523,700</u>	<u>(226,323)</u>
<b>EXPENDITURES</b>				
Community Facilities	1,448,406	-	6,090,000	4,641,594
Excess (Deficiency) Revenues Over (Under) Expenditures	(1,151,029)	<u>\$ 523,700</u>	<u>\$ (5,566,300)</u>	<u>\$ 4,415,271</u>
<b>Fund Balances - Beginning</b>	<u>7,513,327</u>			
<b>Fund Balances - Ending</b>	<u>\$ 6,362,298</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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 173,287	\$ 251,900	\$ 251,900	\$ (78,613)
Investment Earnings	46,839	16,700	16,700	30,139
Total Revenues	<u>220,126</u>	<u>268,600</u>	<u>268,600</u>	<u>(48,474)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>5,700</u>	-	<u>1,675,000</u>	<u>1,669,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,426	<u>\$ 268,600</u>	<u>\$ (1,406,400)</u>	<u>\$ 1,620,826</u>
<b>Fund Balances - Beginning</b>	<u>3,043,624</u>			
<b>Fund Balances - Ending</b>	<u>\$ 3,258,050</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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 837,199	\$ 838,900	\$ 838,900	\$ (1,701)
Investment Earnings	31,185	18,800	18,800	12,385
Intergovernmental	-	-	361,000	(361,000)
<b>Total Revenues</b>	<b>868,384</b>	<b>857,700</b>	<b>1,218,700</b>	<b>(350,316)</b>
<b>EXPENDITURES</b>				
Capital Outlay	294,884	40,000	966,900	672,016
Excess Revenues Over Expenditures	573,500	<u>\$ 817,700</u>	<u>\$ 251,800</u>	<u>\$ 321,700</u>
<b>Fund Balances - Beginning</b>	<b>1,617,255</b>			
<b>Fund Balances - Ending</b>	<b><u>\$ 2,190,755</u></b>			

**Town of Erie  
Transportation Impact Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget  
For the Year Ended December 31, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 212,628	\$ 487,100	\$ 487,100	\$ (274,472)
Investment Earnings	47,285	24,300	24,300	22,985
Total Revenues	<u>259,913</u>	<u>511,400</u>	<u>511,400</u>	<u>(251,487)</u>
<b>EXPENDITURES</b>				
Street Improvement Projects	<u>159,490</u>	<u>820,000</u>	<u>295,200</u>	<u>135,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,423</u>	<u>(308,600)</u>	<u>216,200</u>	<u>(115,777)</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	<u>(98,200)</u>	<u>(98,200)</u>	<u>(98,200)</u>	<u>-</u>
Net Changes in Fund Balance	2,223	<u>\$ (406,800)</u>	<u>\$ 118,000</u>	<u>\$ (115,777)</u>
<b>Fund Balances - Beginning</b>	<u>3,278,583</u>			
<b>Fund Balances - Ending</b>	<u>\$ 3,280,806</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, 2009**

	Actual	Original Budget	Final Budget	Variance With Final Budget to Actual Positive (Negative)
<b>REVENUES</b>				
Fees and Charges for Services	\$ 32,100	\$ 60,000	\$ 60,000	\$ (27,900)
Investment Earnings	9,706	13,700	13,700	(3,994)
Total Revenues	<u>41,806</u>	<u>73,700</u>	<u>73,700</u>	<u>(31,894)</u>
<b>EXPENDITURES</b>				
Administration	2,574	3,000	3,000	426
Trees and Plants	94,363	237,000	237,000	142,637
Capital Outlay	100,000	-	100,000	-
Total Expenditures	<u>196,937</u>	<u>240,000</u>	<u>340,000</u>	<u>143,063</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	(155,131)	<u>\$ (166,300)</u>	<u>\$ (266,300)</u>	<u>\$ 111,169</u>
<b>Fund Balances - Beginning</b>	<u>722,247</u>			
<b>Fund Balances - Ending</b>	<u>\$ 567,116</u>			

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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: accounts 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, 2009**

	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	\$ 1,157	\$ 30,320	\$ 10,500	\$ 37,156	\$ 79,133
Investments	33,063	-	-	1,061,504	1,094,567
Accounts Receivable	300,409	-	-	46,985	347,394
Prepaid Expenses	14,226	-	-	-	14,226
Total Current Assets	<u>348,855</u>	<u>30,320</u>	<u>10,500</u>	<u>1,145,645</u>	<u>1,535,320</u>
Noncurrent Assets					
Land	592,295	-	-	63,705	656,000
Property and Equipment	3,498,694	1,160,900	-	11,197,274	15,856,868
Accumulated Depreciation	(993,288)	(253,947)	-	(1,354,389)	(2,601,624)
Construction in Progress	662,099	-	-	80,522	742,621
Bond Issue Costs	-	17,677	-	-	17,677
Total Noncurrent Assets	<u>3,759,800</u>	<u>924,630</u>	<u>-</u>	<u>9,987,112</u>	<u>14,671,542</u>
Total Assets	<u>4,108,655</u>	<u>954,950</u>	<u>10,500</u>	<u>11,132,757</u>	<u>16,206,862</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	83,592	39,297	-	22,918	145,807
Accrued Interest Payable	-	2,342	-	5,500	7,842
Accrued Wages Payable	-	-	-	2,327	2,327
Deferred Revenue	8,400	-	-	-	8,400
Loans Payable	-	17,473	-	10,890	28,363
Total Current Liabilities	<u>91,992</u>	<u>59,112</u>	<u>-</u>	<u>41,635</u>	<u>192,739</u>
Noncurrent Liabilities					
Loans Payable	-	821,466	-	355,785	1,177,251
Total Noncurrent Liabilities	<u>-</u>	<u>821,466</u>	<u>-</u>	<u>355,785</u>	<u>1,177,251</u>
Total Liabilities	<u>91,992</u>	<u>880,578</u>	<u>-</u>	<u>397,420</u>	<u>1,369,990</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	3,759,800	68,014	-	9,620,437	13,448,251
Restricted	-	13,174	-	-	13,174
Unrestricted	256,863	(6,816)	10,500	1,114,900	1,375,447
Total Net Assets	<u>\$ 4,016,663</u>	<u>\$ 74,372</u>	<u>\$ 10,500</u>	<u>\$ 10,735,337</u>	<u>\$ 14,836,872</u>

**Town of Erie**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2009**

	Enterprise Funds				Total Nonmajor Enterprise Fund
	Airport	Housing Authority	Erie Community Civic Fund	Storm Drainage Operating	
<b>Operating Revenue</b>					
Charges for Services	\$ 91,398	\$ 80,971	\$ -	\$ 380,023	\$ 552,392
Total Operating Revenue	91,398	80,971	-	380,023	552,392
<b>Operating Expenses</b>					
Personnel Services	41,206	-	-	83,782	124,988
Operations and Maintenance	170,912	41,280	-	64,595	276,787
Depreciation	108,062	29,023	-	225,988	363,073
Total Operating Expenses	320,180	70,303	-	374,365	764,848
Net Operating Income (Loss)	(228,782)	10,668	-	5,658	(212,456)
<b>Nonoperating Revenues (Expenses)</b>					
Interest Income	6,842	288	-	15,976	23,106
Other	10,375	-	-	-	10,375
Amortization of Debt Issuance Costs	-	(3,789)	-	-	(3,789)
Interest Expense	-	(35,421)	-	(7,387)	(42,808)
Total Nonoperating Revenues (Expenses)	17,217	(38,922)	-	8,589	(13,116)
Income (Loss) before contributions	(211,565)	(28,254)	-	14,247	(225,572)
Capital Contributions	732,077	-	-	-	732,077
Change in Net Assets	520,512	(28,254)	-	14,247	506,505
Total Net Assets - Beginning	3,496,151	102,626	10,500	10,721,090	14,330,367
Total Net Assets - Ending	\$ 4,016,663	\$ 74,372	\$ 10,500	\$ 10,735,337	\$ 14,836,872

**Town of Erie**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2009**

	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	\$ 111,158	\$ 80,788	\$ -	\$ 375,793	\$ 567,739
Payments to Employees	(41,206)	-	-	(83,212)	(124,418)
Payments to Suppliers	(153,352)	(41,397)	-	(41,497)	(236,246)
Net Cash Provided (Used) by Operating Activities	(83,400)	39,391	-	251,084	207,075
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(793,556)	-	-	(108,704)	(902,260)
Principal Paid on Capital Debt	-	(17,389)	-	(10,676)	(28,065)
Interest Paid on Capital Debt	-	(35,389)	-	(7,547)	(42,936)
Capital Contributions	437,436	-	-	-	437,436
Cash Flows Provided (Used) by Capital and Related Financing Activities	(356,120)	(52,778)	-	(126,927)	(535,825)
<b>Cash Flows from Investing Activities</b>					
Purchase of Investments	-	-	-	(170,128)	(170,128)
Sale of Investments	401,123	-	-	-	401,123
Earnings on Investments	6,842	288	-	15,976	23,106
Cash Flows Provided by (Used in) Investing Activities	407,965	288	-	(154,152)	254,101
Net Increase (Decrease) in Cash and Cash Equivalents	(31,555)	(13,099)	-	(29,995)	(74,649)
Cash and Cash Equivalents - January 1	32,712	43,419	10,500	67,151	153,782
Cash and Cash Equivalents - December 31	\$ 1,157	\$ 30,320	\$ 10,500	\$ 37,156	\$ 79,133
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (228,782)	\$ 10,668	\$ -	\$ 5,658	\$ (212,456)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation Expense	108,062	29,023	-	225,988	363,073
Other Income	10,375	-	-	-	10,375
(Increase) decrease in prepaid expenses	(14,226)	-	-	180	(14,046)
(Increase) decrease in accounts receivable	985	-	-	(4,230)	(3,245)
Increase (decrease) in accounts payable	31,786	(300)	-	22,918	54,404
Increase (decrease) in deferred revenue	8,400	-	-	-	8,400
Increase (decrease) in wages payable	-	-	-	570	570
Net Cash Provided (Used) by Operating Activities	\$ (83,400)	\$ 39,391	\$ -	\$ 251,084	\$ 207,075

**Town of Eric**  
**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, 2009**

	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	\$ 4,995,495	\$ -	\$ 4,995,495	\$ 5,519,800	\$ 5,519,800	\$ (524,305)
Other Nonoperating Income	77,770	-	77,770	181,300	222,300	(144,530)
Interest Income	187,881	-	187,881	375,000	375,000	(187,119)
Bond Proceeds	-	6,497,649	6,497,649	-	-	6,497,649
Capital Contributions	2,463,790	-	2,463,790	4,120,300	4,120,300	(1,656,510)
<b>Total Revenues</b>	<b>7,724,936</b>	<b>6,497,649</b>	<b>14,222,585</b>	<b>10,196,400</b>	<b>10,237,400</b>	<b>3,985,185</b>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	1,174,353	-	1,174,353	1,201,400	1,201,400	27,047
Operating & Maintenance	1,502,418	-	1,502,418	1,889,900	1,920,800	418,382
Bond & Loan Payments	-	1,175,000	1,175,000	1,175,000	1,175,000	-
Interest Expense	1,790,873	25,641	1,816,514	1,817,800	1,817,800	1,286
Depreciation	1,583,509	(1,583,509)	-	-	-	-
Debt Service Escrow Payment	-	7,180,629	7,180,629	-	-	(7,180,629)
Bond Issue Costs	-	112,454	112,454	-	-	(112,454)
Amortization of Debt Issue Costs	25,114	(25,114)	-	-	-	-
<b>Total Program Expenses</b>	<b>6,076,267</b>	<b>6,885,101</b>	<b>12,961,368</b>	<b>6,084,100</b>	<b>6,115,000</b>	<b>(6,846,368)</b>
Project Expenses						
Water Meters And Yokes	-	231,610	231,610	384,100	384,100	152,490
Raw Water Aquistions	336,063	2,578,911	2,914,974	6,212,900	4,900,000	1,985,026
Raw Water Projects	-	190,698	190,698	1,056,000	244,000	53,302
Master Plans	-	4,081	4,081	-	49,100	45,019
GIS Development Project	-	-	-	-	30,000	30,000
Raw Water Reservoir	-	1,027,600	1,027,600	60,000	1,509,500	481,900
Reuse Water Pipeline	-	678,420	678,420	-	5,469,000	4,790,580
Utility System Improvements	-	464,717	464,717	1,089,400	3,891,400	3,426,683
<b>Total Project Expenses</b>	<b>336,063</b>	<b>5,176,037</b>	<b>5,512,100</b>	<b>8,802,400</b>	<b>16,477,100</b>	<b>10,965,000</b>
<b>Total Expenses</b>	<b>6,412,330</b>	<b>12,061,138</b>	<b>18,473,468</b>	<b>14,886,500</b>	<b>22,592,100</b>	<b>4,118,632</b>
Change in Net Assets	1,312,606	<u>\$ (5,563,489)</u>	(4,250,883)	<u>\$ (4,690,100)</u>	<u>\$ (12,354,700)</u>	<u>\$ 8,103,817</u>
Total Net Assets - Beginning	100,710,243		100,710,243			
Bond Proceeds	-		(6,497,649)			
Debt Service Escrow Payment	-		7,180,629			
Bond Issue Costs	-		112,454			
Capital Outlay	-		5,176,037			
Debt Expense	-		1,200,641			
Depreciation	-		(1,583,509)			
Amortization	-		(25,114)			
<b>Total Net Assets - Ending</b>	<b>\$ 102,022,849</b>		<b>\$ 102,022,849</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, 2009**

	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	\$ 2,359,528	\$ -	\$ 2,359,528	\$ 2,536,900	\$ 2,536,900	\$ (177,372)
Other Nonoperating Income	4,384	-	4,384	-	-	4,384
Interest Income	227,299	-	227,299	331,000	331,000	(103,701)
Debt Proceeds	-	14,227,559	14,227,559	-	14,034,700	192,859
Capital Contributions	493,910	-	493,910	832,000	832,000	(338,090)
<b>Total Revenues</b>	<b>3,085,121</b>	<b>14,227,559</b>	<b>17,312,680</b>	<b>3,699,900</b>	<b>17,734,600</b>	<b>(421,920)</b>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	920,831	-	920,831	980,000	980,000	59,169
Operating & Maintenance	489,404	-	489,404	544,300	553,700	64,296
Bond & Loan Payments	-	357,240	357,240	837,400	357,400	160
Interest Expense	532,930	(37,043)	495,887	1,048,900	502,300	6,413
Bond Issue Costs	-	309,656	309,656	-	200,000	(109,656)
Depreciation	777,846	(777,846)	-	-	-	-
Amortization of Debt Issue Costs	7,936	(7,936)	-	-	-	-
<b>Total Program Expenses</b>	<b>2,728,947</b>	<b>(155,929)</b>	<b>2,573,018</b>	<b>3,410,600</b>	<b>2,593,400</b>	<b>20,382</b>
Project Expenses						
Master Plans	-	13,828	13,828	10,000	79,100	65,272
GIS Development Project	-	-	-	15,000	30,000	30,000
North WRF	-	3,985,855	3,985,855	-	23,656,700	19,670,845
North WRF Influent Pipeline	-	1,606,708	1,606,708	-	9,622,900	8,016,192
Utility System Improvements	-	6,085	6,085	170,000	265,900	259,815
<b>Total Project Expenses</b>	<b>-</b>	<b>5,612,476</b>	<b>5,612,476</b>	<b>195,000</b>	<b>33,654,600</b>	<b>28,042,124</b>
<b>Total Expenses</b>	<b>2,728,947</b>	<b>5,456,547</b>	<b>8,185,494</b>	<b>3,605,600</b>	<b>36,248,000</b>	<b>28,062,506</b>
Change in Net Assets	356,174	\$ 8,771,012	9,127,186	\$ 94,300	\$ (18,513,400)	\$ 27,640,586
Total Net Assets - Beginning	39,091,429		39,091,429			
Capital Outlay	-		5,612,476			
Bond Proceeds			(14,227,559)			
Bond Issue Costs			309,656			
Debt Expense	-		320,197			
Depreciation	-		(777,846)			
Amortization	-		(7,936)			
<b>Total Net Assets - Ending</b>	<b>\$ 39,447,603</b>		<b>\$ 39,447,603</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, 2009

	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	\$ 380,023	\$ -	\$ 380,023	\$ 390,000	\$ 390,000	\$ (9,977)
Interest Income	15,976	-	15,976	12,600	12,600	3,376
Grants	-	-	-	-	290,000	(290,000)
Total Revenues	<u>395,999</u>	<u>-</u>	<u>395,999</u>	<u>402,600</u>	<u>692,600</u>	<u>(296,601)</u>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	83,782	-	83,782	85,000	85,000	1,218
Operating & Maintenance	64,595	-	64,595	95,100	95,100	30,505
Loan Payments	-	10,676	10,676	10,700	10,700	24
Interest Expense	7,387	160	7,547	7,600	7,600	53
Depreciation	225,988	(225,988)	-	-	-	-
Total Program Expenses	<u>381,752</u>	<u>(215,152)</u>	<u>166,600</u>	<u>198,400</u>	<u>198,400</u>	<u>31,800</u>
Project Expenses						
Drainage System Repairs and Improvements	-	108,704	108,704	200,200	647,400	538,696
Total Project Expenses	<u>-</u>	<u>108,704</u>	<u>108,704</u>	<u>200,200</u>	<u>647,400</u>	<u>538,696</u>
Total Expenses	<u>381,752</u>	<u>(106,448)</u>	<u>275,304</u>	<u>398,600</u>	<u>845,800</u>	<u>570,496</u>
Change in Net Assets	14,247	<u>\$ (106,448)</u>	120,695	<u>\$ 4,000</u>	<u>\$ (153,200)</u>	<u>\$ 273,895</u>
Total Net Assets - Beginning	10,721,090		10,721,090			
Capital Outlay	-		108,704			
Loan Payment	-		10,676			
Interest Expense	-		160			
Depreciation	-		(225,988)			
Total Net Assets - Ending	<u>\$10,735,337</u>		<u>\$10,735,337</u>			

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, 2009

	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	\$ 86,549	\$ -	\$ 86,549	\$ 86,200	\$ 86,200	\$ 349
Other Nonoperating Income	15,224	-	15,224	1,200	1,200	14,024
Interest Income	6,842	-	6,842	10,000	10,000	(3,158)
Capital Contributions	732,077	-	732,077	769,900	915,500	(183,423)
Total Revenues	<u>840,692</u>	<u>-</u>	<u>840,692</u>	<u>867,300</u>	<u>1,012,900</u>	<u>(172,208)</u>
<b>EXPENSES</b>						
Program Expenses						
Personnel Services	41,206	-	41,206	4,500	4,300	(36,906)
Operating & Maintenance	170,912	-	170,912	80,000	167,300	(3,612)
Depreciation	108,062	(108,062)	-	-	-	-
Total Program Expenses	<u>320,180</u>	<u>(108,062)</u>	<u>212,118</u>	<u>84,500</u>	<u>171,600</u>	<u>(40,518)</u>
Project Expenses						
Buildings	-	11,620	11,620	-	12,000	380
Runways and Taxiways	-	781,936	781,936	817,400	959,600	177,664
Total Project Expenses	<u>-</u>	<u>793,556</u>	<u>793,556</u>	<u>817,400</u>	<u>971,600</u>	<u>178,044</u>
Total Expenses	<u>320,180</u>	<u>685,494</u>	<u>1,005,674</u>	<u>901,900</u>	<u>1,143,200</u>	<u>137,526</u>
Change in Net Assets	520,512	<u>\$ (685,494)</u>	(164,982)	<u>\$ (34,600)</u>	<u>\$ (130,300)</u>	<u>\$ (34,682)</u>
Total Net Assets - Beginning	3,496,151		3,496,151			
Capital Outlay	-		793,556			
Depreciation	-		(108,062)			
Total Net Assets - Ending	<u>\$ 4,016,663</u>		<u>\$ 4,016,663</u>			

# 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>	103
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>	107
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>	116
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>	123
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>	125

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

	Fiscal Year					
	2004 <sup>(1)</sup>	2005	2006	2007	2008	2009
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 22,215,485	\$ 26,124,027	\$ 24,900,765	\$ 53,190,093	\$ 57,152,274	\$ 65,207,177
Restricted	9,472,616	17,668,735	22,213,890	21,364,804	22,628,014	17,065,975
Unrestricted	7,273,410	11,207,490	29,704,628	16,480,097	19,422,764	17,917,745
<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>99,203,052</b>	<b>100,190,897</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	121,520,053	129,658,852
Restricted	13,699,842	4,718,710	4,583,110	14,328,718	15,722,590	5,939,968
Unrestricted	12,822,358	22,471,445	25,951,901	19,793,449	16,889,395	20,708,504
<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>154,132,038</b>	<b>156,307,324</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	178,672,327	194,866,029
Restricted	23,172,458	22,387,445	26,797,000	35,693,522	38,350,604	23,005,943
Unrestricted	20,095,768	33,678,935	55,656,529	36,273,546	36,312,159	38,626,249
<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>	<b>\$ 253,335,090</b>	<b>\$ 256,498,221</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 Eric**  
**Changes in Net Assets**  
**Last Ten Years**  
**(accrual basis of accounting)**

	Fiscal Year					
	2004 <sup>(1)</sup>	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental Activities:						
General Government	\$ 2,936,254	\$ 2,516,273	\$ 2,279,543	\$ 2,852,921	\$ 2,542,611	\$ 2,191,872
Parks & Recreation	910,232	1,103,296	1,453,447	1,833,112	4,178,321	4,700,478
Public Safety	1,382,872	1,719,409	1,864,065	1,934,542	2,070,326	2,106,365
Public Works	1,417,943	1,792,625	2,215,283	2,457,612	2,830,931	2,757,873
Interest on Long-Term Debt	185,984	178,160	245,770	1,177,219	907,069	868,802
Total Governmental Activities Expenses	6,833,285	7,309,763	8,058,108	10,255,406	12,529,258	12,625,390
Business-Type Activities:						
Water	3,914,473	4,258,665	4,916,945	5,849,291	5,920,041	6,412,330
Wastewater	1,559,719	1,854,437	2,019,365	2,060,713	2,370,152	2,728,947
Storm Drainage	183,331	287,721	321,017	345,266	359,817	381,752
Airport	295,410	368,502	482,347	479,946	246,451	320,180
Housing Authority	111,662	107,904	106,572	107,822	118,011	109,513
Total Business-Type Activities Expenses	6,064,595	6,877,229	7,846,246	8,843,038	9,014,472	9,952,722
Total Primary Government Expenses	\$ 12,897,880	\$ 14,186,992	\$ 15,904,354	\$ 19,098,444	\$ 21,543,730	\$ 22,578,112
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services						
General Government	\$ 2,119,343	\$ 2,188,739	\$ 1,435,627	\$ 970,615	\$ 1,180,105	\$ 656,516
Parks and Recreation	50,025	62,414	65,400	78,197	1,355,988	1,254,479
Public Safety	116,525	179,917	192,831	113,193	108,343	121,429
Public Works	204,563	240,794	403,518	634,361	1,208,708	953,418
Operating Grants and Contributions	125,064	59,624	33,306	8,632	-	11,924
Capital Grants and Contributions	11,138,506	9,205,961	17,486,048	10,684,131	6,269,316	1,330,022
Total Governmental Activities Program Revenues	13,754,026	11,937,449	19,616,730	12,489,129	10,122,460	4,327,788
Business-Type Activities:						
Charges for Services						
Water	2,705,358	3,625,729	4,792,751	4,803,707	5,395,596	4,995,495
Wastewater	1,133,672	1,398,101	1,738,799	2,004,146	2,123,952	2,359,528
Other Activities	553,884	393,410	757,614	763,136	574,355	552,392
Capital Grants and Contributions	38,237,409	27,232,102	14,934,116	12,481,218	6,312,796	3,689,777
Total Business-Type Activities Program Revenues	42,630,323	32,649,342	22,223,280	20,052,207	14,406,699	11,597,192
Total Primary Government Program Revenues	\$ 56,384,349	\$ 44,586,791	\$ 41,840,010	\$ 32,541,336	\$ 24,529,159	\$ 15,924,980
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ 6,920,741	\$ 4,627,686	\$ 11,558,622	\$ 2,233,723	\$ (2,406,798)	\$ (8,297,602)
Business-Type Activities	36,565,728	26,037,753	14,377,034	11,209,169	5,392,227	1,644,470
Total Primary Government Net (Expense) Revenue	\$ 43,486,469	\$ 30,665,439	\$ 25,935,656	\$ 13,442,892	\$ 2,985,429	\$ (6,653,132)
<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	\$ 3,559,908	\$ 3,126,330
Property Taxes	788,955	1,297,382	1,628,286	3,078,525	3,556,517	3,720,316
Franchise Taxes	282,980	389,787	456,110	507,525	589,062	571,130
Transportation Taxes	468,683	538,998	673,676	806,622	883,191	926,189
Other Taxes	89,183	90,766	133,689	142,283	147,324	235,249
Investment Earnings	184,664	786,400	2,193,728	2,734,514	1,633,905	621,372
Other Miscellaneous	514,218	456,322	455,373	789,859	204,950	84,860
Total Governmental Activities	7,849,941	9,257,668	10,160,197	11,981,991	10,574,857	9,285,446
Business-Type Activities:						
Investment Earnings	361,030	954,971	1,583,138	2,063,478	1,405,388	438,286
Other Miscellaneous	102,527	182,403	664,385	249,360	271,320	92,529
Total Business-Type Activities	463,557	1,137,374	2,247,523	2,312,838	1,676,708	530,815
Total Primary Government General Revenue and Other Changes in Net Assets	\$ 8,313,498	\$ 10,395,042	\$ 12,407,720	\$ 14,294,829	\$ 12,251,565	\$ 9,816,261
<b>Changes in Net Assets</b>						
Governmental Activities	\$ 14,770,682	\$ 13,885,354	\$ 21,718,819	\$ 14,215,714	\$ 8,168,059	\$ 987,844
Business-Type Activities	37,029,285	27,175,127	16,624,557	13,522,007	7,068,935	2,175,285
Total Primary Government Changes in Net Assets	\$ 51,799,967	\$ 41,060,481	\$ 38,343,376	\$ 27,737,721	\$ 15,236,994	\$ 3,163,129

Source: Town of Eric 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									
	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 218,572	\$ 354,049	\$ 244,747	\$ 265,249	\$ 362,116	\$ 229,174	\$ 15,307,980	\$ 2,884,711	\$ 3,664,997	\$ 1,253,409
Unreserved	1,575,585	675,698	1,445,663	3,266,617	7,351,717	11,504,917	15,081,463	15,404,897	16,509,423	17,358,472
Total General Fund	<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>	<u>\$ 20,174,420</u>	<u>\$ 18,611,881</u>
All Other Governmental Funds										
Reserved	\$ 2,464,322	\$ 1,137,612	\$ 2,015,105	\$ 4,077,830	\$ 11,444,500	\$ 17,455,004	\$ 21,816,406	\$ 20,820,428	\$ 22,065,773	\$ 16,639,587
Unreserved, Reported in:										
Special Revenue Funds	177,271	(518,295)	(376,105)	414,479	-	-	151,887	179,743	144,587	133,606
Total of All Other Governmental Funds	<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>	<u>\$ 22,210,360</u>	<u>\$ 16,773,193</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 2,977,631	\$ 3,122,093	\$ 3,542,260	\$ 4,615,254	\$ 6,675,205	\$ 7,508,967	\$ 6,852,042	\$ 7,772,528	\$ 7,998,035	\$ 7,678,220
Licenses and Permits	1,186,213	966,722	1,067,286	1,360,490	2,325,491	2,360,069	1,566,609	1,064,310	2,791,140	501,629
Intergovernmental	258,927	334,412	651,796	436,368	475,854	505,979	659,054	685,090	1,363,593	1,199,026
Charges for Services	2,290,956	1,297,136	1,672,063	3,275,115	6,246,396	6,205,411	4,972,613	3,717,997	4,666,103	3,211,351
Fines	84,644	73,817	82,000	88,712	116,525	179,917	192,831	113,193	108,343	121,429
Investment Earnings	-	-	-	-	184,664	786,400	2,193,728	2,734,513	1,633,905	621,372
Miscellaneous	528,752	658,561	1,028,128	561,426	554,354	286,456	1,355,123	1,333,578	229,917	280,207
<b>Total Revenues</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>18,791,036</b>	<b>13,613,234</b>
<b>Expenditures</b>										
General Government	2,540,591	2,670,424	2,433,224	2,534,185	2,775,019	2,403,844	2,185,379	2,392,489	2,212,898	2,000,171
Parks & Recreation	411,859	559,822	597,834	644,330	764,938	1,026,281	1,766,445	1,546,258	3,821,824	2,035,521
Public Safety	942,510	1,028,182	952,885	1,135,186	1,306,503	1,601,394	1,411,911	1,835,547	1,977,901	1,513,339
Public Works	824,531	828,331	747,506	758,968	1,008,671	1,237,714	1,267,684	1,525,403	1,694,976	4,272,112
Small Equipment	-	9,552	39,248	-	-	-	-	-	-	-
Capital Outlay	4,666,027	3,935,142	1,021,915	119,098	1,316,354	1,134,252	4,672,496	21,775,141	4,271,841	9,057,065
Debt Service										
Principal	98,919	270,637	373,297	257,000	239,600	220,110	205,000	340,000	800,000	845,000
Interest	347,673	215,087	204,838	193,833	186,633	178,843	133,055	1,230,056	922,632	889,732
Bond Issuance Costs	-	-	-	-	-	-	297,249	-	-	-
<b>Total Expenditures</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>	<b>15,702,072</b>	<b>20,612,940</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,504,987)	(3,064,436)	1,672,786	4,694,765	8,980,771	10,030,761	5,852,781	(13,223,685)	3,088,964	(6,999,706)
<b>Other Financing Sources (Uses)</b>										
Open Space Land Financing	-	292,750	7,560	-	-	-	-	-	-	-
Proceeds from Capital Lease	97,936	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	155,730	-	-
Bond Proceeds	-	-	-	-	-	-	20,206,989	-	-	-
Payment for Refunded Bonds	-	-	-	-	-	-	(2,991,338)	-	-	-
Operating Transfers In	1,650,000	308,557	-	-	-	135,000	85,000	698,300	104,939	718,200
Operating Transfers Out	(970,800)	(323,557)	-	-	-	(135,000)	(85,000)	(698,300)	(98,900)	(718,200)
<b>Total Other Financing Sources (Uses)</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>6,039</b>	<b>-</b>
<b>Net Changes in Fund Balance</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>	<b>\$ 3,095,003</b>	<b>\$ (6,999,706)</b>
Debt Service as a Percentage of Noncapital Expenditures	(1)	(1)	(1)	(1)	6.79%	5.98%	8.74%	17.00%	14.91%	14.88%

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
2000	\$ 285,998	\$ 1,417,497	\$ 1,084,929	\$ 147,882	\$ 28,339	(2)	(2)	\$ 6,201	\$ 6,785	\$ 2,977,631
2001	403,037	1,777,499	675,648	204,855	41,507	(2)	(2)	8,967	10,580	3,122,093
2002	609,799	1,781,426	883,541	186,554	59,895	(2)	(2)	10,545	10,500	3,542,260
2003	689,563	1,974,189	1,635,785	220,058	65,753	(2)	(2)	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
2008	3,556,517	2,624,783	935,125	589,062	284,928	441,347	100,202	7,620	62,822	8,602,406
2009	3,720,316	2,572,740	553,590	571,130	253,376	512,407	98,398	7,068	290,189	8,579,214

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
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
2008	72,775,610	7,017,800	7,679,860	5,379,335	3,938,640	88,913,965
2009	74,938,760	7,064,260	6,745,400	5,105,190	3,929,800	89,923,810

Weld County						
Year <sup>(1)</sup>	Residential	Commercial	Vacant		Less:	Total Taxable
	Property	Property	Land	Other	Tax Exempt	Assessed
					Real Property	Value
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
2008	79,408,720	8,715,140	10,394,750	14,279,150	6,767,920	106,029,840
2009	86,124,430	11,889,630	8,773,150	22,293,380	9,331,410	119,749,180

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>
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%
2008	18.282	2,084,640,197	9.87%
2009	17.775	2,212,959,781	10.07%

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 Erie  
Principal Taxpayers  
December 31, 2009

Taxpayer	Boulder County					
	2009			2000		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas Usa Inc	\$ 4,050,460	1	4.71 %	\$ -	-	- %
Arapahoe Ridge Retail Center LLC	2,669,050	2	3.10	-	-	-
Public Service Co of Colorado	2,267,800	3	2.64	-	-	-
Richmond American Homes of Colorado	1,147,420	4	1.33	-	-	-
Muhr Partnership Three	1,139,760	5	1.33	-	-	-
Alande Company	912,090	6	1.06	-	-	-
Westpac Realty Fund II LLC	869,040	7	1.01	-	-	-
Boulder Valley Investment LLC	672,580	8	0.78	-	-	-
CVH Investments LLC	666,620	9	0.78	-	-	-
Richard E & Deborah L Oliver	503,040	10	0.58	-	-	-
Becky Family Investment Co LLLP	-	-	-	1,286,160	1	5.49
Safeway	-	-	-	527,934	2	2.25
Hudson Construction LLC	-	-	-	418,140	3	1.78
Ryland Group Inc	-	-	-	279,840	4	1.19
Alande Company	-	-	-	245,960	5	1.05
WL Homes	-	-	-	199,110	6	0.85
Patina Oil & Gas Corportation	-	-	-	171,190	7	0.73
Richard E & Deborah L Oliver	-	-	-	159,010	8	0.68
Murphy Gardner LLC	-	-	-	152,250	9	0.65
Melody Homes	-	-	-	137,980	10	0.59
	<u>\$ 14,897,860</u>		<u>17.37 %</u>	<u>\$ 3,577,574</u>		<u>15.27 %</u>

Taxpayer	Weld County					
	2009			2000 <sup>(1)</sup>		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas (USA) Inc	\$ 7,456,740	1	6.75 %	\$ -	-	- %
Noble Energy Inc	1,920,310	2	1.74	-	-	-
WL Homes	1,300,480	3	1.18	-	-	-
Vista Ridge Development LLC	1,296,670	4	1.17	-	-	-
Vista Ridge Development Corp	1,131,120	5	1.02	-	-	-
Colorado National Golf Club LLC	978,530	6	0.89	-	-	-
Comcast of Colorado I LLC	885,370	7	0.80	-	-	-
VRC Development LLC	851,980	8	0.77	-	-	-
Wooderest Homes Inc	774,040	9	0.70	-	-	-
1010 Redevelopment Inc	737,160	10	0.67	-	-	-
	<u>\$ 17,332,400</u>		<u>15.69 %</u>	<u>\$ -</u>		<u>- %</u>

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

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

**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	High Plains Library <sup>(2)(4)</sup>	Total		
Rates (In mills) <sup>(1)</sup>												
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		
2008	18.282	22.467	37.798	37.865	7.937	1.000	0.507	2.500	3.253	131.609		
2009	17.775	23.067	46.285	39.113	11.747	1.000	0.528	2.500	3.260	145.275		
Levy												
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		
2008	1,625,525	124,745,065	58,300,081	150,815,108	2,802,166	5,062,766	1,993,702	100,100	289,201	345,733,714		
2009	1,598,396	129,119,905	72,132,892	156,938,470	4,265,886	5,146,619	2,100,059	99,175	292,936	371,694,338		
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 <sup>(3)</sup>	Vista Ridge Metro Special District	High Plains Library <sup>(4)</sup>	St Vrain Sanatation District	Bridgewater Metro #1	
Rates (In mills) <sup>(1)</sup>												
2000	7.288	22.038	44.096	7.560	8.451	1.000	6.543	-	3.249	-	-	
2001	7.288	22.038	42.173	9.560	8.367	1.000	6.543	-	3.249	-	-	
2002	7.288	20.559	36.256	7.560	8.237	1.000	6.543	47.257	3.249	-	-	
2003	7.288	20.056	41.025	9.560	8.197	1.000	6.543	47.257	3.249	-	-	
2004	7.288	21.474	40.374	9.560	8.117	1.000	4.543	52.827	3.249	-	-	
2005	10.965	19.957	40.089	9.560	8.037	1.000	6.543	52.989	3.249	-	-	
2006	11.288	17.900	39.982	9.560	8.037	1.000	3.250	54.332	3.281	-	-	
2007	18.608	16.804	38.035	13.360	7.977	1.000	-	59.246	3.261	3.321	-	
2008	18.282	16.804	37.798	12.770	7.877	1.000	-	57.827	3.253	2.686	-	
2009	17.775	16.804	46.285	12.526	11.747	1.000	-	57.827	3.260	0.806	50.000	
Levy												
2000	\$ 108,483	\$ 36,053,130	\$ 7,580,502	\$ 346,697	\$ 1,106,841	\$ 1,307,156	\$ 338,086	\$ -	\$ 4,674,328	\$ -	\$ -	
2001	127,415	38,846,297	8,718,454	447,916	1,272,636	1,423,599	424,846	-	5,056,154	-	-	
2002	175,049	45,683,851	10,535,268	650,279	1,734,822	1,782,779	603,578	20,576	6,446,561	-	-	
2003	210,316	48,691,835	13,701,751	972,351	1,973,426	1,978,011	763,813	191,471	7,009,411	-	-	
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	-	-	
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	-	-	
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	-	-	
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	-	
2008	1,938,438	75,088,043	24,691,076	3,403,049	3,184,187	3,434,059	-	2,777,223	12,738,340	739,139	-	
2009	2,129,482	76,724,097	31,603,051	3,650,649	5,047,144	3,499,354	-	2,976,184	13,028,371	312,351	123	

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.

<sup>(3)</sup>In 2007, Tri-Area Ambulance Special District dissolved

Weld County

Bridgewater Metro #2	Bridgewater Metro #3	Erie Commons Metro #2	Erie Corporate Center Metro #2	Erie Corporate Center Metro #3	Total
-	-	-	-	-	100,225
-	-	-	-	-	100,218
-	-	-	-	-	137,949
-	-	-	-	-	144,175
-	-	-	-	-	148,432
-	-	40,000	40,000	11,000	243,389
-	-	43,000	40,000	11,000	242,630
-	-	50,000	40,000	11,000	262,612
-	-	50,000	50,000	14,000	272,297
50,000	50,000	50,000	50,000	17,140	435,170
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,515,223
-	-	-	-	-	56,317,317
-	-	-	-	-	67,632,763
-	-	-	-	-	75,492,385
-	-	-	-	-	81,649,332
-	-	9,070	172	82	93,661,143
-	-	11,908	1,879	522	104,876,750
-	-	121,952	12,882	7,261	118,133,059
-	-	341,001	27,920	8,340	128,370,815
21,312	61,517	487,437	16,824	9,539	139,567,435

**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
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	1,628,167	99.92
2007 <sup>(2)</sup>	3,077,011	3,076,645	99.99
2008	3,563,963	3,556,517	99.79
2009	3,727,878	3,720,316	99.80

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 of the Erie Community Center.  
For the 2007 collection year, the mill increase is 7.320.

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

<u>Year</u>	<u>Automotive</u>	<u>General</u>	<u>Construction Materials</u>	<u>Total Sales and Use Tax</u>	<u>Total Direct Tax Rate</u>
2000	\$ 174,989 <sup>(1)</sup>	\$ 1,242,508	\$ 1,084,929	\$ 2,502,426	3.50
2001	210,930 <sup>(1)</sup>	1,566,569	675,648	2,453,147	3.50
2002	734,425	1,047,001	883,541	2,664,967	3.50
2003	773,889	1,200,300	1,635,785	3,609,974	3.50
2004	819,053	1,311,291	3,390,914	5,521,258	3.50
2005	972,415	1,409,214	3,316,384	5,698,013	3.50
2006	1,116,128	1,350,045	2,153,162	4,619,335	3.50
2007	1,193,071	1,597,623	1,131,969	3,922,663	3.50
2008	1,079,982	1,544,801	935,125	3,559,908	3.50
2009	845,641	1,727,099	553,590	3,126,330	3.50

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

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

Boulder County									
Year	Town of Erie	State of Colorado	Regional Transportation Authority	Metropolitan Sports Stadium District	Scientific and Cultural Facilities District	Boulder County	Total		
2000	3.50 %	3.00 %	0.60 %	0.10 %	0.10 %	0.40 %	7.70 %		
2001	3.50	2.90	0.60	0.10	0.10	0.40	7.60		
2002	3.50	2.90	0.60	0.10	0.10	0.45	7.65		
2003	3.50	2.90	0.60	0.10	0.10	0.55	7.75		
2004	3.50	2.90	0.60	0.10	0.10	0.55	7.75		
2005	3.50	2.90	1.00	0.10	0.10	0.65	8.25		
2006	3.50	2.90	1.00	0.10	0.10	0.65	8.25		
2007	3.50	2.90	1.00	0.10	0.10	0.65	8.25		
2008	3.50	2.90	1.00	0.10	0.10	0.65	8.25		
2009	3.50	2.90	1.00	0.10	0.10	0.65	8.25		

Weld County						
Year	Town of Erie	State of Colorado	Regional Transportation Authority	Metropolitan Sports Stadium District	Total	
2000	3.50 %	3.00 %	0.60 %	0.10 %	7.20 %	
2001	3.50	2.90	0.60	0.10	7.10	
2002	3.50	2.90	0.60	0.10	7.10	
2003	3.50	2.90	0.60	0.10	7.10	
2004	3.50	2.90	0.60	0.10	7.10	
2005	3.50	2.90	1.00	0.10	7.50	
2006	3.50	2.90	1.00	0.10	7.50	
2007	3.50	2.90	1.00	0.10	7.50	
2008	3.50	2.90	1.00	0.10	7.50	
2009	3.50	2.90	1.00	0.10	7.50	

Source: Town of Erie Finance Office  
Colorado Department of Revenue

**Town of Erie  
Principal Sales and Use Taxpayers  
Last Ten Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Aggregate top ten filers <sup>(1)</sup>	\$ 528,756	\$ 667,050	\$ 686,529	\$ 723,615	\$ 762,952	\$ 837,475	\$ 820,681	\$ 731,869	\$ 876,757	\$ 857,218
Aggregate all other filers	1,973,670	1,786,097	1,978,438	2,886,359	4,758,306	4,860,538	3,798,654	3,190,794	2,683,151	2,269,112
Total sales and use tax	<u>\$ 2,502,426</u>	<u>\$ 2,453,147</u>	<u>\$ 2,664,967</u>	<u>\$ 3,609,974</u>	<u>\$ 5,521,258</u>	<u>\$ 5,698,013</u>	<u>\$ 4,619,335</u>	<u>\$ 3,922,663</u>	<u>\$ 3,559,908</u>	<u>\$ 3,126,330</u>
Top ten filers as a percentage of total tax	21.1%	27.2%	25.8%	20.0%	13.8%	14.7%	17.8%	18.7%	24.6%	27.4%

Source: Colorado Department of Revenue

<sup>(1)</sup>Colorado State Statutes prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: County Line Wine & Spirits, New Cingular Wireless (Boulder County), New Cingular Wireless (Weld County), Ridge Liquor, Safeway, Starbucks Coffee #13426, US West Communications, Verizon Wireless (VAW) LLC (Boulder County), Verizon Wireless (VAW) LLC (Weld County), and Walgreens #12864

**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	Water Revenue Bonds <sup>(2)</sup>	Wastewater Revenue Bonds <sup>(2)</sup>	Storm Drainage Loan
2000	\$ 4,460,000	\$ -	\$ 178,023	\$ 16,245,000	\$ 3,683,281	\$ 455,562
2001	4,290,000	292,750	77,386	15,988,000	3,529,962	446,450
2002	4,115,000	151,710	27,689	15,561,000	3,375,841	437,155
2003	3,935,000	74,710	-	29,614,000	3,215,819	427,675
2004	3,745,000	25,110	-	28,501,000	3,044,534	418,005
2005	3,550,000	-	-	27,503,000	2,872,287	408,141
2006	20,211,095	-	-	26,469,000	2,688,691	398,081
2007	19,871,095	-	-	39,700,000	2,499,043	387,879
2008	19,071,095	-	-	38,571,000	11,137,953	377,352
2009	18,235,000	-	-	36,656,000	24,965,413	366,675

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

<u>Type Activities</u>		<u>Total Primary Government</u>	<u>Boulder County</u>	<u>Weld County</u>	<u>Per Capita</u>
<u>Housing Authority<sup>(3)</sup></u>	<u>Capital Leases</u>		<u>Percentage of Personal Income</u>	<u>Percentage of Personal Income</u>	
\$ -	\$ -	\$ 25,021,866	0.21%	0.55%	3,977
-	-	24,624,548	0.20%	0.50%	3,150
-	-	23,668,395	0.21%	0.48%	2,770
884,511	-	38,151,715	0.33%	0.76%	3,863
900,770	-	36,634,419	0.30%	0.68%	2,931
883,746	32,030,000	67,247,174	0.52%	1.19%	4,893
888,368	31,550,000	82,205,235	0.58%	1.34%	5,366
868,703	31,045,000	94,371,720	(1)	(1)	5,599
856,327	30,515,000	100,528,727	(1)	(1)	5,828
838,939	29,955,000	111,017,027	(1)	(1)	6,138

**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
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
2008	17,250	2,084,640,197	19,071,095	0.91	1,106
2009	18,088	2,212,959,781	18,235,000	0.82	1,008

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, 2009**

	<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	\$ 18,235,000	100 %	\$ 18,235,000
Overlapping Debt			
Boulder Valley School District	\$ 385,285,000	1	\$ 3,852,850
Erie Commons Metro #1	8,500,000	100	8,500,000
Frederick-Firestone Fire Protection District	3,430,000	1	34,300
Northern Colorado Water Conservation District	4,234,399	2	84,688
St Vrain Valley School District	380,295,000	5	19,014,750
Vista Ridge Metropolitan District	<u>40,000,000</u>	100	<u>40,000,000</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 839,979,399</u>		<u>\$ 89,721,588</u>

Source: Provided by each government entity

<sup>(1)</sup>The following governments had no outstanding general bonded debt as of December 31, 2009

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 #2, Erie Corporate Center Metro District #1, Erie Corporate Center Metro District #2, Erie Corporate Center Metro District #3, and Mountain View Fire Protection District

Town of Erie  
 Legal Debt Margin Information  
 Last Ten Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 10,116,344	\$ 14,339,308	\$ 23,114,774	\$ 25,941,047	\$ 32,732,969	\$ 36,049,926	\$ 44,801,720	\$ 53,206,834	\$ 61,243,273	\$ 64,712,508
Total Net Debt Applicable to Limit	4,460,000	4,290,000	4,115,000	3,935,000	3,745,000	3,550,000	20,211,095	19,871,095	19,071,095	18,235,000
Legal Debt Margin	\$ 5,656,344	\$ 10,049,308	\$ 18,999,774	\$ 22,006,047	\$ 28,987,969	\$ 32,499,926	\$ 24,590,625	\$ 33,335,739	\$ 42,172,178	\$ 46,477,508
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.09%	29.92%	17.80%	15.17%	11.44%	9.85%	45.11%	37.35%	31.14%	28.18%

Legal Debt Margin Calculation for Fiscal Year 2009

Actual Valuation	
Boulder County	\$ 987,973,000
Weld County	<u>1,169,110,603</u>
Total Actual Valuation	<u>\$ 2,157,083,603</u>
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	\$ 64,712,508
Debt Applicable to Limitation:	
Outstanding Balance of General	
Obligation Bonds	<u>18,235,000</u>
Legal Debt Margin	<u>\$ 46,477,508</u>

Source: Town of Erie Finance Department

**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	
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	18,809,020	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
2008	9,458,727	2,709,040	6,749,687	1,129,000	1,866,192	2,995,192	2.25
2009	7,724,936	2,676,771	5,048,165	1,175,000	1,717,586	2,892,586	1.75

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	
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	3,371,560	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
2008	2,924,433	1,408,979	1,515,454	201,090	133,634	334,724	4.53
2009	2,853,438	1,410,235	1,443,203	357,240	502,102	859,342	1.68

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 Eric  
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
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	14,841,031	51,388	35.8	28,457	3.3	6,384,960	26,314	31.5	23,630	4.2
2008	17,250	<sup>(3)</sup>	<sup>(3)</sup>	36.0	28,677	4.9	<sup>(3)</sup>	<sup>(3)</sup>	31.6	24,216	6.4
2009	18,088	<sup>(3)</sup>	<sup>(3)</sup>	36.3	28,843	6.4	<sup>(3)</sup>	<sup>(3)</sup>	31.9	25,270	8.7

Sources: U.S. Census Bureau  
Town of Eric 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	2009			2000 <sup>(1)</sup>		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Erie	258	1	10.32 %	-	-	- %
St Vrain Valley School District	250	2	10.00	-	-	-
Safeway	180	3	7.20	-	-	-
Colorado National Golf Club	75	4	3.00	-	-	-
Magnum Plastics	24	5	0.96	-	-	-
John Murphy Millworks	20	6	0.80	-	-	-
Starbucks	17	7	0.68	-	-	-
Walgreens	17	8	0.68	-	-	-
County Line Lumber	10	9	0.40	-	-	-
Papa Murphy's	7	10	0.28	-	-	-
Total	858		34.32 %	-	-	- %

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									
	2000	2001	2002	2003	2004	2005	2006	2007 <sup>(1)</sup>	2008	2009
General Government	23.800	24.750	14.000	12.375	13.775	14.775	15.900	16.400	14.450	13.300
Parks & Recreation										
Parks	4.000	8.000	9.000	8.500	10.000	11.000	11.000	11.000	11.000	11.000
Recreation	3.000	4.150	4.100	4.600	4.650	4.650	4.650	50.540	50.540	51.140
Public Safety										
Police	18.250	18.250	18.250	18.250	20.250	22.650	22.650	22.650	22.650	23.650
Public Works	19.500	24.000	9.000	7.750	8.500	8.750	8.750	8.125	8.425	8.425
Water	4.000	4.000	15.000	13.833	14.848	15.973	16.515	16.828	16.903	16.878
Wastewater	3.000	3.000	12.000	10.803	11.808	11.933	12.475	12.787	12.862	12.837
Storm Drainage	-	-	-	0.990	1.320	1.320	1.340	1.340	1.340	1.340
Airport	1.000	1.000	1.000	1.000	1.000	1.000	1.020	0.020	0.020	0.020
Total	76.550	87.150	82.350	78.101	86.151	92.051	94.300	139.690	138.190	138.590

Source: Town of Erie Finance Department

<sup>(1)</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Parks										
Total Acres of Parks Maintained	20	24	24	68	69	72	87	73	87	91
Total Acres of Open Space Maintained	14	14	32	116	116	120	169.18	259.21	204	204
Recreation										
Participation in Recreation Activities	511	549	700	576	284	391	1,470	1,558	5,248	5,512
Participation in Sports	791	830	947	984	1,039	1,147	1,267	1,347	1,737	2,161
Participation in Senior Activities	<sup>(1)</sup>	849	682	920	1,179	893	1,029	849	2,572	5,459
Senior Lunches	1,607	1,687	1,271	1,550	2,037	2,177	2,082	1,833	2,742	2,059
Police										
Traffic Violations	706	710	779	660	1,011	1,586	987	838	823	840
Criminal Violations	484	650	690	554	615	821	828	323	318	173
Water										
Number of Service Connections	2,887	3,141	3,404	3,850	4,574	5,340	5,787	6,030	6,228	6,383
Average Daily Flow (million gallons per day)	1.146	<sup>(1)</sup>	1.72	1.54	1.78	2.25	2.60	2.50	2.57	2.358
Wastewater										
Number of Service Connections	2,707	2,945	3,243	3,673	4,343	5,070	5,551	5,789	5,982	6,106
Average Monthly Flows (million gallons per day)	0.522	0.528	0.510	0.578	0.706	0.784	0.840	0.964	0.930	0.964

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

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

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

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Parks and Recreation										
Community Center <sup>(2)</sup>	-	-	-	-	-	-	-	1	1	1
Parks	4	5	5	8	8	8	8	8	7	10
Park Acreage	20	24	24	68	69	72	87.3	72.9	87	90.5
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	4	4	4	6	6	6	7	8	8	8
Public Works										
Streets (miles)	56.31	67.15	72.26	90.29	99.34	100.09	119.00	105.13	112.29	132.00
Water										
Water Mains (miles)	44.12	46.39	52.60	72.30	93.12	117.01	153.00	110.00	110.00	111.00
Maximum Daily Capacity (million gallons per day)	4.00	4.00	6.00	6.00	6.00	12.00	12.00	7.25	12.20	12.20
Wastewater										
Sanitary Sewers (miles)	31.00	33.54	40.79	51.29	66.29	86.17	164.00	93.43	93.43	94.00
Maximum Daily Capacity (million gallons per day)	0.80	0.80	0.80	0.80	0.80	1.20	1.20	1.20	1.20	1.80
Storm Drainage										
Storm Sewers (miles)	11.56	12.61	16.53	20.23	27.32	36.75	88.00	<sup>(1)</sup>	32.45	34.00
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

<sup>(1)</sup>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
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
2008	54,251,411	1,911,752,066	1,966,003,477	11	9,474,077	168	38,336,671
2009	65,357,650	2,023,293,560	2,088,651,210	4	47,815,240	103	24,684,218

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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$ 2,359,528	
Capital Contributions (Tap Fees)	493,910	
Total Operating Revenue	<u>                    </u>	\$ 2,853,438
Operating & Maintenance Expense <sup>1</sup>		<u>1,410,235</u>
Net Revenue		<u>1,443,203</u>
2009 Principal Due	357,240	
2009 Interest Due	<u>502,102</u>	
Total Debt Service	859,342	
110% of Total Debt Service		<u>945,276</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 497,927</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, 2009.

## 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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$ 2,359,528	
Capital Contributions (Tap Fees)	<u>493,910</u>	
Total Operating Revenue		\$ 2,853,438
Operating & Maintenance		
Expense <sup>1</sup>		<u>1,410,235</u>
Net Revenue		<u>1,443,203</u>
2009 Principal Due	357,240	
2009 Interest Due	<u>502,102</u>	
Total Debt Service	859,342	
125% of Total Debt Service		<u>1,074,178</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 369,025</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, 2009.

### 3. 2008a and 2009a Wastewater Revenue Bonds

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 2008a and 2009a Wastewater Revenue Bonds, other revenue bonds, and other loans.

The rate maintenance calculation for the year ended December 31, 2009, is as follows:

Operating Revenue		
Charges for Services	\$ 2,359,528	
Capital Contributions (Tap Fees)	493,910	
Total Operating Revenue	<u>                    </u>	\$ 2,853,438
Operating & Maintenance		
Expense <sup>1</sup>		<u>1,410,235</u>
Net Revenue		<u>1,443,203</u>
2009 Principal Due	357,240	
2009 Interest Due	<u>502,102</u>	
Total Debt Service	859,342	
125% of Total Debt Service		<u>1,074,178</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 369,025</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, 2009.

#### 4. 2008b Wastewater Refunding Bonds

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 2008b Wastewater Refunding Bonds, other revenue bonds, and other loans.

The rate maintenance calculation for the year ended December 31, 2009, is as follows:

Operating Revenue		
Charges for Services	\$ 2,359,528	
Capital Contributions (Tap Fees)	493,910	
Total Operating Revenue	<u>                    </u>	\$ 2,853,438
Operating & Maintenance		
Expense <sup>1</sup>		<u>1,410,235</u>
Net Revenue		<u>1,443,203</u>
2009 Principal Due	357,240	
2009 Interest Due	<u>502,102</u>	
Total Debt Service	859,342	
125% of Total Debt Service		<u>1,074,178</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 369,025</u></u>

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

In addition, the debt covenants of the 2008a Wastewater Revenue and 2008b Wastewater Refunding Bonds Loan require the Town to report the following:

History of Net Revenues and Pro-Forma Debt Service Coverage

	2004	2005	2006	2007	2008	2009
Gross Revenues						
Charges for Services	\$ 1,133,672	\$ 1,398,101	\$ 1,738,799	\$ 2,004,146	\$ 2,123,952	\$ 2,359,528
Interest Income	84,605	269,000	561,530	607,842	455,732	227,299
Other income	60,894	63,397	66,580	12,834	127,344	4,384
Tap fees	1,964,000	3,080,000	1,711,677	1,164,000	800,481	493,910
Total Gross Revenues	3,243,171	4,810,498	4,078,586	3,788,822	3,507,509	3,085,121
Operation and Maintenance Expenses	995,223	1,128,840	1,226,783	1,213,319	1,408,979	1,410,235
Net Revenues	\$ 2,247,948	\$ 3,681,658	\$ 2,851,803	\$ 2,575,503	\$ 2,098,530	\$ 1,674,886
Combined Maximum Annual Principal and Interest Requirements	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815	\$ 1,618,815
Pro-Forma Coverage	1.38x	2.27x	1.76x	1.59x	1.29x	1.03x

History of Wastewater Tap Fees

Year	Residential Taps Sold	Residential Tap Fees	Commercial Taps Sold	Commercial Tap Fees	Total Taps Sold	Total Tap Fees
2004	909	2,964,000	10	-	919	2,964,000
2005	803	3,000,000	3	80,000	806	3,080,000
2006	612	1,684,000	6	27,677	618	1,711,677
2007	249	980,000	11	184,000	260	1,164,000
2008	168	656,000	10	144,481	178	800,481
2009	103	416,690		77,220	103	493,910

History of Wastewater Accounts

Year	Residential Accounts	Commercial Accounts	Total Accounts	% Change in Accounts
2004	4,272	71	4,343	18.2%
2005	4,994	76	5,070	16.7%
2006	5,471	80	5,551	9.5%
2007	5,708	81	5,789	4.3%
2008	5,898	84	5,982	3.3%
2009	6,011	95	6,106	3.3%

Largest Customers of the System - 2009

Type of Business	2009 Revenue	% of Total <sup>1</sup>
Homeowner's Association	\$ 50,570	2.14 %
School District	50,422	2.14
Municipality	15,783	0.67
Homeowner's Association	14,696	0.62
Homeowner's Association	9,617	0.41
Retail Gas Station	7,411	0.31
Retail Grocer	7,028	0.30
Mobile Home Park	5,527	0.23
Retail Shopping Center	5,229	0.22
Homeowner's Association	4,789	0.20
Total	\$ 171,072	7.24 %

<sup>1</sup>Based on total charges for service of \$2,359,528 in 2009.

Budget Summary and Comparison - Wastewater Fund

	2008 Final Budget	2008 Actual	2009 Final Budget	2009 Actual
Budgeted Beginning Fund Balance	\$ 13,714,262	\$ 13,714,262	\$ 22,982,821	\$ 22,982,821
Revenues				
Charges for services	2,478,700	2,123,952	2,536,900	2,359,528
Interest Income	218,400	500,331	331,000	227,299
Debt Proceeds	20,000,000	9,913,695	14,034,700	14,227,559
Other nonoperating income	24,500	326,788	-	4,384
Tap fees	1,660,000	800,481	832,000	493,910
Total revenues	<u>24,381,600</u>	<u>13,665,247</u>	<u>17,734,600</u>	<u>17,312,680</u>
Total funds available	<u>38,095,862</u>	<u>27,379,509</u>	<u>40,717,421</u>	<u>40,295,501</u>
Operating Expenses				
Administration	710,500	643,754	714,300	673,253
Debt service	1,885,200	1,627,466	1,059,700	1,170,224
Collection	134,200	109,365	135,400	119,532
Treatment	640,600	607,140	684,000	610,010
Capital outlay (repairs and maint)	112,000	-	75,000	9,746
Capital outlay (additional capacity)	31,854,800	1,408,963	33,579,600	5,602,729
Total operating expenses	<u>35,337,300</u>	<u>4,396,688</u>	<u>36,248,000</u>	<u>8,185,494</u>
Available Fund Over (Under) Expenses	<u>\$ 2,758,562</u>	<u>\$ 22,982,821</u>	<u>\$ 4,469,421</u>	<u>\$ 32,110,007</u>

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

	Year Ended December 31,				
	2005	2006	2007	2008	2009
Operating Revenues					
Charges for Services	<u>\$ 1,398,101</u>	<u>\$ 1,738,799</u>	<u>\$ 2,004,146</u>	<u>\$ 2,123,952</u>	<u>\$ 2,359,528</u>
Operating Expenses					
Personnel Services	742,509	760,084	834,735	901,264	928,272
Operations and Maintenance	386,331	466,699	378,584	507,715	481,963
Depreciation	568,670	643,288	705,813	763,332	777,846
Total Operating Expenses	<u>1,697,510</u>	<u>1,870,071</u>	<u>1,919,132</u>	<u>2,172,311</u>	<u>2,188,081</u>
Net Operating Income (Loss)	<u>(299,409)</u>	<u>(131,272)</u>	<u>85,014</u>	<u>(48,359)</u>	<u>171,447</u>
Nonoperating Revenues (Expenses)					
Interest Income	269,000	561,530	676,203	500,331	227,299
Other	63,397	66,580	12,834	127,344	4,384
Amortization of Debt Issuance Costs	(3,573)	(3,730)	(3,887)	(36,971)	(7,936)
Interest Expense	<u>(153,354)</u>	<u>(145,564)</u>	<u>(137,694)</u>	<u>(160,870)</u>	<u>(532,930)</u>
Total Nonoperating Revenues (Expenses)	<u>175,470</u>	<u>478,816</u>	<u>547,456</u>	<u>429,834</u>	<u>(309,183)</u>
Income before Contributions	(123,939)	347,544	632,470	381,475	(137,736)
Capital Contributions	<u>4,826,567</u>	<u>4,149,690</u>	<u>3,839,485</u>	<u>1,631,575</u>	<u>493,910</u>
Change in Net Assets	<u>4,702,628</u>	<u>4,497,234</u>	<u>4,471,955</u>	<u>2,013,050</u>	<u>356,174</u>
Total Net Assets - Beginning	<u>23,406,560</u>	<u>28,109,190</u>	<u>32,606,422</u>	<u>37,078,377</u>	<u>39,091,429</u>
Total Net Assets - Ending	<u>\$ 28,109,188</u>	<u>\$ 32,606,424</u>	<u>\$ 37,078,377</u>	<u>\$ 39,091,427</u>	<u>\$ 39,447,603</u>

There were no material violations of legal covenants for the ended December 31, 2009.

## 5. 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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$	4,995,495
Other Income		77,770
Investment Earnings		187,881
Capital Contributions (Tap Fees)		<u>2,463,790</u>
Total Operating Revenue	\$	<u>7,724,936</u>
Operating & Maintenance		
Expense <sup>1</sup>		<u>2,676,771</u>
Net Revenue		<u>5,048,165</u>
CWRPDA and GMAC Principal Due		585,000
CWRPDA and GMAC Interest Due		513,544
Revenue Bonds (2007a/2007b) Principal Due		250,000
Revenue Bonds (2007a/2007b) Interest Due		826,654
Revenue Refunding Bonds (1998) Principal Due		340,000
Revenue Refunding Bonds (1998) Interest Due		<u>377,388</u>
Total Debt Service		<u>2,892,586</u>
125% of Total Debt Service		<u>3,615,733</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>1,432,432</u></u>

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

There were no material violations of legal covenants for the ended December 31, 2009.

## 6. 2007b Water Revenue 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 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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$	4,995,495
Other Income		77,770
Investment Earnings		187,881
Capital Contributions (Tap Fees)		2,463,790
Total Operating Revenue		<u>7,724,936</u>
Operating & Maintenance		
Expense <sup>1</sup>		<u>2,676,771</u>
Net Revenue		<u>5,048,165</u>
CWRPDA and GMAC Principal Due		585,000
CWRPDA and GMAC Interest Due		513,544
Revenue Bonds (2007a/2007b) Principal Due		250,000
Revenue Bonds (2007a/2007b) Interest Due		826,654
Revenue Refunding Bonds (1998) Principal Due		340,000
Revenue Refunding Bonds (1998) Interest Due		377,388
Total Debt Service		<u>2,892,586</u>
125% of Total Debt Service		<u>3,615,733</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>1,432,432</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, 2009.

## 7. 2009b Water Revenue 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 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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$	4,995,495
Other Income		77,770
Investment Earnings		187,881
Capital Contributions (Tap Fees)		2,463,790
Total Operating Revenue		<u>7,724,936</u>
Operating & Maintenance		
Expense <sup>1</sup>		<u>2,676,771</u>
Net Revenue		<u>5,048,165</u>
CWRPDA and GMAC Principal Due		585,000
CWRPDA and GMAC Interest Due		513,544
Revenue Bonds (2007a/2007b) Principal Due		250,000
Revenue Bonds (2007a/2007b) Interest Due		826,654
Revenue Refunding Bonds (1998) Principal Due		340,000
Revenue Refunding Bonds (1998) Interest Due		377,388
Total Debt Service		<u>2,892,586</u>
125% of Total Debt Service		<u>3,615,733</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>1,432,432</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, 2009.

8. 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, 2009, is as follows:

Operating Revenue		
Charges for Services	\$	4,995,495
Other Income		77,770
Investment Earnings		187,881
Capital Contributions (Tap Fees) <sup>1</sup>		1,231,895
Total Operating Revenue		<u>\$ 6,493,041</u>
Operating & Maintenance Expense <sup>2</sup>		<u>2,676,771</u>
Net Revenue		3,816,270
CWRPDA and GMAC Principal Due		585,000
CWRPDA and GMAC Interest Due		513,544
Revenue Bonds (2007a/2007b) Principal Due		250,000
Revenue Bonds (2007a/2007b) Interest Due		826,654
Revenue Refunding Bonds (1998) Principal Due		340,000
Revenue Refunding Bonds (1998) Interest Due		377,388
Total Debt Service		<u>2,892,586</u>
125% of Total Debt Service		<u>3,615,733</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u>200,537</u>

<sup>1</sup>For the purpose of this rate maintenance calculation, 50% of capital contributions are excluded.

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

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

Years (December 31)	Total Accounts
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
2008	6,228
2009	6,383

Table 3  
System Accounts

Classification	Number of Accounts	Percent of Total Accounts
Residential	6,144	96%
Commercial	239	4%
<b>Total</b>	<b>6,383</b>	<b>100%</b>

Table 4  
Five Largest Consumers of the System

Customer	Revenue Percentage
St Vrain Valley School District	3.43%
Town of Erie	2.96%
Blue Sky at Vista Ridge	1.58%
Grandview HOA	1.06%
Canyon Creek South HOA	0.98%

Table 5  
System Income

	2004	2005	2006	2007	2008	2009
User Charges	\$ 2,705,358	\$ 3,625,729	\$ 4,792,751	\$ 4,803,707	\$ 5,395,596	\$ 4,995,495
Contributed Capital - Tap Fees	14,577,250	17,093,209	8,848,116	5,955,348	4,063,131	2,463,790
Contributed Capital - Capital Donations	5,464,826	1,426,622	1,923,176	2,686,385	618,090	-
Other Fees and Charges	31,651	112,640	97,532	154,498	99,453	77,770
Investment Earnings	246,101	658,406	979,127	1,327,613	852,045	187,881
<b>Total System Revenue</b>	<b>\$ 23,025,186</b>	<b>\$ 22,916,606</b>	<b>\$ 16,640,702</b>	<b>\$ 14,927,551</b>	<b>\$ 11,028,315</b>	<b>\$ 7,724,936</b>

There were no material violations of legal covenants for the ended December 31, 2009.

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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 2009

This Information From The Records Of (example - City of \_ or County of \_\_\_\_\_) Prepared By: \_\_\_\_\_  
Phone: \_\_\_\_\_

**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)	888,511
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	465,334
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	1,032,367	b. Snow and ice removal	
3. Other local imposts (from page 2)	466,004	c. Other	212,255
4. Miscellaneous local receipts (from page 2)	47,825	d. Total (a. through c.)	212,255
5. Transfers from toll facilities		4. General administration & miscellaneous	464,233
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,030,333
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	124,163
7. Total (1 through 6)	1,546,196	b. Redemption	250,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	374,163
<b>C. Receipts from State government</b> (from page 2)	860,523	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>	2,406,719	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	374,163
		<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>	2,404,496

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
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
	3,278,583	2,406,719	2,404,496	3,280,806	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2009	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
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	47,825
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	212,628	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	253,376	g. Other Misc. Receipts	
6. Total (1. through 5.)	466,004	h. Other	
c. Total (a. + b.)	466,004	i. Total (a. through h.)	47,825
	(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	512,407	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	62,008	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant	4,497	e. U.S. Corps of Engineers	
e. Other (Specify) - ARRA Grant	281,611	f. Other Federal	
f. Total (a. through e.)	348,116	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	860,523	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	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		159,490	159,490
(2). Capacity Improvements		0	0
(3). System Preservation		310,524	310,524
(4). System Enhancement & Operation		418,497	418,497
(5). Total Construction (1) + (2) + (3) + (4)	0	888,511	888,511
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	888,511	888,511
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

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