

# TOWN OF ERIE, COLORADO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2010

ERIE COMMUNITY PARK – MOVIE IN THE PARK



# Town of Erie, Colorado

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2010

Prepared by the Finance Department:

*Robert Hartwig CPA, MBA – 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, 2010

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# Introductory Section

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June 27, 2011

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

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. Therefore we hereby issue the comprehensive annual financial report (CAFR) of the Town of Erie (the Town) for the fiscal year ended December 31, 2010.

This report is management's representation concerning the Town's finances. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, Town management has established a comprehensive internal control framework designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

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

## Profile of the Town

Erie was platted on January 25, 1871, and incorporated as the Town of Erie on November 16, 1874. It is the second oldest municipality in Weld County. Founded as a rural coal mining Town, Erie is now located on the northern fringe of the Denver-Boulder Metropolitan Area. The Town's population ranged from 358 in the 1880 census to 1,258 by 1990. During the past 20 years the growth of metro Denver has had its impact on the Town and the population was 18,135 in the 2010 census. The Town's planning area includes 45 square miles in Boulder and Weld Counties. The Town levies property tax on real properties located within its boundaries, has a municipal sales and use tax, and is empowered by state statute to extend its corporate limits by annexation. Annexation occurs periodically when deemed appropriate by the governing Board and voters.

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

The Town provides a full range of services, including administration and finance; planning and building; police protection; public works, engineering, and street maintenance; and parks, trails, open space, and recreational activities. The Town also offers business-type services from its water, sewer, and storm sewer utilities; the municipal airport; and the Erie Housing Authority.

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

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

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, budgetary comparisons are presented on page 40, as part of the basic financial statements for the governmental funds. As a major fund, the Public Facilities Impact Fund comparison is shown as required supplementary information on page 75. For all other governmental funds, these comparisons are presented in the non-major governmental funds subsection of this report, which begins on page 77.

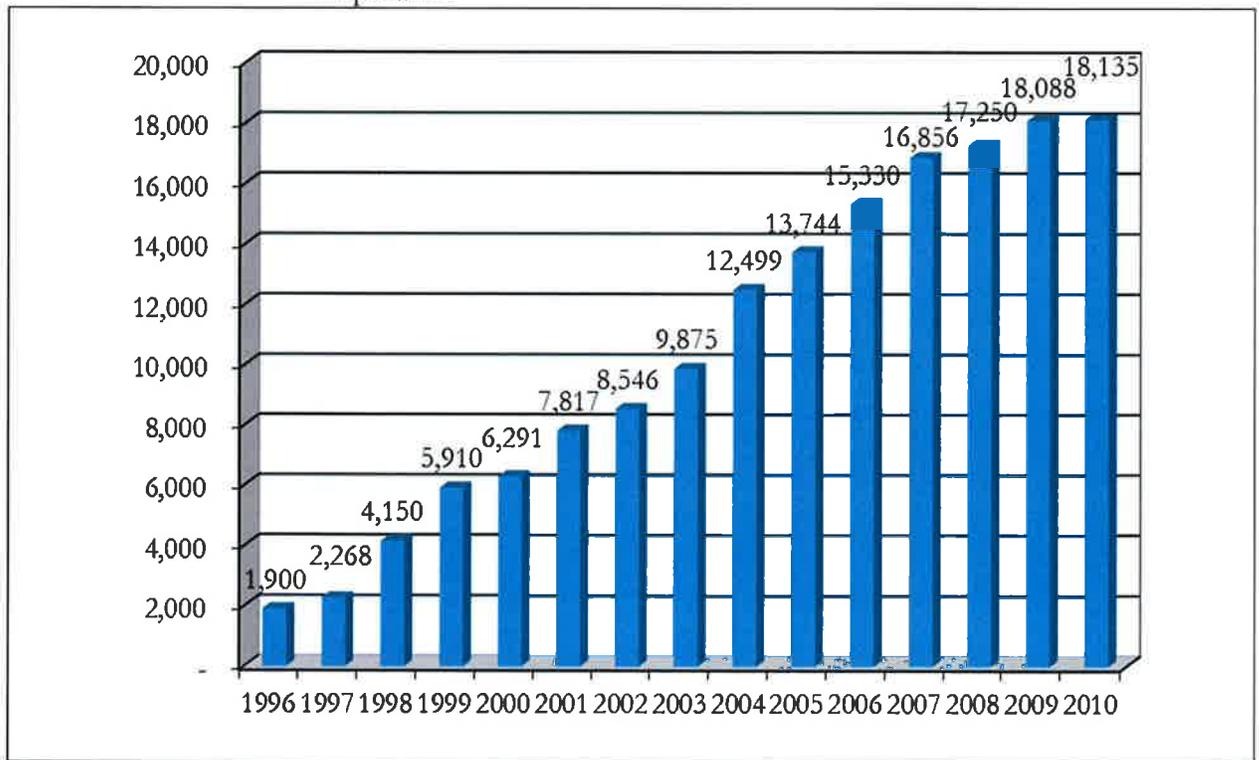
## Factors Affecting Financial Condition

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 saw very slow population growth for its first 115 years. The population began to grow rapidly during the 1990s as the Denver-Boulder metropolitan area expanded north and east. By the 1990 census the population was 1,258, and that population grew rapidly to 18,135 in the 2010 census. The following chart reflects population growth in the past 15 years.

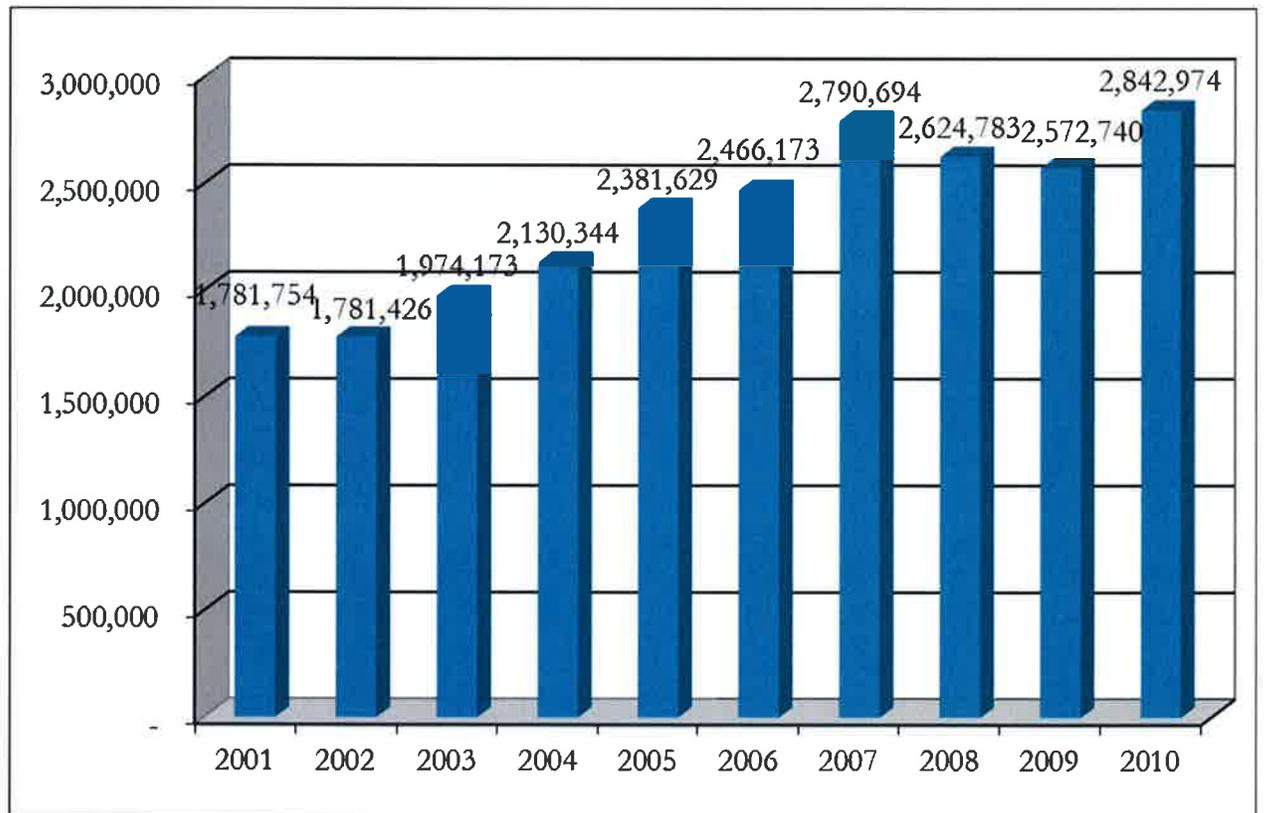
Town of Erie Estimated Population



The Town continues to provide 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 were funded through revenue bonds issued in 2008 and 2009 as well as cash funds on hand. Project completion occurred within the first few months of 2011. The Town also utilized several interest-free and low interest loan programs available with American Recovery and Reinvestment Act of 2009 (ARRA) funds to construction a new pump station, also completed in 2011. In addition, the Town received two transportation grants through ARRA for the construction of bikes lanes along County Line Road and Erie Parkway.

Town sales tax revenues grew steadily through 2007. Erie experienced decreases in sales tax revenues in 2008 and 2009, consistent with sales performance in the local, regional, and national economies. Most of Erie's decrease was directly attributed to a decline in motor vehicle sales tax. In 2010 sales tax revenues recovered to 2007 levels. The Town expects that sales taxes will continue to grow as residential and commercial development occurs in and around the community. 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 actual property value decreased by \$25 million (1.2%) in 2010. Commercial values increased by \$15 million (23%) with the addition of various business and commercial developments. However, this was offset by a \$40 million (2%) decrease in residential valuation. Although \$26 million in new residential construction took place, this was offset

by a \$66 million (3.2%) decline in residential property valuations, consistent with a weak housing market locally, regionally, and nationally. Businesses that have come into Town during the last several years include medical offices, veterinarian services, a private golf course, salons and a heavy construction equipment facility. The Town continues to work on increasing the number of businesses throughout the community including initiatives to enhance the economic success of Historic Downtown Erie and the Highway 7 corridor.

The immediate vicinity, including 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 government has about 100 full-time and 150 part-time employees, making it one of Erie's top five employers. The community is expected to maintain slow to moderate growth of quality residential construction. This should translate into corresponding growth in the number and variety of businesses expected in the community in the future. Large residential developments are in the planning stages, but it will probably take a major economic turnaround nationally before these begin to develop more quickly.

### **Long-term Financial Planning**

The Town Board and management are working on several major projects that will impact the Town's financial position. Many of these projects also provide the Town with needed infrastructure to accommodate expected long-term growth. In January 2006, the Board authorized management to proceed with financing and constructing the Northern Water Reclamation Facility. The Town issued \$8,000,000 in debt to begin the project in 2008 and an additional \$10,000,000 in 2009 to complete the project. Construction began in the fall of 2009 and was completed early in 2011.

Additionally, the Board authorized two loans through the Colorado Water Resources and Power Development Authority in the fall of 2009 to construct a pump station at the new wastewater reclamation facility. The loans partially utilized funds from ARRA, allowed for an interest-free loan and a reduced interest rate loan, saved the Town approximately \$1.6 million dollars in future interest and allowed the project to move forward more quickly.

### **Relevant Financial Policies**

The Town adopted financial policies in 2003. These policies guide the financial operations of the Town and provide structure when developing the budget. The Town's balanced budget policy provides that the fund balance in the General Fund will only be expended for one-time capital expenditures unless otherwise authorized by the Board of Trustees. The Town's operating reserve policy requires the Town to maintain a fund balance in the General Fund of twenty-five percent of the current year's budgeted operating expenditures. Enterprise funds must maintain a ninety-day operating and maintenance expense reserve. In addition, the Board essentially ensured that the fund balance minimums will be achieved by adopting a \$7.5 million fund balance stabilization reserve during 2010.

## **Major Initiatives**

The Town continued construction on several major wastewater-related projects in 2010. These included construction of the North Water Reclamation Facility (NWRP), construction of an influent pipeline leading to the new facility, and construction of a new pump station. These facilities were all completed earlier in 2011. The Town hired additional staff to run the much larger facility in 2011. The Town also constructed a water reuse pipeline between the water plant and the NWRP, also completed in 2011.

In the governmental activities, the Town completed construction of the \$7 million Leon A Wurl Service Center in 2010. This facility is used for public works and parks and recreation maintenance activities.

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 were completed in 2010 and will require minimal additional maintenance expenditures. Work on the Coal Creek trail continues in 2011.

## **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, 2009. This is the sixth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

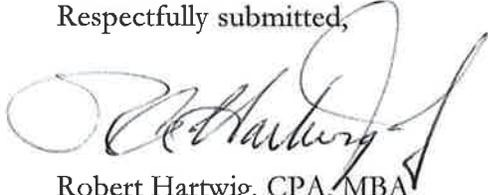
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Town received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning January 1, 2010. This is the seventh 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, 2009. This is the third 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. Most important was the assistance of Christine Morrison, the Town's Chief Accountant. Christine kept the Town's financial records in good order during a four month vacancy in the Finance Director position, and assisted tremendously in the preparation of this report. This report also 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,



Robert Hartwig, CPA, MBA  
Finance Director



Gary Behlen  
Acting Town Administrator/  
Public Works 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, 2009

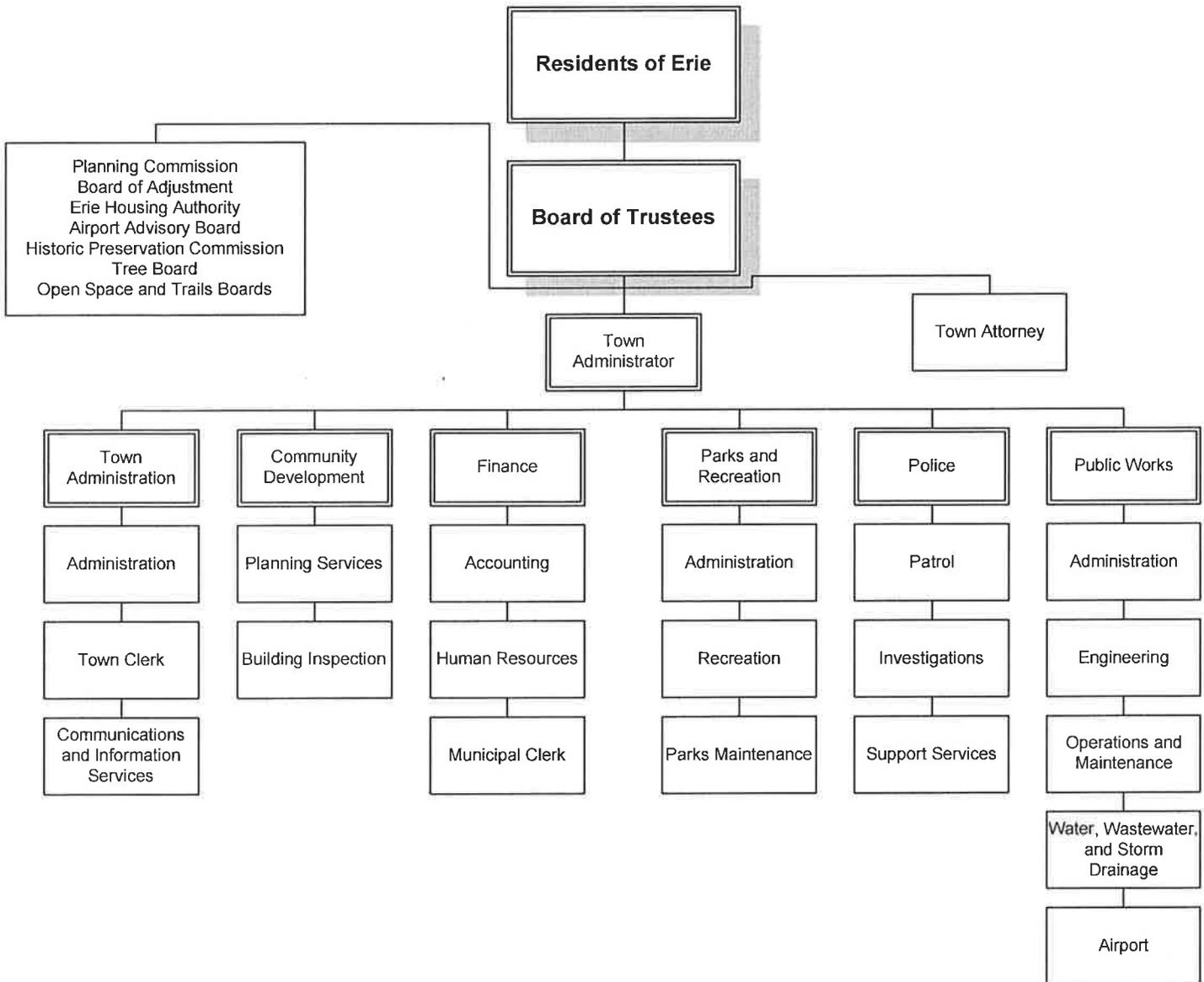
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

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

Gary Behlen	Acting Town Administrator/ Public Works Director
Mark Shapiro	Town Attorney
Nancy Parker	Town Clerk
John Hall	Chief of Police
Robert Hartwig	Finance and Human Resources Director
Marty Ostholthoff	Community Development Director
Jill Wait	Parks and Recreation Director

# 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, 2010, 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, 2010, 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 June 24, 2011, 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, Holman & Company, P.C.*

Centennial, Colorado  
June 24, 2011



## Management's Discussion and Analysis

The Town of Erie's (Town) management offers readers this narrative overview and analysis (MD&A) of the Town's financial activities for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report. Amounts in this section are rounded for purposes of easier understanding.

### Financial Highlights

- ❖ The Town's assets exceeded its liabilities at the end of 2010 by \$260 million (net assets). Of this amount, \$19 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 \$4 million (1%). Governmental net assets increased by \$2 million (1.9%) and business-type net assets increased by \$2 million (1.3%).
- ❖ At December 31, 2010, the Town's governmental funds reported combined ending fund balances of \$30 million, a decrease of \$6 million from 2009.
- ❖ The General Fund, the Town's operating fund, reported an unreserved fund balance of \$8 million, or 54% of total General Fund expenditures.
- ❖ The Town issued \$30 million in new certificates of participation (COPs), retiring the \$30 million in 2005 COPs. This transaction is accounted for in the Water Fund.

### Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two 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.

giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., arbitrage accruals, certain interest and tax accruals, etc). One purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct functions on revenues provided by the Town's taxpayers.

Both of the government-wide financial statements distinguish Town functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, and parks and recreation. Business-type activities include the water system, wastewater system, storm drainage system, municipal airport, and the 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. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

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

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

The Town has ten individual governmental funds. Due to their size, the General Fund and the Public Facilities Impact Fund are considered *major funds*. Their fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statements for the General Fund is included in the basic financial statements to demonstrate compliance with the adopted budget.

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

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

The Town adopts an annual appropriated budget for four of its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report.

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 47-70 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 and Public Facilities Impact Fund. These schedules are required to show budget to actual comparisons at the legally appropriated level. This information can be found on pages 73-75.

**Combining Statements** for the non-major governmental funds and non-major proprietary funds (referred to earlier) are presented following the notes to the financial statements. In addition, budget statements for non-major governmental funds and all of the proprietary funds are also presented in this section. 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 statistical tables and supplementary information concerning the Town's compliance with debt covenants. This information can be found on pages 101-145.

## Government-wide Financial Analysis

**Statement of Net Assets.** As stated earlier, the Town's net assets at December 31, 2010 were \$260 million. The largest portion of the Town's net assets (82%) 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.

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

	Statement of Net Assets						Percent of Total 2010
	Governmental Activities		Business-Type Activities		Total		
	2010	2009	2010	2009	2010	2009	
Assets	As Adjusted		As Adjusted		As Adjusted		
Current Assets	\$ 40,193,840	\$ 42,959,925	\$ 29,671,680	\$ 52,334,920	\$ 69,865,520	\$ 95,294,845	18%
Other Assets	376,445	353,505	1,710,715	1,490,193	2,087,160	1,843,698	1%
Capital Assets	89,899,455	83,764,890	222,970,328	202,365,497	312,869,783	286,130,387	81%
<b>Total Assets</b>	<b>130,469,740</b>	<b>127,078,320</b>	<b>254,352,723</b>	<b>256,190,610</b>	<b>384,822,463</b>	<b>383,268,930</b>	<b>100%</b>
Liabilities							
Current Liabilities	11,618,247	9,178,467	6,451,154	7,190,511	18,069,401	16,368,978	14%
Noncurrent Liabilities	16,943,331	17,894,945	89,669,776	92,765,858	106,613,107	110,660,803	86%
<b>Total Liabilities</b>	<b>28,561,578</b>	<b>27,073,412</b>	<b>96,120,930</b>	<b>99,956,369</b>	<b>124,682,508</b>	<b>127,029,781</b>	<b>100%</b>
Net Assets							
Invested in Capital Assets, net of debt - restated	72,498,257	65,207,177	139,778,932	129,658,852	212,277,189	194,866,029	82%
Restricted - restated	21,282,036	17,065,975	7,790,657	5,939,968	29,072,693	23,005,943	11%
Unrestricted - restated	8,127,869	17,731,756	10,662,204	20,635,421	18,790,073	38,367,177	7%
<b>Total Net Assets</b>	<b>\$ 101,908,162</b>	<b>\$ 100,004,908</b>	<b>\$ 158,231,793</b>	<b>\$ 156,234,241</b>	<b>\$ 260,139,955</b>	<b>\$ 256,239,149</b>	<b>100%</b>

The Town reported positive balances in net assets for both governmental and business-type activities. Net assets increased by about \$2 million in the governmental activities and \$2 million in the business-type activities.

**Governmental Activities:** Capital assets increased by about \$6 million. This was the result of \$8 million in new capital projects offset by \$2 million in depreciation on capital assets. This is consistent with a \$7 million increase in net assets invested in capital assets, offset by repayment of \$1 million in debt related to those capital assets. Restricted net assets increased by \$4.2 million. This was a combination of a Board resolution increasing restricted net assets by establishing a \$7.5 million restricted "stabilization reserve", reduced by \$5.7 million of spending in the special revenue funds, and increased by \$2.4 million of new revenues in the special revenue funds. Unrestricted net assets decreased by \$9.6 million, mostly due to the \$7.5 million stabilization reserve, but also due to spending down the net assets of the General Fund by just over \$2 million.

*Business-type Activities:* Current assets decreased by \$23 million, mostly related to using current assets to construct \$25 million in capital assets. Capital assets increased by \$22 million as a result of new construction offset by \$3 million in depreciation on capital assets. Non-current liabilities decreased by \$3 million, mostly due to \$2 million in principal payments on long-term debt, combined with \$1 million in prepaid tap fees that were recorded as a long-term liability in 2009, but were recognized as revenue when buildings were constructed in 2010.

Net assets invested in capital assets increased by \$10 million. This was due to several factors. Capital assets of \$25 million were constructed. This was offset by \$3 million in depreciation and \$2 million in principal payments on debt. In addition, the amount is offset by \$10 million of unspent debt proceeds in 2009 that were used to construct the capital assets in 2010.

Restricted net assets increased by \$2 million as a result of required increases in bond reserves in order to comply with bond covenants. Unrestricted net assets decreased by \$10 million, mostly as the result of an increase of \$2 million in total net assets, offset by the use of \$10 million in unrestricted cash for capital assets construction and \$2 million in cash used to pay principal on debt.

**Statement of Activities.** 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						Percent of Total 2010
	Governmental Activities		Business-Type Activities		Total		
	2010	2009	2010	2009	2010	2009	
Revenues	As Adjusted		As Adjusted		As Adjusted		
Program Revenues							
Charges for Services	\$ 4,408,537	\$ 2,985,842	\$ 8,846,667	\$ 7,907,415	\$ 13,255,204	\$ 10,893,257	47%
Operating Grants and Contributions	14,598	11,924	-	-	14,598	11,924	0%
Capital Grants and Contributions	1,166,046	1,330,022	3,720,291	3,689,777	4,886,337	5,019,799	17%
General Revenues							
Taxes	9,061,278	8,579,214	-	-	9,061,278	8,579,214	32%
Investment Earnings	279,776	621,372	155,037	438,286	434,813	1,059,658	2%
Other	170,926	84,860	119,784	92,529	290,710	177,389	1%
<b>Total Revenues</b>	<b>15,101,161</b>	<b>13,613,234</b>	<b>12,841,779</b>	<b>12,128,007</b>	<b>27,942,940</b>	<b>25,741,241</b>	<b>100%</b>
Expenses							
General Government	2,025,071	2,191,872	-	-	2,025,071	2,191,872	10%
Public Safety	2,337,449	2,106,365	-	-	2,337,449	2,106,365	9%
Public Works	2,771,238	2,757,873	-	-	2,771,238	2,757,873	12%
Parks and Recreation	5,209,771	4,700,478	-	-	5,209,771	4,700,478	21%
Interest on Long-term Debt	854,380	868,802	-	-	854,380	868,802	4%
Water	-	-	6,830,005	6,412,330	6,830,005	6,412,330	28%
Wastewater	-	-	3,261,244	2,728,947	3,261,244	2,728,947	12%
Storm Drainage	-	-	372,769	381,752	372,769	381,752	2%
Airport	-	-	265,896	320,180	265,896	320,180	1%
Erie Housing Authority	-	-	114,313	109,513	114,313	109,513	1%
<b>Total Expenses</b>	<b>13,197,909</b>	<b>12,625,390</b>	<b>10,844,227</b>	<b>9,952,722</b>	<b>24,042,136</b>	<b>22,578,112</b>	<b>100%</b>
Increase in Net Assets	1,903,252	987,844	1,997,552	2,175,285	3,900,804	3,163,129	
Net Assets - Beginning	100,004,908	99,017,064	156,234,241	154,058,956	256,239,149	253,076,020	
Net Assets - Ending	101,908,160	100,004,908	158,231,793	156,234,241	260,139,953	256,239,149	

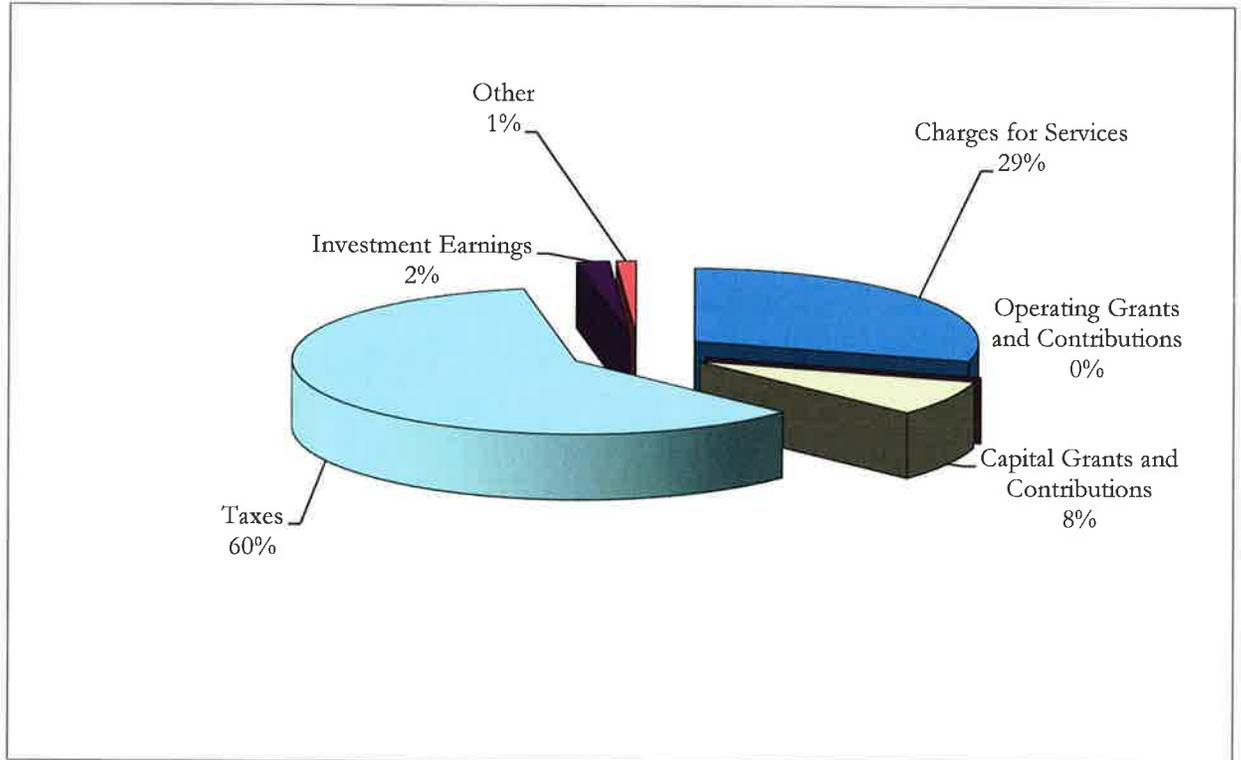
*Governmental Activities – Revenues:* During 2010, the Town's primary revenue sources for governmental operations were taxes (60% of total governmental revenues). Charges for services made up 29% of total governmental revenues while capital contributions were 8%. Program revenues were less than expenses by \$7.6 million. This is an ordinary occurrence for governments and indicates that taxes provide revenues to support governmental operations.

Charges for services increased by \$1.4 million over 2009, due to an \$800,000 increase in public works charges, combined with a \$600,000 increase in parks and recreation charges. Public works amounts increased due to increases in impact fees such as landfill, storm drainage, public facilities, and transportation. Parks and recreation amounts increased mostly as a result of new recreation programs (expanded summer leagues, classes, etc).

Taxes increased by \$500,000, due to a \$200,000 increase in property taxes (relating to higher assessed valuations), and a \$300,000 increase in sales taxes. The increase in sales taxes brought 2010 revenues to 2.84 million, \$50,000 higher than the previous high (2007 levels).

Investment earnings declined \$300,000 as the Town saw historically low interest rates in its investment portfolio.

### 2010 Revenues by Source – Governmental Activities

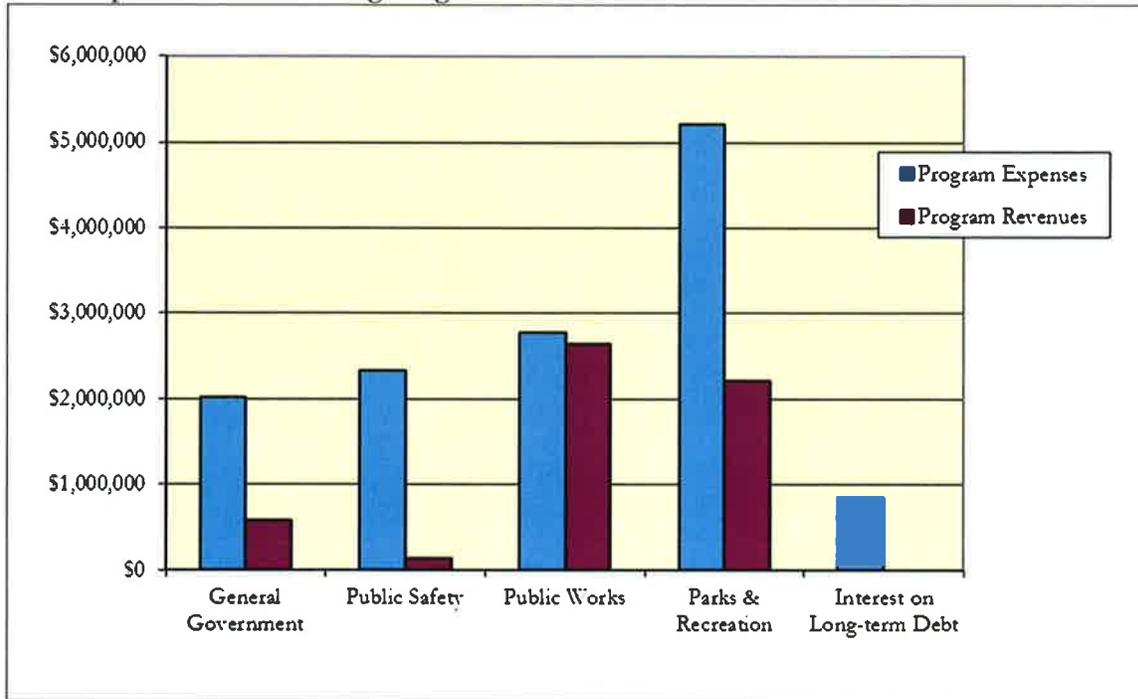


### *Governmental Activities – Expenses:*

Parks and recreation expenses represented the largest area of governmental expenses at 39% of total expenses in 2010. Public works expenses made up 21% of the total, public safety 18%, and general government 15%.

Parks and recreation expenses increased by \$500,000, correlating with the \$600,000 in program revenues noted above. The \$200,000 increase in public safety costs was offset by a \$200,000 decrease in general governmental costs, mostly relating to small shifts in program priorities.

2010 Expenses and Offsetting Program Revenues – Governmental Activities

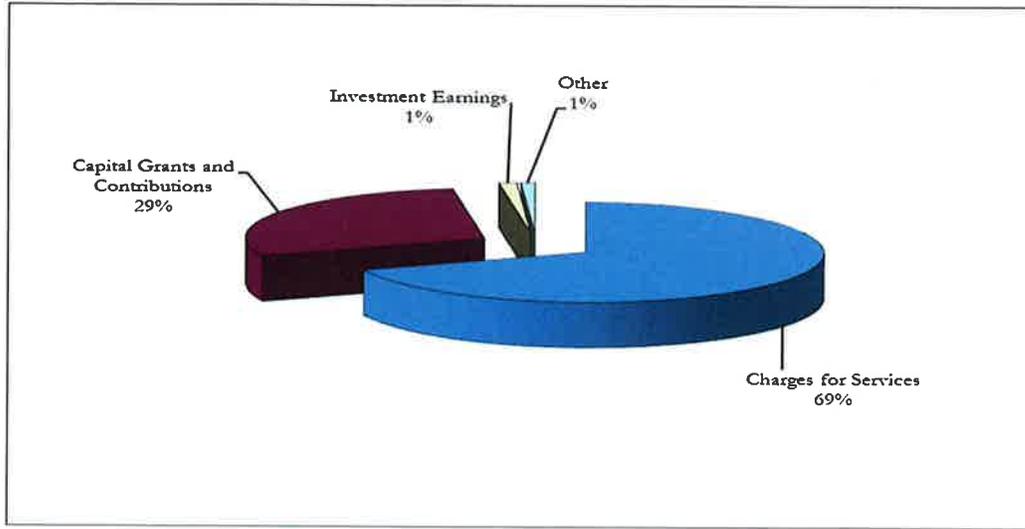


*Business-type Activities – Revenues:* Business-type activities primarily rely on charges for services to support function expenses. Charges for services for business-type activities were 69% of 2010 revenues. This was up from 65% in 2009. The resulting increase of \$900,000 was due primarily to increased utility rates from the prior year.

The other primary source of revenue comes from capital contributions in the form of tap fees and developer-constructed donated capital (29% of 2010 revenues). The amount collected is little changed from last year due to continuing low levels of new construction.

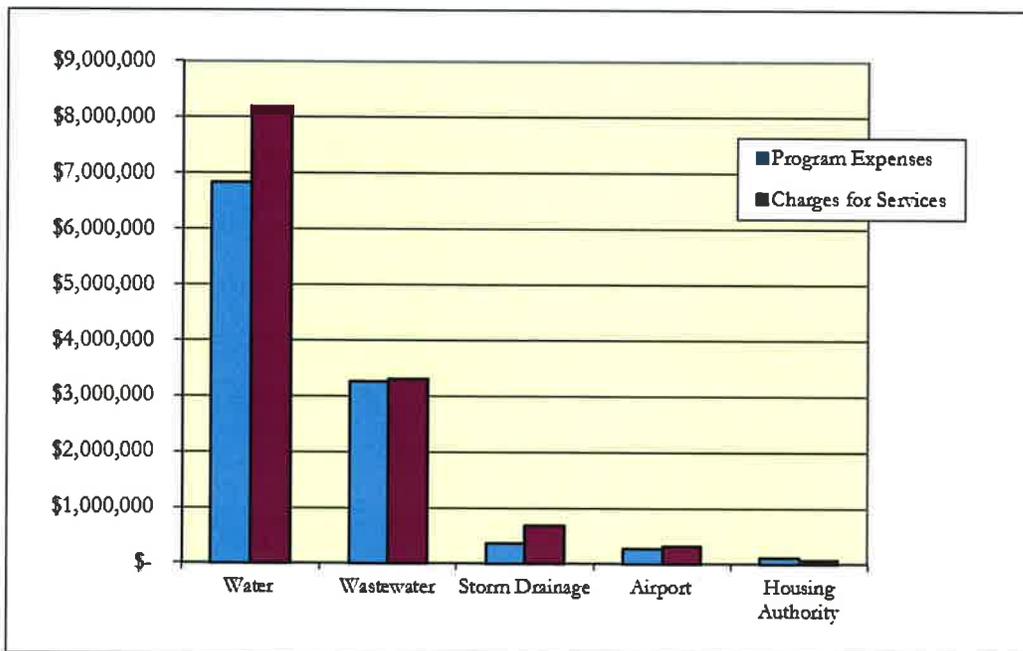
The \$700,000 increase in revenues is attributable to the \$900,000 increase from higher utility rates, offset by a \$200,000 decrease in investment earnings, again due to historically low interest rates on the Town’s investments.

## 2010 Revenues by Source – Business-type Activities



*Business-type Activities – Expenses:* Business-type expenses increased approximately \$900,000 (9%). The increase was due to a \$400,000 increase in water expenses and a \$500,000 increase in wastewater expenses. The increase in water expenses came primarily from a \$300,000 increase in depreciation expense as a result of a full year's worth of depreciation on capital assets placed in service late in 2009. The increase in wastewater expenses came primarily from \$400,000 in additional interest expense as a result of a full year of interest on the bonds issues late in 2009. These bonds were issued to construct the new water reclamation facility, scheduled to open in 2011.

## 2010 Program Expenses and Offsetting 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 each year in comparison with financing requirements needed in the ensuing year. 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, 2010, the Town's governmental funds reported combined ending fund balances of \$29.6 million, a decrease of \$5.5 million (16%) from the 2009 fiscal year. The largest single use of fund balance was \$4.3 million in the Public Facility Impact Fund. This was primarily the result of \$4.6 million used to complete the Leon A Wurl Service Center. An additional \$2.4 million was used in the General Fund, primarily for \$3.4 million in capital outlay projects. The largest General Fund projects included \$1.2 million additional costs for the Service Center, \$400,000 for Erie Community Park, \$300,000 for solar panels at the Service Center, and \$600,000 for bike lane projects.

Use of fund balance in the Public Facility Impact Fund and General Fund was offset by a \$1.2 million increase in the non-major governmental funds. This was primarily the result of accumulating impact fees in the Parks Improvement and Storm Drainage Impact Funds, and accumulating property tax revenues in the Trails and Natural Areas Fund. All of these accumulations are in anticipation of future capital outlays.

Fund balances remain strong in the governmental funds. \$13.4 million in fund balances are reserved for future capital outlays. An additional \$7.5 million was reserved by the Town's Board of Trustees during 2010 as a stabilization reserve in order to ensure that future spending will not be excessive. Another \$400,000 is reserved for emergencies in accordance with Colorado law. Even with all of these reserves, the Town has an additional \$8.2 million in unreserved fund balance (54% of 2010 General Fund expenditures).

### Proprietary Funds

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

The total net assets of all enterprise funds as of December 31, 2010 were \$158 million, of which \$11 million were unrestricted net assets. This is an increase in total net assets of \$2 million (1%) over the prior year.

Of this increase, \$1.5 million is attributable to the Water Fund. Operating revenues (charges for services) were \$5.5 million, a \$500,000 (10%) increase over the 2009 fiscal year. This increase is primarily due to an 8% increase in water rates for 2010. As stated previously the increase in expenses was mostly attributable to depreciation expense.

In the Wastewater Fund, operating revenues (charges for services) were \$2.8 million, a \$400,000 (18%) increase over the 2009 fiscal year. This increase can be attributed to a 13% rate increase. In addition, rates are based in winter water usage, which was about 5% higher in 2010 compared with 2009. As stated previously the increase in expenses was mostly attributable to higher interest expense on long-term debt.

## **Budgetary Highlights**

### **Governmental Funds**

#### *General Fund*

The 2010 General Fund final budget was \$19.4 million, an increase of \$5.4 million over the original budget. This increase was primarily due to a \$4.4 million increase in the capital outlay budget due to capital project outlays previously discussed. An additional \$700,000 was attributable to additional interfund transfers. In this case the amount was related to closing out the Erie Community Center Construction Fund.

The increase in budgeted expenditures (appropriations) was funded by a \$1.7 million increase in intergovernmental revenues (primarily ARRA and CDOT grants), \$400,000 from other revenue sources, and use of fund balance for one-time capital project expenditures.

Although the Town does not use a GAAP budgetary basis, actual 2010 general fund revenues (on the GAAP basis) were \$12.7 million (\$1.4 million under the estimated revenues budget), while expenditures amounted to \$15.2 million (\$3.2 million under the appropriated expenditures budget). Most of the \$3.2 million is due to capital outlay projects that were budgeted in 2010, but not completed by the end of the year. The majority of these projects will be re-appropriated in the 2011 fiscal year. Although budgeted to use \$4.1 million of the fund balance, the General Fund actually used only \$2.4 million on the GAAP basis.

#### *Other Funds*

The Public Facilities Impact Fund budget increased from \$-0- to \$4.8 million in order to complete work on the Leon A Wurl Service Center project. The Trails and Natural Areas Fund budget increased from \$400,000 to \$1.6 million in order to complete work on the Coal Creek Trail and other bike trail projects. The Storm Drainage Impact Fund budget increased from \$300,000 to \$1.9 million in order to budget for projects that will later be reimbursed as development occurs.

## Capital Assets and Debt Administration

### Capital Assets

The Town's capital assets as of December 31, 2010 for its governmental and business-type activities amounted to \$312 million (net of accumulated depreciation), an increase of \$26 million from December 31, 2009. This investment in capital assets includes land, water rights, buildings, improvements, machinery, equipment, and vehicles. It includes governmental activities as well as water, wastewater, airport, storm drainage, and housing authority infrastructure.

Major capital improvements during the fiscal year ended December 31, 2010 included the following:

#### *Governmental Activities*

- ❖ Completion of the Leon A Wurl Service Center (\$6.9 million)
- ❖ Construction of the Coal Creek Trail extension (\$500,000)
- ❖ Other Bike Lane projects (\$600,000)

#### *Business-type Activities*

- ❖ Construction of the North Water Reclamation Facility (\$20.4 million)
- ❖ Wastewater re-use projects (\$2.5 million)
- ❖ Water Plant upgrades (\$700,000)
- ❖ Water line projects (\$500,000)
- ❖ Windy Gap and NISP participation (\$400,000)
- ❖ Acquisition of water shares (\$300,000)
- ❖ Airport lighting, runway, and taxiway improvements (\$700,000)
- ❖ Sewer line improvements (\$200,000)
- ❖ Coal Creek Crossing bridge replacement (\$300,000)

#### Town of Eric Capital Assets Net of Depreciation as of December 31, 2010 and 2009

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 7,529,064	\$ 7,529,061	\$ 3,759,396	\$ 3,759,396	\$ 11,288,460	\$ 11,288,457
Water Shares	-	-	75,458,084	76,778,085	75,458,084	76,778,085
Buildings	28,111,187	21,728,237	101,050,843	105,291,306	129,162,030	127,019,543
Improvements other than Buildings	45,675,646	46,197,106	2,900,934	-	48,576,580	46,197,106
Machinery and Equipment	727,880	739,114	138,983	152,742	866,863	891,856
Vehicles	206,191	172,325	-	-	206,191	172,325
Construction in Progress	7,649,487	7,399,047	39,662,089	16,383,968	47,311,576	23,783,015
<b>Total Capital Assets</b>	<b>\$ 89,899,455</b>	<b>\$ 83,764,890</b>	<b>\$ 222,970,329</b>	<b>\$ 202,365,497</b>	<b>\$ 312,869,784</b>	<b>\$ 286,130,387</b>

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

## Long Term Debt

At the end of 2010, the Town had \$109.7 million in certificates of participation, bonds, and loans outstanding. Of this amount, \$17.7 million represents general obligation bonds secured by all available Town revenue. The remainder is primarily secured by specific revenue sources. Amounts shown are net of unamortized discounts and premiums.

Town of Erie Outstanding Debt  
as of December 31, 2010 and 2009

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Certificates of Participation	\$ -	\$ -	\$ 29,990,000	\$ 29,955,000	\$ 29,990,000	\$ 29,955,000
Loans, net						
Repayable	-	-	16,995,666	17,043,671	16,995,666	17,043,671
Forgiveable	-	-	60,000	60,000	60,000	60,000
Bonds, net						
General Obligation	17,737,643	18,637,045	-	-	17,737,643	18,637,045
Revenue	-	-	44,886,000	46,552,414	44,886,000	46,552,414
<b>Total Debt Outstanding</b>	<b>\$ 17,737,643</b>	<b>\$ 18,637,045</b>	<b>\$ 91,931,666</b>	<b>\$ 93,611,085</b>	<b>\$ 109,669,309</b>	<b>\$ 112,248,130</b>

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current debt limitation for the Town is \$66.7 million.

Additional information on the Town's long-term debt can be found in Note IV.D. on pages 61-65 of this report.

## Economic Factors

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

For the past several years the number and value of building permits were high as the Town grew rapidly. This permitted the Town to engage in a large amount of capital spending. This same activity resulted in a great deal of revenue from tap fees and impact fees (capital contributions revenue). These revenues are received in one year and spent in later years to acquire or construct capital assets to serve future residents. During the recent economic downturn throughout the nation, building activity in the Town slowed considerably. This significantly reduced both building permit revenue and contributed capital revenues.

In addition, the recession had a significant negative impact on sales and use tax revenues. In 2010, for the first time in three years, sales and use tax revenues recovered to 2007 levels.

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

During the 2007 budget process, the Town reorganized several divisions and opened a large new recreation facility (the Erie Community Center or ECC). The newly created Parks and Recreation Department had to hire a large number of staff to run this state of the art recreation facility and all of the related programming. These programs have continued to expand since 2007.

As an indication of the degree of change, the 2006 Budget included 94.3 full time equivalent (FTE) staff positions. One FTE is equal to 2080 hours of work performed in a 12 month time period. The 2011 Budget includes 147.5 FTEs, an increase of 53.2 FTEs. The Parks and Recreation Department is responsible for an increase of 54.4 FTEs during this same period, meaning that all other departments together lost 1.2 FTEs in the past five years. This 56% increase in staffing puts a considerable strain on Town resources. The strain became worse due to the fact that the ECC opened just as a major national recession was beginning. Despite this difficulty, so far the Town has been able to manage its operations without reducing services. However, there is no way of predicting how long existing service levels can continue without a major economic recovery.

## **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 and compliance with generally accepted accounting principles. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Town of Erie Finance Director, P O Box 750, 645 Holbrook St, Erie, CO, 80516.

## **Basic Financial Statements**

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Town of Erie, Colorado  
Statement of Net Assets  
December 31, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,379,475	\$ 927,134	\$ 2,306,610
Investments	33,433,763	18,784,079	52,217,843
Restricted Cash and Investments			
Unspent Debt Proceeds	-	7,029,555	7,029,555
Receivables			
Property Taxes	3,893,305	-	3,893,305
Accounts	1,282,785	1,380,655	2,663,440
Accrued Interest	175,694	105,686	281,380
Restricted Receivables			
Loans	-	1,230,650	1,230,650
Prepaid Items	28,818	213,921	242,738
<b>Total Current Assets</b>	<b>40,193,840</b>	<b>29,671,680</b>	<b>69,865,521</b>
Non-current Assets			
Construction in Progress	7,649,487	39,662,089	47,311,576
Land and Water Rights	7,529,064	79,217,481	86,746,545
Buildings, Property, and Equipment	87,474,950	124,985,661	212,460,611
Accumulated Depreciation	(12,754,046)	(20,894,903)	(33,648,949)
Internal Balances	40,000	(40,000)	-
Unamortized Bond Issue Costs	336,445	1,710,715	2,047,160
<b>Total Non-current Assets</b>	<b>90,275,900</b>	<b>224,641,043</b>	<b>314,916,943</b>
<b>Total Assets</b>	<b>130,469,740</b>	<b>254,312,723</b>	<b>384,782,464</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	652,794	2,872,347	3,525,141
Accrued Interest Payable	68,390	427,089	495,479
Accrued Compensation Payable	622,128	137,572	759,700
Due to Other Organizations	4,848,879	3,500	4,852,379
Deferred Revenue	4,511,056	612	4,511,668
Prepaid Tap Fees	-	616,000	616,000
Current Portion of Long Term Debt			
Certificates of Participation Payable	-	515,000	515,000
Loans Payable	-	933,034	933,034
Bonds Payable	915,000	946,000	1,861,000
<b>Total Current Liabilities</b>	<b>11,618,247</b>	<b>6,451,154</b>	<b>18,069,401</b>
Non-current Liabilities			
Prepaid Tap Fees	-	92,144	92,144
Accrued Arbitrage Payable	120,688	-	120,688
Long Term Debt, net of unamortized premiums and discounts			
Certificates of Participation Payable	-	29,475,000	29,475,000
Loans Payable	-	16,122,632	16,122,632
Bonds Payable	16,822,643	43,940,000	60,762,643
<b>Total Non-current Liabilities</b>	<b>16,943,331</b>	<b>89,629,776</b>	<b>106,573,107</b>
<b>Total Liabilities</b>	<b>28,561,578</b>	<b>96,080,930</b>	<b>124,642,508</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	72,498,257	139,778,932	212,277,189
Restricted			
Capital Projects	13,412,484	-	13,412,484
Bond Reserves	-	6,929,817	6,929,817
Operations and Maintenance Reserves	-	860,839	860,839
Emergencies and Stabilization	7,869,552	-	7,869,552
Unrestricted	8,127,869	10,662,206	18,790,075
<b>Total Net Assets</b>	<b>\$ 101,908,162</b>	<b>\$ 158,231,794</b>	<b>\$260,139,956</b>

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

**Town of Erie, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTION ACTIVITIES</b>					
<b>Primary Government</b>					
Governmental Activities					
General Government	\$ 2,025,071	\$ 572,119	\$ 6,396	\$ -	\$ 578,515
Public Safety	2,337,449	135,506	7,702	-	143,208
Public Works	2,771,238	1,796,856	-	849,974	2,646,830
Parks and Recreation	5,209,771	1,904,056	500	316,072	2,220,629
Interest on Long-Term Debt	854,380	-	-	-	-
Total Governmental Activities	13,197,909	4,408,537	14,598	1,166,046	5,589,182
Business-Type Activities					
Water	6,830,005	5,511,767	-	2,671,115	8,182,883
Wastewater	3,261,244	2,774,232	-	536,250	3,310,482
Storm Drainage	372,769	387,275	-	296,025	683,300
Airport	265,896	96,115	-	216,901	313,016
Erie Housing Authority	114,313	77,279	-	-	77,279
Total Business-Type Activities	10,844,226	8,846,667	-	3,720,291	12,566,959
Total Primary Government	\$ 24,042,136	\$ 13,255,205	\$ 14,598	\$ 4,886,338	\$ 18,156,141

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	
\$ (1,446,557)		\$ (1,446,557)	
(2,194,240)		(2,194,240)	
(124,408)		(124,408)	
(2,989,143)		(2,989,143)	
<u>(854,380)</u>		<u>(854,380)</u>	
<u>(7,608,727)</u>		<u>(7,608,727)</u>	
	\$ 1,352,878	1,352,878	
	49,237	49,237	
	310,531	310,531	
	47,120	47,120	
	<u>(37,034)</u>	<u>(37,034)</u>	
	<u>1,722,732</u>	<u>1,722,732</u>	
<u>(7,608,727)</u>	<u>1,722,732</u>	<u>(5,885,995)</u>	
<b>GENERAL REVENUES</b>			
Taxes:			
Property	3,947,570	-	3,947,570
Sales and Use	3,420,183	-	3,420,183
Franchise	684,352	-	684,352
Transportation	950,021	-	950,021
Other	59,151	-	59,151
Investment Earnings	279,776	155,037	434,813
Miscellaneous and Other	190,739	99,970	290,709
Transfers In (Out)	<u>(19,813)</u>	<u>19,813</u>	<u>-</u>
Total General Revenues and Transfers	<u>9,511,980</u>	<u>274,820</u>	<u>9,786,800</u>
Changes in Net Assets	1,903,253	1,997,553	3,900,805
Net Assets - Beginning	<u>100,004,910</u>	<u>156,234,241</u>	<u>256,239,151</u>
Net Assets - Ending	<u>\$ 101,908,162</u>	<u>\$ 158,231,794</u>	<u>\$ 260,139,956</u>

**Town of Erie, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2010**

	General Fund	Public Facilities Impact Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 846,878	\$ 79,721	\$ 452,876	\$ 1,379,475
Investments	20,351,021	1,958,268	11,124,475	33,433,763
Receivables				
Property Taxes	2,997,053	-	896,253	3,893,305
Accounts	1,282,785	-	-	1,282,785
Accrued Interest	99,215	21,188	55,291	175,694
Due from/Advance to Other Funds	296,000	-	-	296,000
Prepaid Items	28,818	-	-	28,818
<b>Total Assets</b>	<b>\$ 25,901,768</b>	<b>\$ 2,059,177</b>	<b>\$ 12,528,896</b>	<b>\$ 40,489,841</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 545,102	\$ 8,002	\$ 99,690	\$ 652,794
Accrued Compensation Payable	622,128	-	-	622,128
Due to Other Organizations	4,848,879	-	-	4,848,879
Due to Other Funds	-	-	256,000	256,000
Deferred Revenue	3,615,176	-	895,879	4,511,056
<b>Total Liabilities</b>	<b>9,631,286</b>	<b>8,002</b>	<b>1,251,569</b>	<b>10,890,857</b>
<b>Fund Balances</b>				
<b>Reserved for</b>				
Encumbrances	71,753	-	-	71,753
Capital Projects	83,982	2,051,175	11,277,327	13,412,484
Emergencies and Stabilization	7,869,552	-	-	7,869,552
<b>Unreserved</b>				
Designated for 2011 Expenditures	2,159,200	-	-	2,159,200
Undesignated	6,085,995	-	-	6,085,995
<b>Total Fund Balances</b>	<b>16,270,482</b>	<b>2,051,175</b>	<b>11,277,327</b>	<b>29,598,984</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 25,901,768</b>	<b>\$ 2,059,177</b>	<b>\$ 12,528,896</b>	<b>\$ 40,489,841</b>

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

**Town of Erie, Colorado**  
**Reconciliation of Governmental Funds Balance**  
**Sheet to the Statement of Net Assets**  
**December 31, 2010**

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Net Assets (page 33) are different because:	
Total Fund Balances - Governmental Funds (page 36)	\$ 29,598,984
Capital assets utilized in Governmental Activities are not financial resources and therefore are not reported in the funds.	89,899,454
Capitalized bond issuance costs are not available to pay for current period expenditures and therefore are not reported in the funds.	336,445
Long-term debt such as bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(17,737,643)
Accrued interest payable and accrued arbitrage payable are not uses of current financial resources and therefore are not reported in the funds.	<u>(189,079)</u>
Net Assets - Governmental Activities (page 33)	<u>\$ 101,908,161</u>

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

**Town of Erie, Colorado**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

	General Fund	Public Facilities Impact Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 7,355,413	\$ -	\$ 918,146	\$ 8,273,559
Intergovernmental	1,651,682	-	316,681	1,968,364
Licenses & Permits	536,684	-	-	536,684
Fees & Charges for Services	2,672,829	231,625	831,894	3,736,348
Fines & Forfeitures	134,351	-	1,155	135,506
Investment Earnings	143,307	47,000	72,257	262,564
Miscellaneous	174,938	-	15,801	190,739
<b>Total Revenues</b>	<b>12,669,203</b>	<b>278,626</b>	<b>2,155,934</b>	<b>15,103,763</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	1,986,858	-	-	1,986,858
Public Safety	2,240,394	-	-	2,240,394
Public Works	1,582,570	-	-	1,582,570
Parks & Recreation	4,265,770	-	202,271	4,468,041
Capital Outlay	3,378,397	4,589,748	638,020	8,606,166
Debt Service				
Principal	880,000	-	-	880,000
Interest	857,444	-	-	857,444
<b>Total Expenditures</b>	<b>15,191,433</b>	<b>4,589,748</b>	<b>840,292</b>	<b>20,621,473</b>
Excess Revenues Over (Under) Expenditures	(2,522,230)	(4,311,123)	1,315,643	(5,517,710)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,115,896	-	-	1,115,896
Transfers Out	(1,006,496)	-	(129,213)	(1,135,709)
<b>Total Other Financing Sources (Uses)</b>	<b>109,400</b>	<b>-</b>	<b>(129,213)</b>	<b>(19,813)</b>
Net Change in Fund Balance	(2,412,830)	(4,311,123)	1,186,429	(5,537,524)
<b>Fund Balance - Beginning (As Adjusted)</b>	<b>18,683,312</b>	<b>6,362,298</b>	<b>10,090,896</b>	<b>35,136,506</b>
<b>Fund Balance - Ending</b>	<b>\$ 16,270,482</b>	<b>\$ 2,051,175</b>	<b>\$ 11,277,326</b>	<b>\$ 29,598,983</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, 2010**

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Activities (pages 34-35) are different because:	
Net Changes in Fund Balances - Governmental Funds (page 38)	\$ (5,537,524)
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is removed, since they are capitalized on the Statement of Net Assets	8,351,770
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,217,205)
The net effect of various miscellaneous transactions involving other liabilities (i.e. - arbitrage and interest accruals) is to increase net assets.	20,276
The Governmental Activities reported (page 34-35) included a correction for a prior period error that had no impact in the funds.	403,593
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.	880,000
Some bond related revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as revenues or expenditures in the Governmental Funds.	<u>2,343</u>
Change in Net Assets - Governmental Activities (page 35)	<u><u>\$ 1,903,253</u></u>

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

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Town of Erie, Colorado  
Statement of Net Assets  
Proprietary Funds  
December 31, 2010

	Business-type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Non-Major Proprietary Funds	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 535,060	\$ 338,716	\$ 53,358	\$ 927,134
Investments	9,255,633	8,320,249	1,208,197	18,784,079
Restricted Cash and Investments				
Unspent Debt Proceeds	3,642,693	3,386,862	-	7,029,555
Receivables				
Accounts	477,143	376,979	526,533	1,380,655
Accrued Interest	48,510	51,436	5,740	105,686
Restricted Receivables				
Loans	-	1,230,650	-	1,230,650
Prepaid Items	205,814	-	8,107	213,921
<b>Total Current Assets</b>	<b>14,164,853</b>	<b>13,704,893</b>	<b>1,801,935</b>	<b>29,671,680</b>
Non-current Assets				
Construction in Progress	11,197,361	27,896,754	567,973	39,662,089
Land and Water Rights	78,502,459	59,022	656,000	79,217,481
Buildings, Property, and Equipment	78,165,638	30,155,390	16,664,633	124,985,661
Accumulated Depreciation	(11,985,288)	(5,932,203)	(2,977,412)	(20,894,903)
Unamortized Bond Issue Costs	1,096,941	599,885	13,889	1,710,715
<b>Total Non-current Assets</b>	<b>156,977,111</b>	<b>52,778,849</b>	<b>14,925,084</b>	<b>224,681,043</b>
<b>Total Assets</b>	<b>171,141,963</b>	<b>66,483,741</b>	<b>16,727,019</b>	<b>254,352,723</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	668,443	1,895,385	308,518	2,872,347
Accrued Interest Payable	318,783	102,968	5,337	427,089
Accrued Compensation Payable	76,260	58,020	3,293	137,572
Due to Other Organizations	-	-	3,500	3,500
Deferred Revenue	-	-	612	612
Prepaid Tap Fees	396,000	220,000	-	616,000
Current Portion of Long Term Debt				
Certificates of Participation Payable	515,000	-	-	515,000
Loans Payable	620,000	288,773	24,261	933,034
Bonds Payable	676,000	270,000	-	946,000
<b>Total Current Liabilities</b>	<b>3,270,486</b>	<b>2,835,147</b>	<b>345,521</b>	<b>6,451,154</b>
Non-current Liabilities				
Prepaid Tap Fees	67,664	24,480	-	92,144
Advance from Other Funds	-	-	40,000	40,000
Long Term Debt, net of unamortized premiums and discounts				
Certificates of Participation Payable	29,475,000	-	-	29,475,000
Loans Payable	10,680,269	4,291,685	1,150,679	16,122,632
Bonds Payable	24,170,000	19,770,000	-	43,940,000
<b>Total Non-current Liabilities</b>	<b>64,392,933</b>	<b>24,086,165</b>	<b>1,190,679</b>	<b>89,669,776</b>
<b>Total Liabilities</b>	<b>67,663,420</b>	<b>26,921,311</b>	<b>1,536,199</b>	<b>96,120,930</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	94,483,534	31,545,253	13,750,145	139,778,932
Restricted				
Bond Reserves	4,915,513	2,000,471	13,833	6,929,817
Operations and Maintenance Reserves	400,000	454,650	6,189	860,839
Unrestricted	3,679,497	5,562,056	1,420,653	10,662,206
<b>Total Net Assets</b>	<b>\$ 103,478,544</b>	<b>\$ 39,562,430</b>	<b>\$ 15,190,820</b>	<b>\$ 158,231,794</b>

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

**Town of Erie, Colorado**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Business Type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Non-Major Proprietary Funds	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 5,511,767	\$ 2,774,232	\$ 560,668	\$ 8,846,667
<b>OPERATING EXPENSES</b>				
Personnel Services	1,212,818	912,108	94,900	2,219,827
Operations & Maintenance	1,415,897	494,088	236,173	2,146,157
Depreciation	1,876,677	776,962	375,789	3,029,428
Project Expenses	27,243	56,038	-	83,281
Total Operating Expenses	4,532,635	2,239,196	706,861	7,478,693
Net Operating Income (Loss)	979,132	535,036	(146,193)	1,367,975
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Other Non-Operating Income	79,323	6,550	14,097	99,970
Interest Income	53,790	91,326	9,921	155,037
Intergovernmental	-	-	512,926	512,926
Amortization of Debt Issuance Costs	(27,724)	(5,818)	(3,788)	(37,330)
Interest Expense	(2,266,314)	(1,016,230)	(42,328)	(3,324,873)
Issuance Costs	(3,331)	-	-	(3,331)
Total Non-Operating Revenues (Expenses)	(2,164,256)	(924,172)	490,828	(2,597,601)
Income (Loss) Before Contributions	(1,185,124)	(389,137)	344,635	(1,229,626)
Capital Contributions	2,671,115	536,250	-	3,207,365
Transfers In	-	-	39,627	39,627
Transfers Out	-	-	(19,813)	(19,813)
Change in Net Assets	1,485,991	147,113	364,448	1,997,553
<b>Total Net Assets - Beginning (As Adjusted)</b>	<b>101,992,553</b>	<b>39,415,317</b>	<b>14,826,372</b>	<b>156,234,241</b>
<b>Total Net Assets - Ending</b>	<b>\$ 103,478,544</b>	<b>\$ 39,562,430</b>	<b>\$ 15,190,820</b>	<b>\$ 158,231,794</b>

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

**Town of Erie, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Business-type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Non-Major Proprietary Funds	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 5,549,036	\$ 2,693,082	\$ 391,338	\$ 8,633,456
Payments to Employees	(1,199,662)	(910,436)	(93,934)	(2,204,032)
Payments to Suppliers	(1,378,629)	(1,800,463)	(67,342)	(3,246,434)
Net Cash Provided by (Used in) Operating Activities	2,970,746	(17,817)	230,061	3,182,990
<b>Cash Flows from Non-capital Financing Activities</b>				
Advance from Other Funds	-	-	40,000	40,000
Transfer from Other Funds	-	-	39,627	39,627
Transfer to Other Funds	-	-	(19,813)	(19,813)
Cash Flows Provided by (Used in) Non-capital Financing Activities	-	-	59,813	59,813
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Capital Debt	29,759,461	-	-	29,759,461
Payments to Defeas Capital Debt	(29,955,000)	-	-	(29,955,000)
Acquisition and Construction of Capital Assets	(3,992,261)	(20,608,879)	(633,118)	(25,234,259)
Principal Paid on Capital Debt	(1,269,795)	(444,594)	(30,675)	(1,745,064)
Interest Paid on Capital Debt	(2,084,718)	(1,016,008)	(44,833)	(3,145,559)
Capital Contributions	2,671,115	536,250	512,926	3,720,291
Cash Flows Provided by (Used in) Capital and Related Financing Activities	(4,871,198)	(21,533,232)	(195,700)	(26,600,130)
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	(1,446,640)	-	(113,630)	(1,560,270)
Proceeds from Sale and Maturity of Investments	2,834,907	21,410,320	-	24,245,226
Earnings on Investments	5,975	42,647	4,181	52,802
Cash Flows Provided by (Used in) Investing Activities	1,394,241	21,452,966	(109,449)	22,737,759
Net Increase (Decrease) in Cash and Cash Equivalents	(506,211)	(98,082)	(15,275)	(619,568)
Cash and Cash Equivalents - January 1	1,041,270	436,798	68,633	1,546,701
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 535,060</b>	<b>\$ 338,716</b>	<b>\$ 53,358</b>	<b>\$ 927,134</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	\$ 979,132	\$ 535,036	\$ (146,193)	\$ 1,367,975
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation Expense	1,876,677	776,962	375,789	3,029,428
Other Income	79,323	6,550	14,097	99,970
(Increase) Decrease in				
Accounts Receivable	893,586	372,830	(179,140)	1,087,276
Prepaid Items	(32,444)	-	6,119	(26,325)
Increase (Decrease) in				
Accounts Payable	96,955	(1,250,338)	162,711	(990,671)
Accrued Compensation Payable	13,157	1,673	966	15,795
Due to Other Organizations	-	-	3,500	3,500
Deferred Revenue	-	-	(7,788)	(7,788)
Prepaid Tap Fees	(935,640)	(460,530)	-	(1,396,170)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 2,970,746</b>	<b>\$ (17,817)</b>	<b>\$ 230,061</b>	<b>\$ 3,182,990</b>

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

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## Notes to the Financial Statements

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**Town of Erie, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2010**

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

The Town of Erie, Colorado (the Town) was incorporated in 1874 and has the Trustee-Administrator form of government. The Town provides the following services: administration, community development, finance, parks and recreation, police, public works, water, wastewater, and storm drainage.

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 government reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Town. The Town considers the Erie Housing Authority a component unit. The Erie Housing Authority financial statements are provided by Boulder County, and are included so that the financial statements are not misleading. It is a separate organization for which the Town is considered to be financially accountable.

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

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

A brief description of the blended component unit follows:

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

*Erie Community Civic Fund (ECC)* – This was formerly reported as a blended component unit. Due to materiality, the assets are now accounted for in specific accounts within the Town's General Fund.

**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 direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers 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 and proprietary funds. The Town does not operate any fiduciary funds. 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 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 *public facilities impact fund* is a special revenue fund. It accounts for the revenues received from public facilities impact fees charged on building permits.

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

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

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

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

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 unless the transfer is between the governmental and the business-type activities.

**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, 2010, the cash equity balance for all funds were positive. 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 uncollectible amounts, 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

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

	<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
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.

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

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

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 (PTO) and extended sick leave (ESL) benefits. There is no liability for unpaid accumulated ESL since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All PTO 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 this purpose the Town considers PTO as matured whenever the total hours of unpaid PTO is less than or equal to the total hours of PTO accrued during the year, or when employees terminate employment. Unpaid PTO is currently less than annual PTO accrued.

**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 based on the number of bonds maturing in each fiscal year. 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 issued are reported as other financing sources while discounts on debt issued are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Fund Equity

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

Generally, fund balance represents the difference between each fund's 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 available for appropriation in future periods.

Net assets represent the difference between current and long term 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.** Restatement of Equity Balances

For fiscal year 2010, the Town corrected the following errors relating to prior periods:

<u>Fund</u>	<u>Beginning Equity As Previously Stated</u>	<u>Beginning Equity As Adjusted</u>
Fund Financial Statements		
General Fund	\$ 18,611,881	\$ 18,683,312
Parks Improvement Impact Fund	257,510	(62,490)
Water Fund	102,022,849	101,992,553
Wastewater Fund	39,447,603	39,415,317
Government Wide Statements		
Governmental Activities	100,190,897	100,004,908
Business-Type Activities	156,307,324	156,234,241

General Fund beginning Fund Balance increased by a net amount of \$71,431 as follows:

	<u>Increase (Decrease)</u>
Record Prior Year Activity in Erie Housing Authority Accounts Maintained by the General Fund	\$ 19,354
Record an Interfund Loan to the Parks Improvement Fund Previously Recorded as an Interfund Transfer	320,000
Record Sales Tax Receivable that was Both Measurable and Available as of December 31, 2009	135,670
Record Accrued Leave Payable at December 31, 2009 That was Liquidated with Expendable Available Resources During 2010	(403,593)
Total Increase (Decrease)	\$ <u>71,431</u>

The Parks Improvement Impact Fund beginning Fund Balance decreased by \$320,000 because a \$320,000 loan from the General Fund was previously recorded as an interfund transfer.

The Water Fund beginning Net Assets decreased by \$30,296 because accrued leave payable at December 31, 2009 was not properly recorded in the prior year.

The Wastewater Fund beginning Net Assets decreased by \$32,286 because accrued leave payable at December 31, 2009 was not properly recorded in the prior year.

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

The beginning Net Assets for Governmental Activities decreased by \$185,989 as follows:

	<u>Increase (Decrease)</u>
Record Prior Year Activity in Erie Housing Authority Accounts Maintained by the General Fund	\$ 19,354
Accrued Leave in the Business-Type Activities was Recorded in Governmental Activities in Error	62,580
Record Sales Tax Receivable that was Both Measurable and Available as of December 31, 2009	135,670
Record Accrued Leave Payable at December 31, 2009	<u>(403,593)</u>
Total Increase (Decrease)	\$ <u>(185,989)</u>

The beginning Net Assets for Business-Type Activities decreased by \$73,083 as follows:

	<u>Increase (Decrease)</u>
Water Fund Accrued Leave Payable was not Properly Recorded	\$ (30,296)
Wastewater Fund Accrued Leave Payable was not Properly Recorded	(32,286)
Erie Community Civic Activities are no Longer Considered Business-Type Activities	<u>(10,501)</u>
Total Increase (Decrease)	\$ <u>(73,083)</u>

**Note III.** Stewardship, Compliance, and Accountability

A. Budgetary Information

The Town adopts annual budgets on a modified cash basis for all governmental funds. This Non-GAAP Budgetary Basis is different from the modified accrual (GAAP Basis) of accounting used in the Governmental Funds, and is different from the accrual (GAAP Basis) of accounting used in the Proprietary Funds. All annual appropriations lapse at fiscal year-end, however, the Town has a history of re-establishing many of these appropriations through an annual Carryover Supplemental Appropriation in the following year. The Town does not adopt a budget for the Erie Housing Authority, which is operated by Boulder County on the Town's behalf.

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

The appropriated budget is adopted by fund. The budget is prepared by fund, department, and division. The legal level of control is at the fund level. Managers can make transfers between line items within their departments without Board approval. All other changes require Board approval. The Board made several supplemental appropriations throughout the year as summarized below for each fund.

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

<b>Fund</b>	<b>Original Budget</b>	<b>Supplemental Appropriations</b>	<b>Final Budget</b>
General Fund	\$ 13,954,700	\$ 5,407,800	\$ 19,362,500
Special Revenue Funds:			
Public Facilities Impact Fund	-	4,841,500	4,841,500
Transportation Impact Fund	276,900	78,500	355,400
Conservation Trust Fund	86,100	44,800	130,900
Cemetery Fund	-	-	-
Forfeiture & Seizure Fund	4,500	-	4,500
Parks Improvement Impact Fund	60,000	126,800	186,800
Tree Impact Fund	174,400	45,000	219,400
Trails & Natural Areas Fund	390,000	1,201,100	1,591,100
Storm Drainage Impact Fund	250,000	1,625,000	1,875,000
Enterprise Funds:			
Water Fund	11,497,500	7,633,600	19,131,100
Wastewater Fund	3,945,100	28,038,000	31,983,100
Storm Drainage Operating Fund	403,900	392,500	796,400
Airport Fund	524,400	308,000	832,400
	<u>\$ 31,567,500</u>	<u>\$ 60,085,000</u>	<u>\$ 91,997,300</u>

**B. Expenditures in Excess of Budget**

For the year ended December 31, 2010, the Town expended \$9,282 in excess of the amount budgeted for the Conservation Trust Fund. Such over expenditure may be a violation of Colorado State law and the Town's charter.

**C. Encumbrances**

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 the commitments will be re-appropriated and honored during the subsequent fiscal year.

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

**A. Deposits and Investments**

**1. Deposits**

The following summarizes the Town's deposits as of December 31, 2010:

	<u>Book Balance (Carrying Amount)</u>	<u>Bank Balance</u>	<u>FDIC Portion</u>	<u>Collateralized Portion</u>
Total Deposits	\$ <u>2,305,110</u>	\$ <u>2,166,787</u>	\$ <u>445,857</u>	\$ <u>1,720,930</u>

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

FDIC indicates the balances are covered by federal deposit insurance. Collateralized indicates the balances are 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, 2010, State regulatory commissioners have indicated that all the financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposit.

**2. Investments**

As of December 31, 2010, the Town had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities	
			Up to 120 Days	121 Days to 5 Years
FFCB - Federal Farm Credit Bank	AAA	\$ 6,540,650	\$ 1,000,320	\$ 5,540,330
FHLB - Federal Home Loan Bank	AAA	4,535,083	2,011,510	2,523,573
FHLMC - Federal Home Loan Mortgage Corporation	AAA	25,115,514	10,556,630	14,558,884
CSAFE	AAA	14,313,901	14,313,901	-
ColoTrust	AAA	6,923,540	6,923,540	-
Wells Fargo 100% Treasury Money Market Fund	AAA	1,412,755	1,412,755	-
UMB - Federated Treasury Obligations Fund	AAA	405,955	405,955	-
<b>Total Investments Controlled by Town</b>		<b>\$ 59,247,398</b>	<b>\$ 36,624,611</b>	<b>\$ 22,622,787</b>
Percent of Total			62%	38%
Unrestricted		\$ 52,217,843		
Restricted		7,029,555		
<b>Total</b>		<b>\$ 59,247,398</b>		

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.

#### Note IV. Detailed Notes on All Funds *(continued)*

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. As shown above, more than 4.99% of the Town's investments are in FFCB (11%), FHLB (8%), and FHLMC (42%) securities. These investments were rated AAA.

##### Custodial Credit Risk for Investments

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

##### Credit Risk

The Town's investment policy limits investments to certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

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

As shown above the Town had investments in the Colorado Surplus Asset Fund Trust (CSAFE), Colorado Government Liquid Asset Trust (COLOTRUST), Wells Fargo 100% Treasury Money Market Fund, and UMB - Federated Treasury Obligations Fund 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

The State of Colorado regulates these funds. They operate similar to money market funds and each share is valued at \$1.00. Fund investments include US Treasury bills, notes, 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 funds' direct investment and withdrawal functions. Substantially all securities owned by these funds are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify investments owned by the funds. COLOTRUST financial statements can be obtained at [www.colotruster.com](http://www.colotruster.com). CSAFE financial statements can be obtained at [www.csafe.org](http://www.csafe.org). The investments were rated AAA.

Accounts at Wells Fargo and UMB are investment established for liquidity purposes. UMB's account is invested in short-term US Treasury securities and repurchase agreements collateralized by US Treasury securities. The Town deposited money in this account as required by bond covenants. More information on this account is available at [www.federatedinvestors.com/FII/products.do](http://www.federatedinvestors.com/FII/products.do). The Wells Fargo account invests in short term money market instruments consisting of US Treasury obligations. The Town deposited money in this account as required by bond covenants. More information on this account is available at [www.wellsfargoadvantagefunds.com](http://www.wellsfargoadvantagefunds.com). Both accounts are rated AAA.

**3. Total Deposits and Investments**

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	\$ 2,306,610
Investments	52,217,843
Restricted Investments	7,029,555
Total Deposits and Investments	<u>\$61,554,008</u>

Amounts reported in the Statement of Net Assets are made up of the following items:

	<u>Total</u>
Cash on Hand	\$ 1,500
Cash in Banks	2,305,110
Investments	59,247,398
Total Deposits and Investments	<u>\$61,554,008</u>

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

**B. Receivables**

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

	General	Water	Wastewater	Non-major and Other Funds	Total
Receivables					
Property Taxes	\$ 2,997,053	\$ -	\$ -	\$ 896,253	\$ 3,893,306
Accounts	1,304,744	477,143	376,979	526,533	2,685,399
Accrued Interest	99,215	48,510	51,436	82,219	281,380
Gross Receivables	4,401,012	525,653	428,415	1,505,005	6,860,085
Less: Allowance for Uncollectible	(21,959)	-	-	-	(21,959)
Total Net Receivables	\$ 4,379,053	\$ 525,653	\$ 428,415	\$ 1,505,005	\$ 6,838,126

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Construction in Progress	\$ 7,399,044	\$ 7,739,969	\$ 7,489,526	\$ 7,649,487
Land	7,529,061	-	-	7,529,061
Total Capital Assets, not being depreciated:	14,928,105	7,739,969	7,489,526	15,178,548
Capital Assets, being depreciated:				
Buildings	22,672,731	6,869,481	-	29,542,212
Improvements other than Buildings	52,219,613	982,488	-	53,202,101
Machinery & Equipment	3,033,821	115,159	-	3,148,980
Vehicles	1,447,460	134,198	-	1,581,658
Total Capital Assets, being depreciated:	79,373,625	8,101,326	-	87,474,951
Less Accumulated Depreciation for:				
Buildings & Improvements	(944,494)	(486,529)	-	(1,431,023)
Improvements other than Buildings	(6,022,506)	(1,503,949)	-	(7,526,455)
Machinery & Equipment	(2,294,707)	(126,393)	-	(2,421,100)
Vehicles	(1,275,134)	(100,334)	-	(1,375,468)
Total Accumulated Depreciation	(10,536,841)	(2,217,205)	-	(12,754,046)
Total Capital Assets, being depreciated, net	68,836,784	5,884,121	-	74,720,905
Governmental Activities Capital Assets, net	\$ 83,764,889	\$ 13,624,090	\$ 7,489,526	\$ 89,899,453

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

	Beginning Balance	Additions	Dispositions	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Construction in Progress	\$ 16,383,968	\$ 24,816,505	\$ 1,538,384	\$ 39,662,089
Land	3,759,396	-	-	3,759,396
Water Rights	76,778,085	280,000	1,600,000	75,458,085
Total Capital Assets, not being depreciated:	<u>96,921,449</u>	<u>25,096,505</u>	<u>3,138,384</u>	<u>118,879,570</u>
Capital Assets, being depreciated:				
Plants, Buildings & Improvements	122,776,444	1,647,887	-	124,424,331
Machinery & Equipment	543,455	17,876	-	561,331
Total Capital Assets, being depreciated:	<u>123,319,899</u>	<u>1,665,763</u>	<u>-</u>	<u>124,985,662</u>
Less Accumulated Depreciation for:				
Plants, Buildings & Improvements	(17,474,763)	(2,997,791)	-	(20,472,554)
Machinery & Equipment	(390,713)	(31,636)	-	(422,349)
Total Accumulated Depreciation	<u>(17,865,476)</u>	<u>(3,029,427)</u>	<u>-</u>	<u>(20,894,903)</u>
Total Capital Assets, being depreciated, net	<u>105,454,423</u>	<u>(1,363,664)</u>	<u>-</u>	<u>104,090,759</u>
Business-type Activities Capital Assets, net	<u>\$ 202,375,872</u>	<u>\$ 23,732,841</u>	<u>\$ 3,138,384</u>	<u>\$ 222,970,329</u>

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

Governmental Activities:	
General Government	\$ 72,011
Parks & Recreation	812,551
Public Safety	91,120
Public Works	1,241,523
Total Depreciation Expense - Governmental Activities	<u>\$ 2,217,205</u>
Business-type Activities:	
Water	\$ 1,876,677
Wastewater	776,962
Storm Drainage Operating	227,265
Airport	119,501
Housing Authority	29,023
Total Depreciation Expense - Business-type Activities	<u>\$ 3,029,428</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 only been issued for 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.

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

**2. Revenue Bonds and Loans**

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

**3. Long-term Debt Summary**

The following is a summary of all long-term bonds and loans, both general and revenue obligations, outstanding at December 31, 2010:

Issued	Purpose	Rate (%)	Date	& Issued	Retired	Balance
1978	Water revenue bonds	5.00	2019	\$ 290,000	\$ 169,000	\$ 121,000
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	142,727	355,785
1997	Wastewater revenue loan from CWRPDA	4.54	2017	1,821,690	1,041,729	779,961
1997	Wastewater revenue loan from CWRPDA	4.50	2017	500,000	268,032	231,968
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	3,950,000	10,550,000
2006	Comm. Recreation Center general obligation bond	4.00 - 5.25	2026	16,800,000	1,920,000	14,880,000
2006	Refunding bonds general obligation bond	4.00 - 4.50	2018	2,971,095	496,095	2,475,000
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	530,000	4,505,000
2008	Wastewater revenue bonds	4.00 - 4.75	2028	8,900,000	295,000	8,605,000
2008	Wastewater revenue bonds refunding bonds	4.00	2017	985,000	200,000	785,000
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	50,000	1,950,000
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	395,000	5,995,000

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

**4. Annual Debt Service Requirements**

Annual debt service payments required 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	
2011	\$ 915,000	\$ 820,681	\$ 1,879,034	\$ 2,616,399	\$ 6,231,114
2012	950,000	782,456	1,939,087	2,552,960	6,224,503
2013	1,000,000	736,331	2,013,316	2,481,496	6,231,143
2014	1,040,000	692,056	2,769,563	2,399,997	6,901,616
2015	1,090,000	646,006	2,139,971	2,306,423	6,182,400
2016	1,140,000	596,744	2,209,477	2,227,138	6,173,359
2017	1,190,000	546,269	2,294,770	2,143,121	6,174,160
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>\$ 17,355,000</u>	<u>\$ 7,431,945</u>	<u>\$ 61,013,793</u>	<u>\$ 37,485,329</u>	<u>\$ 123,286,067</u>

**5. Certificates of Participation**

The Town formed the Erie Finance Corporation (EFC) to issue certificates of participation (COPs) for the acquisition and construction of major capital facilities and improvements. The COPs are secured by the constructed facilities and improvements. All of the activity of the EFC takes place within the Town's Water Fund. As a result, the substance of the transaction is that the Town issued COPs in order to pay for Water system facilities and improvements. The debt service payments and related assets acquired with EFC debt are reported directly in the Water Fund as capital assets and long term debt (Certificates of Participation Payable).

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

The Town entered into its first COPs transaction in 2005. COPs were issued to purchase Colorado-Big Thompson (CBT) water shares in the amount of \$32,030,000. The 2005 COPs were retired in 2010, when the 2010 COPs were issued. The 2010 COPs carry a fixed rate of 2.7% through October 1, 2015. Rates become variable thereafter and may increase by up to 1.5% over the prior year's rate to a maximum of 15%. Actual interest rates will be established weekly by the remarketing agent after October 1, 2015. The COPs may be redeemed in whole or in part prior to maturity without penalty. Payments are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory debt limitation.

The following is a summary of 2010 COPs payments using the maximum interest rate:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 515,000	\$ 746,751	\$ 1,261,751
2012	580,000	795,825	1,375,825
2013	600,000	780,165	1,380,165
2014	625,000	763,965	1,388,965
2015	645,000	747,090	1,392,090
2016	670,000	1,135,050	1,805,050
2017	695,000	1,502,235	2,197,235
2018	720,000	1,847,520	2,567,520
2019	750,000	2,169,780	2,919,780
2020	780,000	2,467,380	3,247,380
2021	805,000	2,738,970	3,543,970
2022	835,000	2,983,860	3,818,860
2023	870,000	3,200,190	4,070,190
2024	900,000	3,135,000	4,035,000
2025	935,000	3,000,000	3,935,000
2026	970,000	2,859,750	3,829,750
2027	1,005,000	2,714,250	3,719,250
2028	1,045,000	2,563,500	3,608,500
2029	1,085,000	2,406,750	3,491,750
2030	1,125,000	2,244,000	3,369,000
2031	1,165,000	2,075,250	3,240,250
2032	1,210,000	1,900,500	3,110,500
2033	1,255,000	1,719,000	2,974,000
2034	1,300,000	1,530,750	2,830,750
2035	1,350,000	1,335,750	2,685,750
2036	1,400,000	1,133,250	2,533,250
2037	1,455,000	923,250	2,378,250
2038	1,510,000	705,000	2,215,000
2039	1,565,000	478,500	2,043,500
2040	<u>1,625,000</u>	<u>243,750</u>	<u>1,868,750</u>
Total	<u>\$ 29,990,000</u>	<u>\$ 52,847,031</u>	<u>\$ 82,837,031</u>

**Note IV. 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, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Arbitrage Payable	\$ 137,900	\$ -	\$ (17,212)	\$ 120,688	\$ -
Long Term Debt Payable					
General Obligation Bonds	18,235,000	-	(880,000)	17,355,000	915,000
Amortization of Bond Discounts/Premiums	402,045	-	(19,402)	382,643	-
Total Governmental Activity	<u>\$ 18,774,945</u>	<u>\$ -</u>	<u>\$ (916,614)</u>	<u>\$ 17,858,331</u>	<u>\$ 915,000</u>
Long-term Liabilities					
<b>Business-type Activities:</b>					
Prepaid Tap Fees	\$ 2,104,314	\$ -	\$ (1,396,170)	\$ 708,144	\$ 616,000
Internal Balances	-	40,000	-	40,000	-
Long Term Debt Payable					
COPs Payable	29,955,000	29,990,000	(29,955,000)	29,990,000	515,000
Loans Payable	17,026,027	-	(835,852)	16,190,175	933,034
Amortization of Bond Discounts/Premiums	880,573	-	(15,082)	865,491	-
Revenue Bonds	45,801,000	-	(915,000)	44,886,000	946,000
Total Business-type Activity	<u>\$ 95,766,914</u>	<u>\$ 30,030,000</u>	<u>\$ (33,117,104)</u>	<u>\$ 92,679,810</u>	<u>\$ 3,010,034</u>
Long-term Liabilities					

**7. Defeasance of Debt**

The Town defeased several bond issues in 2006 – 2009, placing the new bonds into irrevocable trusts to provide for all future debt service payments on the defeased bonds. The trust accounts' assets and the liabilities for the defeased bonds are not included in the Town's financial statements. These transactions resulted in economic gains to the Town in prior years. At December 31, 2010 the following bonds are considered defeased:

<u>Issue</u>	<u>Remaining Balance</u>
1998 General Obligation Bonds	\$ 2,425,000
1998 Water Revenue Bonds	11,255,000
1997A Wastewater Revenue Bonds	<u>860,000</u>
Total Defeased Debt	<u>\$ 14,540,000</u>

**E. Pension Plans**

**1. Police Officers**

**a. 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

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

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.

b. 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.

c. 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 Town made the annual required contribution for the year ended December 31, 2010.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Town's Contribution	<u>\$ 106,643</u>	<u>\$ 96,942</u>	<u>\$ 91,809</u>

2. General Employees

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

Plan Name: The Town of Erie Savings Plan  
Plan Administrator: The Standard (a third party trustee)

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

The plan is available to all non-Police benefited employees (full time employees and part time employees working at least 24 hours per week). The plan was created in accordance

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

with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to participate on the first day of each new calendar quarter.

Under the terms of the plan the Town is the only non-employee contributor and matches the first 0 – 5% of employee contributions. Participants are not required to contribute to the plan, but may contribute up to \$16,500 per year (\$22,000 for employees over 50). Employer contributions are based on the participant’s salary (salary, pay, or earned income less salary reductions made under IRC §125). During 2010, the Town made all required contributions to the plan, contributing \$222,492. Employees contributed \$329,775.

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

F. Net Assets Calculation

1. Investments in Net Assets

Net assets on the government-wide statement of net assets as of December 31, 2010, 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	\$ 102,653,501	\$ 243,865,231	\$ 346,518,732
Less Accumulated Depreciation	(12,754,046)	(20,894,903)	(33,648,949)
Book Value	89,899,455	222,970,328	312,869,783
Less Capital Related Debt	(17,737,643)	(91,931,666)	(109,669,309)
Plus Unamortized Bond Issue Costs	336,445	1,710,715	2,047,160
Plus Unspent Capital Related Debt	-	7,029,555	7,029,555
Invested in Capital Assets, Net of Related Debt:	<u>\$ 72,498,257</u>	<u>\$ 139,778,932</u>	<u>\$ 212,277,189</u>

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

2. Restricted Net Assets

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

Reserved for Capital Projects	
General Fund	\$ 83,982
Public Facilities Impact Fund	2,051,175
Transportation Impact Fund	3,361,081
Conservation Trust Fund	704,121
Cemetery Fund	135,126
Forfeiture and Seizure Fund	6,094
Parks Improvement Impact Fund	270,798
Tree Impact Fund	482,980
Trails and Natural Areas Fund	2,792,100
Storm Drainage Impact Fund	3,525,027
Reserved for Emergencies and Stabilization - General Fund	
Stabilization Reserve	7,500,000
Emergency Reserve	369,552
	<hr/>
Total Restricted Net Assets	<u>\$ 21,282,036</u>

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

Bond Reserves	
Water Fund	\$ 4,915,513
Wastewater Fund	2,000,471
Non-Major Proprietary Funds	13,833
Operations and Maintenance Reserves	
Water Fund	400,000
Wastewater Fund	454,650
Non-Major Proprietary Funds	6,189
	<hr/>
Total Restricted Net Assets	<u>\$ 7,790,656</u>

Bonds covenants require that the Town maintain bond reserves and operations and maintenance reserves for the Water and Wastewater Funds.

3. Emergency Reserve

The Town Board approved a resolution creating an emergency reserve as required by Article X, Section 20, of the Colorado Constitution. The December 31, 2010 amount is based on the requirements of Article X, Section 20.

4. Stabilization Reserve

The Town Board approved a resolution on March 9, 2010 creating a stabilization reserve equal to \$7,500,000 of the General Fund's fund balance.

**Note V. Other Information**

**A. Risk Management**

The Town purchases liability, property, and workers' compensation insurance from private insurance carriers. The Town paid \$169,800 for insurance in 2010 and maintains the following amounts of coverage with the amount of any deductibles (retained risk) indicated:

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building	\$ 59,298,568	\$ 2,500
Personal Property	13,356,998	2,500
EDP	575,000	2,500
Business Interruption & Extra Expense	530,500	72 Hours
General Liability	5,000,000	2,500
Automobile Liability	1,500,000	1,000
Workers' Compensation	500,000	2,500

**B. Contingent Liabilities**

**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. 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 \$5,969,879 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 contributed \$243,750 to the Northern Integrated Supply Project (NISP) and \$137,646 to the Windy Gap Firing Project. Future years' contributions to these projects depend on the Board of Trustees election to participate.

Equity Designations - Through the adoption of the 2011 budget the Town designated the following fund balances for expenditure during subsequent years as of December 31, 2010.

General Fund	\$ 2,159,200
Water Fund	1,301,700
Storm Drainage Operating Fund	2,600
Airport Fund	84,500

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

**D. 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, 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, however, any future tax rate or tax code changes increasing tax revenues are subject to voter approval.

## **Required Supplementary Information**

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**Town of Erie, Colorado**  
**General Fund - 001**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ 7,211,800	\$ 7,297,800	\$ 7,355,413	\$ 6,888,631	\$ (409,169)
Intergovernmental	719,400	2,383,300	1,651,682	1,599,736	(783,564)
Licenses & Permits	500,000	546,000	536,684	536,684	(9,316)
Fees & Charges for Services	2,809,800	2,910,600	2,672,829	2,613,506	(297,094)
Fines & Forfeitures	120,200	122,400	134,351	131,864	9,464
Investment Earnings	477,100	477,100	143,307	307,269	(169,831)
Miscellaneous	85,500	337,600	174,938	156,001	(181,599)
<b>Total Revenues</b>	<b>11,923,800</b>	<b>14,074,800</b>	<b>12,669,203</b>	<b>12,233,691</b>	<b>(1,841,109)</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	2,267,700	2,618,800	1,986,858	1,911,233	707,567
Public Safety	2,333,300	2,331,700	2,240,394	2,050,210	281,490
Public Works	1,731,900	1,805,400	1,582,570	1,429,818	375,582
Parks & Recreation	4,650,500	4,680,200	4,265,770	4,148,674	531,526
Capital Outlay	933,800	5,182,500	3,378,397	3,239,289	1,943,211
Debt Service					
Principal	880,000	880,000	880,000	880,000	-
Interest	857,500	857,500	857,444	857,444	56
<b>Total Expenditures</b>	<b>13,654,700</b>	<b>18,356,100</b>	<b>15,191,433</b>	<b>14,516,669</b>	<b>3,839,431</b>
Excess Revenues Over (Under) Expenditures	(1,730,900)	(4,281,300)	(2,522,230)	(2,282,978)	1,998,322
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	469,400	1,179,800	1,115,896	1,115,896	(63,904)
Transfers Out	(300,000)	(1,006,400)	(1,006,496)	(1,006,496)	(96)
<b>Total Other Financing Sources (Uses)</b>	<b>169,400</b>	<b>173,400</b>	<b>109,400</b>	<b>109,400</b>	<b>(64,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,561,500)</b>	<b>\$ (4,107,900)</b>	<b>(2,412,830)</b>	<b>(2,173,578)</b>	<b>\$ 1,934,322</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	435,513	
Expenditure Accruals			-	(674,765)	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ (2,412,830)</b>	<b>(2,412,830)</b>	
<b>Fund Balance - Beginning (As Adjusted)</b>				<b>18,683,312</b>	
<b>Fund Balance - Ending</b>				<b>\$ 16,270,482</b>	

**Town of Erie, Colorado**  
**General Fund - 001**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**(Expenditures by Division)**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ 7,211,800	\$ 7,297,800	\$ 7,355,413	\$ 6,888,631	\$ (409,169)
Intergovernmental	719,400	2,383,300	1,651,682	1,599,736	(783,564)
Licenses & Permits	500,000	546,000	536,684	536,684	(9,316)
Fees & Charges for Services	2,809,800	2,910,600	2,672,829	2,613,506	(297,094)
Fines & Forfeitures	120,200	122,400	134,351	131,864	9,464
Investment Earnings	477,100	477,100	143,307	307,269	(169,831)
Miscellaneous	85,500	337,600	174,938	156,001	(181,599)
Total Revenues	<u>11,923,800</u>	<u>14,074,800</u>	<u>12,669,203</u>	<u>12,233,691</u>	<u>(1,841,109)</u>
<b>EXPENDITURES</b>					
General Government Divisions					
Legislation	116,600	225,100	193,170	182,370	42,730
Town Administrator's Office	218,400	231,400	239,372	195,306	36,094
Legal Services	288,300	288,300	224,713	209,906	78,394
Town Clerk's Office	132,800	132,100	122,708	108,228	23,872
Communication & Information Systems	223,700	223,600	211,122	236,085	(12,485)
Planning Administration	298,000	504,500	178,608	148,958	355,542
Building Inspection	360,000	345,800	318,558	309,413	36,387
Central Charges	156,400	154,400	103,026	92,181	62,219
Municipal Court	111,000	110,200	100,730	99,425	10,775
Human Resources	100,500	130,500	74,335	72,928	57,572
Accounting	262,000	272,900	220,515	256,432	16,468
Public Safety Divisions					
Police Administration	456,700	453,600	405,970	336,880	116,720
Police Records	129,800	129,700	132,074	121,211	8,489
Community Policing	115,900	115,800	98,905	98,905	16,895
Investigations	202,500	206,200	195,156	183,618	22,582
Patrol	1,414,300	1,412,300	1,397,958	1,299,956	112,344
Code Enforcement	14,100	14,100	10,330	9,640	4,460
Public Works Divisions					
Public Works Administration	225,400	222,400	215,177	203,802	18,598
Engineering	318,100	317,200	249,001	223,409	93,791
Building Maintenance	212,400	221,700	208,624	186,407	35,293
Fleet Maintenance	243,100	263,800	229,086	209,267	54,533
Streets Maintenance	732,900	780,300	680,682	606,933	173,367
Parks & Recreation Divisions					
Parks & Recreation Administration	287,500	288,200	219,465	264,457	23,743
Parks Maintenance	1,255,800	1,237,100	1,017,213	954,243	282,857
Recreation	3,101,700	3,149,400	3,028,118	2,928,999	220,401
Cemetery	5,500	5,500	975	975	4,525
Capital Outlay	933,800	5,182,500	3,378,397	3,239,289	1,943,211
Debt Service					
Principal	880,000	880,000	880,000	880,000	-
Interest	857,500	857,500	857,444	857,444	56
Total Expenditures	<u>13,654,700</u>	<u>18,356,100</u>	<u>15,191,433</u>	<u>14,516,669</u>	<u>3,839,431</u>
Excess Revenues Over (Under) Expenditures	<u>(1,730,900)</u>	<u>(4,281,300)</u>	<u>(2,522,230)</u>	<u>(2,282,978)</u>	<u>1,998,322</u>

Town of Erie, Colorado  
 General Fund - 001  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance (CONTINUED)  
 (Expenditures by Division)  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	469,400	1,179,800	1,115,896	1,115,896	(63,904)
Transfers Out	(300,000)	(1,006,400)	(1,006,496)	(1,006,496)	(96)
Total Other Financing Sources (Uses)	169,400	173,400	109,400	109,400	(64,000)
Net Change in Fund Balance	<u>\$ (1,561,500)</u>	<u>\$ (4,107,900)</u>	(2,412,830)	(2,173,578)	<u>\$ 1,934,322</u>
Amounts Not Budgeted					
Revenue Accruals			-	435,513	
Expenditure Accruals			-	(674,765)	
Transfers Not Budgeted			-	-	
Net Change in Fund Balance - (GAAP Basis)			<u>\$ (2,412,830)</u>	(2,412,830)	
<b>Fund Balance - Beginning (As Adjusted)</b>				<u>18,683,312</u>	
<b>Fund Balance - Ending</b>				<u>\$ 16,270,482</u>	

**Town of Erie, Colorado**  
**Public Facilities Impact Fund - 005**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	218,200	254,300	231,625	231,625	(22,675)
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	91,700	91,700	47,000	79,825	(11,875)
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>309,900</b>	<b>346,000</b>	<b>278,626</b>	<b>311,451</b>	<b>(34,549)</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	-	4,841,500	4,589,748	4,581,747	259,753
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>4,841,500</b>	<b>4,589,748</b>	<b>4,581,747</b>	<b>259,753</b>
Excess Revenues Over (Under) Expenditures	309,900	(4,495,500)	(4,311,123)	(4,270,297)	225,203
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 309,900</b>	<b>\$ (4,495,500)</b>	<b>(4,311,123)</b>	<b>(4,270,297)</b>	<b>\$ 225,203</b>
Amounts Not Budgeted					
Revenue Accruals			-	(32,825)	
Expenditure Accruals			-	(8,001)	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ (4,311,123)</b>	<b>(4,311,123)</b>	
<b>Fund Balance - Beginning</b>				<b>6,362,298</b>	
<b>Fund Balance - Ending</b>				<b>\$ 2,051,175</b>	

**Town of Erie**  
**Combining and Individual Fund Financial Statements and Schedules**  
**Non-Major Governmental Funds**

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**Special Revenue Funds:**

Transportation Impact Fund – 003: Accounts for impact fee revenues used to construct and acquire transportation system enhancements.

Conservation Trust Fund – 004: Accounts for revenues received from a portion of the Colorado State Lottery proceeds. This money is received from the State's Conservation Trust Fund. It is used acquire, develop, and maintain new conservation sites; and for capital improvements or maintenance for recreational purposes on any public site.

Cemetery Fund – 006: Accounts for revenues received from plot purchases at the municipal cemetery. Money is used for perpetual care expenditures at the cemetery.

Forfeiture and Seizure Fund – 007: Accounts for forfeitures as a result of asset seizures relating to convictions for drug-related offenses. Money is used to purchase goods and services related to law enforcement.

Parks Improvement Impact Fund – 009: Accounts for impact fee revenues used to construct and acquire parks and related improvements.

Tree Impact Fund – 013: Accounts for impact fee revenues used to acquire and plant trees in public locations, and to issue certificates for tree purchases to homeowners of newly constructed homes.

Trails and Natural Areas Fund – 014: Accounts for property tax revenues used to acquire and construct trails; and acquire and develop natural areas for public use.

Storm Drainage Impact Fund – 015: Accounts for impact fee revenues used to acquire and construct the storm drainage system.

**Town of Erie, Colorado**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**December 31, 2010**

	Special Revenue Funds			
	Transportation Impact Fund	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 130,872	\$ 27,406	\$ 5,260	\$ 237
Investments	3,214,739	673,198	129,218	5,829
Receivables				
Property Taxes	-	-	-	-
Accounts	-	-	-	-
Accrued Interest	16,376	3,517	647	28
Due from/Advance to Other Funds	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,361,987</b>	<b>\$ 704,121</b>	<b>\$ 135,126</b>	<b>\$ 6,094</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 906	\$ -	\$ -	\$ -
Accrued Compensation Payable	-	-	-	-
Due to Other Organizations	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>906</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Reserved for				
Encumbrances	-	-	-	-
Capital Projects	3,361,081	704,121	135,126	6,094
Emergencies and Stabilization	-	-	-	-
Unreserved	-	-	-	-
<b>Total Fund Balances</b>	<b>3,361,081</b>	<b>704,121</b>	<b>135,126</b>	<b>6,094</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,361,987</b>	<b>\$ 704,121</b>	<b>\$ 135,126</b>	<b>\$ 6,094</b>

Special Revenue Funds				
Parks Improvement Impact Fund	Tree Impact Fund	Trails and Natural Areas Fund	Storm Drainage Impact Fund	Total Non-Major Governmental Funds
\$ 20,486	\$ 20,819	\$ 110,549	\$ 137,246	\$ 452,876
503,228	511,399	2,715,543	3,371,320	11,124,475
-	-	896,253	-	896,253
-	-	-	-	-
3,883	2,673	11,705	16,461	55,291
-	-	-	-	-
-	-	-	-	-
<u>\$ 527,598</u>	<u>\$ 534,892</u>	<u>\$ 3,734,051</u>	<u>\$ 3,525,027</u>	<u>\$ 12,528,896</u>
\$ 800	\$ 51,912	\$ 46,072	\$ -	\$ 99,690
-	-	-	-	-
-	-	-	-	-
256,000	-	-	-	256,000
-	-	895,879	-	895,879
<u>256,800</u>	<u>51,912</u>	<u>941,951</u>	<u>-</u>	<u>1,251,569</u>
-	-	-	-	-
270,798	482,980	2,792,100	3,525,027	11,277,327
-	-	-	-	-
-	-	-	-	-
<u>270,798</u>	<u>482,980</u>	<u>2,792,100</u>	<u>3,525,027</u>	<u>11,277,327</u>
<u>\$ 527,598</u>	<u>\$ 534,892</u>	<u>\$ 3,734,051</u>	<u>\$ 3,525,027</u>	<u>\$ 12,528,896</u>

**Town of Erie, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2010**

	Special Revenue Funds			
	Transportation Impact Fund	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	116,681	-	-
Licenses & Permits	-	-	-	-
Fees & Charges for Services	204,260	-	5,550	-
Fines & Forfeitures	-	-	-	1,155
Investment Earnings	23,087	4,569	868	42
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>227,347</b>	<b>121,251</b>	<b>6,418</b>	<b>1,196</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	76,631	-	-
Capital Outlay	37,672	63,551	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>37,672</b>	<b>140,182</b>	<b>-</b>	<b>-</b>
Excess Revenues Over (Under) Expenditures	189,675	(18,932)	6,418	1,196
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(109,400)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(109,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	80,275	(18,932)	6,418	1,196
<b>Fund Balance - Beginning (As Adjusted)</b>	<b>3,280,806</b>	<b>723,052</b>	<b>128,708</b>	<b>4,898</b>
<b>Fund Balance - Ending</b>	<b>\$ 3,361,081</b>	<b>\$ 704,121</b>	<b>\$ 135,126</b>	<b>\$ 6,094</b>

Special Revenue Funds				
Parks Improvement Impact Fund	Tree Impact Fund	Trails and Natural Areas Fund	Storm Drainage Impact Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 918,146	\$ -	\$ 918,146
-	-	200,000	-	316,681
-	-	-	-	-
355,370	37,600	-	229,113	831,894
-	-	-	-	1,155
1,462	3,903	16,265	22,062	72,257
-	-	-	15,801	15,801
<u>356,832</u>	<u>41,503</u>	<u>1,134,411</u>	<u>266,976</u>	<u>2,155,934</u>
-	-	-	-	-
-	-	-	-	-
-	125,640	-	-	202,271
23,544	-	513,253	-	638,020
-	-	-	-	-
<u>23,544</u>	<u>125,640</u>	<u>513,253</u>	<u>-</u>	<u>840,292</u>
<u>333,287</u>	<u>(84,137)</u>	<u>621,158</u>	<u>266,976</u>	<u>1,315,643</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(19,813)</u>	<u>-</u>	<u>(129,213)</u>
<u>-</u>	<u>-</u>	<u>(19,813)</u>	<u>-</u>	<u>(129,213)</u>
333,287	(84,137)	601,344	266,976	1,186,429
<u>(62,490)</u>	<u>567,117</u>	<u>2,190,755</u>	<u>3,258,050</u>	<u>10,090,896</u>
<u>\$ 270,798</u>	<u>\$ 482,980</u>	<u>\$ 2,792,100</u>	<u>\$ 3,525,027</u>	<u>\$ 11,277,326</u>

**Town of Erie, Colorado**  
**Transportation Impact Fund - 003**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	235,800	269,300	204,260	204,260	(65,040)
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	68,200	68,200	23,087	48,457	(19,743)
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>304,000</b>	<b>337,500</b>	<b>227,347</b>	<b>252,718</b>	<b>(84,782)</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	167,500	246,000	37,672	36,766	209,235
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>167,500</b>	<b>246,000</b>	<b>37,672</b>	<b>36,766</b>	<b>209,235</b>
Excess Revenues Over (Under) Expenditures	<b>136,500</b>	<b>91,500</b>	<b>189,675</b>	<b>215,952</b>	<b>124,452</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	(109,400)	(109,400)	(109,400)	(109,400)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(109,400)</b>	<b>(109,400)</b>	<b>(109,400)</b>	<b>(109,400)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 27,100</b>	<b>\$ (17,900)</b>	<b>80,275</b>	<b>106,552</b>	<b>\$ 124,452</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(25,371)	
Expenditure Accruals			-	(906)	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ 80,275</b>	<b>80,275</b>	
<b>Fund Balance - Beginning</b>				<b>3,280,806</b>	
<b>Fund Balance - Ending</b>				<b>\$ 3,361,081</b>	

**Town of Erie, Colorado**  
**Conservation Trust Fund - 004**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	128,000	128,000	116,681	116,681	(11,319)
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	19,800	19,800	4,569	10,018	(9,782)
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>147,800</b>	<b>147,800</b>	<b>121,251</b>	<b>126,700</b>	<b>(21,100)</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	86,100	85,900	76,631	76,631	9,269
Capital Outlay	-	45,000	63,551	63,551	(18,551)
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>86,100</b>	<b>130,900</b>	<b>140,182</b>	<b>140,182</b>	<b>(9,282)</b>
Excess Revenues Over (Under) Expenditures	61,700	16,900	(18,932)	(13,483)	(30,383)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 61,700</b>	<b>\$ 16,900</b>	<b>(18,932)</b>	<b>(13,483)</b>	<b>\$ (30,383)</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(5,449)	
Expenditure Accruals			-	-	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ (18,932)</b>	<b>(18,932)</b>	
<b>Fund Balance - Beginning</b>				<b>723,052</b>	
<b>Fund Balance - Ending</b>				<b>\$ 704,121</b>	

**Town of Erie, Colorado**  
**Cemetery Fund - 006**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	3,000	3,000	5,550	5,550	2,550
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	3,100	3,100	868	1,871	(1,229)
Miscellaneous	-	-	-	-	-
Total Revenues	<u>6,100</u>	<u>6,100</u>	<u>6,418</u>	<u>7,421</u>	<u>1,321</u>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	<u>6,100</u>	<u>6,100</u>	<u>6,418</u>	<u>7,421</u>	<u>1,321</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 6,100</u>	<u>\$ 6,100</u>	6,418	7,421	<u>\$ 1,321</u>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(1,003)	
Expenditure Accruals			-	-	
Transfers Not Budgeted			-	-	
Net Change in Fund Balance - (GAAP Basis)			<u>\$ 6,418</u>	6,418	
<b>Fund Balance - Beginning</b>				<u>128,708</u>	
<b>Fund Balance - Ending</b>				<u>\$ 135,126</u>	

**Town of Erie, Colorado**  
**Forfeiture and Seizure Fund - 007**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	-	-	-	-	-
Fines & Forfeitures	-	-	1,155	1,155	1,155
Investment Earnings	-	-	42	85	85
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	1,196	1,240	1,240
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	4,500	4,500	-	-	4,500
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	4,500	4,500	-	-	4,500
Excess Revenues Over (Under) Expenditures	(4,500)	(4,500)	1,196	1,240	5,740
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	\$ (4,500)	\$ (4,500)	1,196	1,240	\$ 5,740
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(44)	
Expenditure Accruals			-	-	
Transfers Not Budgeted			-	-	
Net Change in Fund Balance - (GAAP Basis)			\$ 1,196	1,196	
<b>Fund Balance - Beginning</b>				4,898	
<b>Fund Balance - Ending</b>				\$ 6,094	

**Town of Erie, Colorado**  
**Parks Improvement Impact Fund - 009**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	216,500	259,800	355,370	355,370	95,570
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	9,200	9,200	1,462	7,477	(1,723)
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>225,700</b>	<b>269,000</b>	<b>356,832</b>	<b>362,847</b>	<b>93,847</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	-	122,800	23,544	22,744	100,056
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>122,800</b>	<b>23,544</b>	<b>22,744</b>	<b>100,056</b>
Excess Revenues Over (Under) Expenditures	225,700	146,200	333,287	340,103	193,903
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	(60,000)	(64,000)	-	-	64,000
<b>Total Other Financing Sources (Uses)</b>	<b>(60,000)</b>	<b>(64,000)</b>	<b>-</b>	<b>-</b>	<b>64,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ 165,700</b>	<b>\$ 82,200</b>	<b>333,287</b>	<b>340,103</b>	<b>\$ 257,903</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(6,016)	
Expenditure Accruals			-	(800)	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ 333,287</b>	<b>333,287</b>	
<b>Fund Balance - Beginning (As Adjusted)</b>				<b>(62,490)</b>	
<b>Fund Balance - Ending</b>				<b>\$ 270,798</b>	

**Town of Erie, Colorado**  
**Tree Impact Fund - 013**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	30,000	36,000	37,600	37,600	1,600
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	11,800	11,800	3,903	8,045	(3,755)
Miscellaneous	-	-	-	-	-
Total Revenues	<u>41,800</u>	<u>47,800</u>	<u>41,503</u>	<u>45,645</u>	<u>(2,155)</u>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	174,400	219,400	125,640	75,328	144,072
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>174,400</u>	<u>219,400</u>	<u>125,640</u>	<u>75,328</u>	<u>144,072</u>
Excess Revenues Over (Under) Expenditures	<u>(132,600)</u>	<u>(171,600)</u>	<u>(84,137)</u>	<u>(29,684)</u>	<u>141,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (132,600)</u>	<u>\$ (171,600)</u>	<u>(84,137)</u>	<u>(29,684)</u>	<u>\$ 141,916</u>
Amounts Not Budgeted					
Revenue Accruals			-	(4,141)	
Expenditure Accruals			-	(50,312)	
Transfers Not Budgeted			-	-	
Net Change in Fund Balance - (GAAP Basis)			<u>\$ (84,137)</u>	<u>(84,137)</u>	
<b>Fund Balance - Beginning</b>				<u>567,117</u>	
<b>Fund Balance - Ending</b>				<u>\$ 482,980</u>	

**Town of Erie, Colorado**  
**Trails and Natural Areas Fund - 014**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ 923,800	\$ 923,800	\$ 918,146	\$ 917,773	\$ (6,027)
Intergovernmental	-	586,000	200,000	200,000	(386,000)
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	46,700	46,700	16,265	34,399	(12,301)
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>970,500</b>	<b>1,556,500</b>	<b>1,134,411</b>	<b>1,152,172</b>	<b>(404,328)</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	390,000	1,591,100	513,253	487,343	1,103,757
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>390,000</b>	<b>1,591,100</b>	<b>513,253</b>	<b>487,343</b>	<b>1,103,757</b>
Excess Revenues Over (Under) Expenditures	580,500	(34,600)	621,158	664,829	699,429
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(19,813)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(19,813)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 580,500</b>	<b>\$ (34,600)</b>	<b>601,344</b>	<b>664,829</b>	<b>\$ 699,429</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(17,761)	
Expenditure Accruals			-	(25,910)	
Transfers Not Budgeted			-	(19,813)	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ 601,344</b>	<b>601,344</b>	
<b>Fund Balance - Beginning</b>				<b>2,190,755</b>	
<b>Fund Balance - Ending</b>				<b>\$ 2,792,100</b>	

**Town of Erie, Colorado**  
**Storm Drainage Impact Fund - 015**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fees & Charges for Services	142,800	168,800	229,113	229,113	60,313
Fines & Forfeitures	-	-	-	-	-
Investment Earnings	40,900	40,900	22,062	47,563	6,663
Miscellaneous	-	-	15,801	15,801	15,801
<b>Total Revenues</b>	<b>183,700</b>	<b>209,700</b>	<b>266,976</b>	<b>292,478</b>	<b>82,778</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Capital Outlay	250,000	1,875,000	-	-	1,875,000
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>250,000</b>	<b>1,875,000</b>	<b>-</b>	<b>-</b>	<b>1,875,000</b>
Excess Revenues Over (Under) Expenditures	(66,300)	(1,665,300)	266,976	292,478	1,957,778
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (66,300)</b>	<b>\$ (1,665,300)</b>	<b>266,976</b>	<b>292,478</b>	<b>\$ 1,957,778</b>
Amounts Not Budgeted					
Revenue Accruals			-	(25,501)	
Expenditure Accruals			-	-	
Transfers Not Budgeted			-	-	
<b>Net Change in Fund Balance - (GAAP Basis)</b>			<b>\$ 266,976</b>	<b>266,978</b>	
<b>Fund Balance - Beginning</b>				<b>3,258,050</b>	
<b>Fund Balance - Ending</b>				<b>\$ 3,525,027</b>	

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

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**Non-Major Proprietary Funds:**

Storm Drainage Operating Fund – 010: Accounts for storm drainage charges received from system users. This money is used to construct and maintain the storm drainage system.

Airport Fund – 011: Accounts for airport fees received from airport users, as well as proceeds from federal and state aviation grants. This money is used to construct and maintain the municipal airport.

Erie Housing Authority Fund: Accounts for rents received from authority tenants as well as federal subsidies for low income tenants. This money is used to construct and maintain these housing facilities.

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

This section also presents budgetary comparisons for the following funds:

Water Fund – 002

Wastewater Fund – 012

Storm Drainage Operating Fund – 010

Airport Fund – 011

**Town of Erie, Colorado**  
**Combining Statement of Net Assets**  
**Non-Major Proprietary Funds**  
**December 31, 2010**

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	Total Non-Major Proprietary Funds
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 44,129	\$ 5,057	\$ 4,173	\$ 53,358
Investments	1,083,977	124,219	-	1,208,197
Restricted Cash and Investments				
Unspent Debt Proceeds	-	-	-	-
Receivables				
Accounts	304,427	222,106	-	526,533
Accrued Interest	5,431	310	-	5,740
Restricted Receivables				
Loans	-	-	-	-
Prepaid Items	-	8,107	-	8,107
<b>Total Current Assets</b>	<b>1,437,964</b>	<b>359,799</b>	<b>4,173</b>	<b>1,801,935</b>
Non-current Assets				
Construction in Progress	340,945	227,028	-	567,973
Land and Water Rights	63,705	592,295	-	656,000
Buildings, Property, and Equipment	11,282,641	4,221,092	1,160,900	16,664,633
Accumulated Depreciation	(1,581,654)	(1,112,789)	(282,969)	(2,977,412)
Unamortized Bond Issue Costs	-	-	13,889	13,889
<b>Total Non-current Assets</b>	<b>10,105,637</b>	<b>3,927,627</b>	<b>891,820</b>	<b>14,925,084</b>
<b>Total Assets</b>	<b>11,543,601</b>	<b>4,287,425</b>	<b>895,993</b>	<b>16,727,019</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	85,787	183,876	38,855	308,518
Accrued Interest Payable	5,337	-	-	5,337
Accrued Compensation Payable	3,196	97	-	3,293
Due to Other Organizations	-	3,500	-	3,500
Deferred Revenue	-	-	612	612
Prepaid Tap Fees	-	-	-	-
Current Portion of Long Term Debt				
Certificates of Participation Payable	-	-	-	-
Loans Payable	11,108	-	13,153	24,261
Bonds Payable	-	-	-	-
<b>Total Current Liabilities</b>	<b>105,428</b>	<b>187,473</b>	<b>52,620</b>	<b>345,521</b>
Non-current Liabilities				
Prepaid Tap Fees	-	-	-	-
Advance from Other Funds	-	40,000	-	40,000
Long Term Debt, net of unamortized premiums and discounts				
Certificates of Participation Payable	-	-	-	-
Loans Payable	344,678	-	806,001	1,150,679
Bonds Payable	-	-	-	-
<b>Total Non-current Liabilities</b>	<b>344,678</b>	<b>40,000</b>	<b>806,001</b>	<b>1,190,679</b>
<b>Total Liabilities</b>	<b>450,105</b>	<b>227,473</b>	<b>858,621</b>	<b>1,536,199</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	9,749,852	3,927,627	72,666	13,750,145
Restricted				
Bond Reserves	13,668	-	165	13,833
Operations and Maintenance Reserves	-	-	6,189	6,189
Unrestricted	1,329,976	132,326	(41,648)	1,420,653
<b>Total Net Assets</b>	<b>\$ 11,093,496</b>	<b>\$ 4,059,952</b>	<b>\$ 37,372</b>	<b>\$ 15,190,820</b>

**Town of Erie, Colorado**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Non-Major Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Non-Major Proprietary Funds			Total Non-Major Proprietary Funds
	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority Fund	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 387,275	\$ 96,115	\$ 77,279	\$ 560,668
<b>OPERATING EXPENSES</b>				
Personnel Services	84,924	4,260	5,716	94,900
Operations & Maintenance	53,301	142,135	40,737	236,173
Depreciation	227,265	119,501	29,023	375,789
Project Expenses	-	-	-	-
Total Operating Expenses	365,490	265,896	75,476	706,861
Net Operating Income (Loss)	21,785	(169,781)	1,803	(146,193)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Other Non-Operating Income	79	14,018	-	14,097
Interest Income	7,923	1,964	34	9,921
Intergovernmental	296,025	216,901	-	512,926
Amortization of Debt Issuance Costs	-	-	(3,788)	(3,788)
Interest Expense	(7,279)	-	(35,049)	(42,328)
Issuance Costs	-	-	-	-
Total Non-Operating Revenues (Expenses)	296,748	232,883	(38,803)	490,828
Income (Loss) Before Contributions	318,533	63,102	(37,000)	344,635
Capital Contributions	-	-	-	-
Transfers In	39,627	-	-	39,627
Transfers Out	-	(19,813)	-	(19,813)
Change in Net Assets	358,160	43,289	(37,000)	364,448
<b>Total Net Assets - Beginning</b>	<b>10,735,336</b>	<b>4,016,664</b>	<b>74,372</b>	<b>14,826,372</b>
<b>Total Net Assets - Ending</b>	<b>\$ 11,093,496</b>	<b>\$ 4,059,952</b>	<b>\$ 37,372</b>	<b>\$ 15,190,820</b>

**Town of Erie, Colorado**  
**Combining Statement of Cash Flows**  
**Non-Major Proprietary Funds**  
**For the Year Ended December 31, 2010**

	Non-Major Proprietary Funds			Total Non-Major Proprietary Funds
	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 129,912	\$ 183,535	\$ 77,891	\$ 391,338
Payments to Employees	(84,055)	(4,163)	(5,716)	(93,934)
Payments to Suppliers	9,568	(35,732)	(41,179)	(67,342)
Net Cash Provided by (Used in) Operating Activities	55,426	143,640	30,996	230,061
<b>Cash Flows from Non-capital Financing Activities</b>				
Advance from Other Funds	-	40,000	-	40,000
Transfer from Other Funds	39,627	-	-	39,627
Transfer to Other Funds	-	(19,813)	-	(19,813)
Cash Flows Provided by (Used in) Non-capital Financing Activities	39,627	20,187	-	59,813
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Capital Debt	-	-	-	-
Payments to Defease Capital Debt	-	-	-	-
Acquisition and Construction of Capital Assets	(345,791)	(287,327)	-	(633,118)
Principal Paid on Capital Debt	(10,890)	-	(19,785)	(30,675)
Interest Paid on Capital Debt	(7,442)	-	(37,391)	(44,833)
Capital Contributions	296,025	216,901	-	512,926
Cash Flows Provided by (Used in) Capital and Related Financing Activities	(68,098)	(70,426)	(57,176)	(195,700)
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	(22,473)	(91,156)	-	(113,630)
Proceeds from Sale and Maturity of Investments	-	-	-	-
Earnings on Investments	2,492	1,654	34	4,181
Cash Flows Provided by (Used in) Investing Activities	(19,981)	(89,502)	34	(109,449)
Net Increase (Decrease) in Cash and Cash Equivalents	6,973	3,899	(26,146)	(15,275)
Cash and Cash Equivalents - January 1	37,156	1,158	30,319	68,633
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 44,129</b>	<b>\$ 5,057</b>	<b>\$ 4,173</b>	<b>\$ 53,358</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	\$ 21,785	\$ (169,781)	\$ 1,803	\$ (146,193)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Acitivities				
Depreciation Expense	227,265	119,501	29,023	375,789
Other Income	79	14,018	-	14,097
(Increase) Decrease in				
Accounts Receivable	(257,442)	78,302	-	(179,140)
Prepaid Items	-	6,119	-	6,119
Increase (Decrease) in				
Accounts Payable	62,869	100,284	(442)	162,711
Accrued Compensation Payable	869	97	-	966
Due to Other Organizations	-	3,500	-	3,500
Deferred Revenue	-	(8,400)	612	(7,788)
Prepaid Tap Fees	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	55,426	143,640	30,996	230,061

**Town of Erie, Colorado**  
**Water Fund - 002**  
**Schedule of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget and Actual - Non-GAAP Budgetary Basis**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Charges for Services	\$ 6,101,800	\$ 6,111,400	\$ 5,511,767	\$ 5,510,842	\$ (600,558)
Other Non-Operating Income	124,600	117,500	79,323	22,429	(95,071)
Interest Income	200,000	200,000	53,790	123,758	(76,242)
Proceeds from Debt Issuance	-	-	-	-	-
Capital Contributions	2,245,200	2,675,800	2,671,115	2,671,115	(4,685)
Intergovernmental	-	-	-	-	-
Transfers In	-	-	-	-	-
<b>Total Revenues</b>	<b>8,671,600</b>	<b>9,104,700</b>	<b>8,315,996</b>	<b>8,328,144</b>	<b>(776,556)</b>
<b>EXPENSES</b>					
Operating Expenses					
Personnel Services	1,263,100	1,265,800	1,212,818	1,166,763	99,037
Operations & Maintenance	1,814,900	1,818,200	1,415,897	1,568,297	249,903
Depreciation	-	-	1,876,677	-	-
Amortization of Debt Issuance Costs	-	-	27,724	-	-
Debt Related Expenses					
Principal Payments	1,225,000	1,225,000	-	1,260,000	(35,000)
Interest Expense	1,768,400	1,768,400	2,266,314	2,079,533	(311,133)
Issuance Costs	-	-	3,331	3,331	(3,331)
Project Expenses					
Land and Water Rights	4,061,800	2,988,800	-	523,750	2,465,050
Buildings, Property, and Equipment	1,299,300	10,064,900	27,243	3,097,666	6,967,234
Other	65,000	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenses</b>	<b>11,497,500</b>	<b>19,131,100</b>	<b>6,830,005</b>	<b>9,699,340</b>	<b>9,431,760</b>
Change in Net Assets	\$ (2,825,900)	\$ (10,026,400)	1,485,991	(1,371,197)	\$ 8,655,203
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(12,148)	
Transfers In			-	-	
Expense Accruals			-	(108,160)	
Principal Payments			-	1,260,000	
Depreciation and Amortization			-	(1,876,677)	
Project Expenses Capitalized			-	3,594,172	
Transfers Out			-	-	
Change in Net Assets - (GAAP Basis)			<u>\$ 1,485,991</u>	1,485,991	
<b>Total Net Assets - Beginning (As Adjusted)</b>				<u>101,992,553</u>	
<b>Total Net Assets - Ending</b>				<u>\$ 103,478,544</u>	

**Town of Erie, Colorado**  
**Wastewater Fund - 012**  
**Schedule of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget and Actual - Non-GAAP Budgetary Basis**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Charges for Services	\$ 3,126,100	\$ 3,126,100	\$ 2,774,232	\$ 2,774,232	\$ (351,868)
Other Non-Operating Income	-	-	6,550	6,254	6,254
Interest Income	82,900	82,900	91,326	167,343	84,443
Proceeds from Debt Issuance	-	-	-	-	-
Capital Contributions	437,600	523,400	536,250	536,250	12,850
Intergovernmental	-	-	-	-	-
Transfers In	-	-	-	-	-
<b>Total Revenues</b>	<b>3,646,600</b>	<b>3,732,400</b>	<b>3,408,357</b>	<b>3,484,078</b>	<b>(248,322)</b>
<b>EXPENSES</b>					
Operating Expenses					
Personnel Services	968,700	964,900	912,108	886,185	78,715
Operations & Maintenance	632,500	632,500	494,088	437,998	194,502
Depreciation	-	-	776,962	-	-
Amortization of Debt Issuance Costs	-	-	5,818	-	-
Debt Related Expenses					
Principal Payments	742,100	742,100	-	460,178	281,922
Interest Expense	911,800	911,800	1,016,230	1,012,339	(100,539)
Issuance Costs	-	-	-	-	-
Project Expenses					
Land and Water Rights	-	-	-	-	-
Buildings, Property, and Equipment	675,000	28,731,800	56,038	18,832,124	9,899,676
Other	15,000	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenses</b>	<b>3,945,100</b>	<b>31,983,100</b>	<b>3,261,244</b>	<b>21,628,823</b>	<b>10,354,277</b>
<b>Change in Net Assets</b>	<b>\$ (298,500)</b>	<b>\$ (28,250,700)</b>	<b>147,113</b>	<b>(18,144,745)</b>	<b>\$ 10,105,955</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	(75,721)	
Transfers In			-	-	
Expense Accruals			-	(91,723)	
Principal Payments			-	460,178	
Depreciation and Amortization			-	(776,962)	
Project Expenses Capitalized			-	18,776,087	
Transfers Out			-	-	
<b>Change in Net Assets - (GAAP Basis)</b>			<b>\$ 147,113</b>	<b>147,113</b>	
<b>Total Net Assets - Beginning (As Adjusted)</b>				<b>39,415,317</b>	
<b>Total Net Assets - Ending</b>				<b>\$ 39,562,430</b>	

**Town of Erie, Colorado**  
**Storm Drainage Operating Fund - 010**  
**Schedule of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget and Actual - Non-GAAP Budgetary Basis**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Charges for Services	\$ 384,000	\$ 384,000	\$ 387,275	\$ 387,275	\$ 3,275
Other Non-Operating Income	-	-	79	-	-
Interest Income	23,000	23,000	7,923	16,336	(6,664)
Proceeds from Debt Issuance	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Intergovernmental	-	335,000	296,025	40,260	(294,740)
Transfers In	-	-	39,627	-	-
<b>Total Revenues</b>	<b>407,000</b>	<b>742,000</b>	<b>730,928</b>	<b>443,871</b>	<b>(298,129)</b>
<b>EXPENSES</b>					
Operating Expenses					
Personnel Services	92,700	92,700	84,924	81,728	10,972
Operations & Maintenance	128,400	128,400	53,301	53,301	75,099
Depreciation	-	-	227,265	-	-
Amortization of Debt Issuance Costs	-	-	-	-	-
Debt Related Expenses					
Principal Payments	10,900	10,900	-	10,467	433
Interest Expense	7,400	7,400	7,279	7,756	(356)
Issuance Costs	-	-	-	-	-
Project Expenses					
Land and Water Rights	42,500	-	-	-	-
Buildings, Property, and Equipment	122,000	557,000	-	220,377	336,624
Other	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Expenses</b>	<b>403,900</b>	<b>796,400</b>	<b>372,769</b>	<b>373,629</b>	<b>422,771</b>
<b>Change in Net Assets</b>	<b>\$ 3,100</b>	<b>\$ (54,400)</b>	<b>358,160</b>	<b>70,243</b>	<b>\$ 124,643</b>
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	247,430	
Transfers In			-	39,627	
Expense Accruals			-	(2,718)	
Principal Payments			-	10,467	
Depreciation and Amortization			-	(227,265)	
Project Expenses Capitalized			-	220,377	
Transfers Out			-	-	
<b>Change in Net Assets - (GAAP Basis)</b>			<b>\$ 358,160</b>	<b>358,160</b>	
<b>Total Net Assets - Beginning</b>				<b>10,735,336</b>	
<b>Total Net Assets - Ending</b>				<b>\$ 11,093,496</b>	

**Town of Erie, Colorado**  
**Airport Fund - 011**  
**Schedule of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget and Actual - Non-GAAP Budgetary Basis**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	GAAP Basis	Budgetary Basis	
<b>REVENUES</b>					
Charges for Services	\$ 87,200	\$ 87,200	\$ 96,115	\$ 96,115	\$ 8,915
Other Non-Operating Income	11,100	1,500	14,018	5,128	3,628
Interest Income	15,000	24,600	1,964	11,334	(13,266)
Proceeds from Debt Issuance	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Intergovernmental	250,000	544,100	216,901	-	(544,100)
Transfers In	-	40,000	-	-	(40,000)
<b>Total Revenues</b>	<b>363,300</b>	<b>697,400</b>	<b>328,998</b>	<b>112,576</b>	<b>(584,824)</b>
<b>EXPENSES</b>					
Operating Expenses					
Personnel Services	3,600	6,400	4,260	4,163	2,237
Operations & Maintenance	155,800	177,300	142,135	133,340	43,960
Depreciation	-	-	119,501	-	-
Amortization of Debt Issuance Costs	-	-	-	-	-
Debt Related Expenses					
Principal Payments	-	-	-	-	-
Interest Expense	-	-	-	-	-
Issuance Costs	-	-	-	-	-
Project Expenses					
Land and Water Rights	-	-	-	-	-
Buildings, Property, and Equipment	365,000	648,700	-	130,938	517,762
Other	-	-	-	-	-
Transfers Out	-	-	19,813	-	-
<b>Total Expenses</b>	<b>524,400</b>	<b>832,400</b>	<b>285,709</b>	<b>268,442</b>	<b>563,958</b>
Change in Net Assets	\$ (161,100)	\$ (135,000)	43,289	(155,866)	\$ (20,866)
<b>Amounts Not Budgeted</b>					
Revenue Accruals			-	216,421	
Transfers In			-	-	
Expense Accruals			-	(8,891)	
Principal Payments			-	-	
Depreciation and Amortization			-	(119,501)	
Project Expenses Capitalized			-	130,938	
Transfers Out			-	(19,813)	
Change in Net Assets - (GAAP Basis)			\$ 43,289	43,289	
<b>Total Net Assets - Beginning</b>				<b>4,016,664</b>	
<b>Total Net Assets - Ending</b>				<b>\$ 4,059,952</b>	

## Statistical Section

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This part of the Town of Erie’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	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	2010
<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	\$ 72,498,257
Restricted	9,472,616	17,668,735	22,213,890	21,364,804	22,628,014	17,065,975	21,282,036
Unrestricted	7,273,410	11,207,490	29,704,628	16,480,097	19,422,764	17,917,745	8,127,869
<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>101,908,162</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	139,778,932
Restricted	13,699,842	4,718,710	4,583,110	14,328,718	15,722,590	5,939,968	7,790,656
Unrestricted	12,822,358	22,471,445	25,951,901	19,793,449	16,889,395	20,708,504	10,662,206
<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>158,231,794</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	212,277,189
Restricted	23,172,458	22,387,445	26,797,000	35,693,522	38,350,604	23,005,943	29,072,692
Unrestricted	20,095,768	33,678,935	55,656,529	36,273,546	36,312,159	38,626,249	18,790,075
<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>	<b>\$ 260,139,956</b>

Source: Town of Erie Finance Department

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

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

	Fiscal Year						
	2004 <sup>(1)</sup>	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
<b>Governmental Activities:</b>							
General Government	\$ 2,936,254	\$ 2,516,273	\$ 2,279,543	\$ 2,852,921	\$ 2,542,611	\$ 2,191,872	\$ 2,025,071
Parks & Recreation	910,232	1,103,296	1,453,447	1,833,112	4,178,321	4,700,478	5,209,771
Public Safety	1,382,872	1,719,409	1,864,065	1,934,542	2,070,326	2,106,365	2,337,449
Public Works	1,417,943	1,792,625	2,215,283	2,457,612	2,830,931	2,757,873	2,771,238
Interest on Long-Term Debt	185,984	178,160	245,770	1,177,219	907,069	<b>868,802</b>	854,380
<b>Total Governmental Activities Expenses</b>	<b>6,833,285</b>	<b>7,309,763</b>	<b>8,058,108</b>	<b>10,255,406</b>	<b>12,529,258</b>	<b>12,625,390</b>	<b>13,197,909</b>
<b>Business-Type Activities:</b>							
Water	3,914,473	4,258,665	4,916,945	5,849,291	5,920,041	6,412,330	6,830,005
Wastewater	1,559,719	1,854,437	2,019,365	2,060,713	2,370,152	2,728,947	3,261,244
Storm Drainage	183,331	287,721	321,017	345,266	359,817	381,752	372,769
Airport	295,410	368,502	482,347	479,946	246,451	320,180	265,896
Housing Authority	111,662	<b>107,904</b>	106,572	107,822	118,011	109,513	114,313
<b>Total Business-Type Activities Expenses</b>	<b>6,064,595</b>	<b>6,877,229</b>	<b>7,846,246</b>	<b>8,843,038</b>	<b>9,014,472</b>	<b>9,952,722</b>	<b>10,844,227</b>
<b>Total Primary Government Expenses</b>	<b>\$ 12,897,880</b>	<b>\$ 14,186,992</b>	<b>\$ 15,904,354</b>	<b>\$ 19,098,444</b>	<b>\$ 21,543,730</b>	<b>\$ 22,578,112</b>	<b>\$ 24,042,136</b>
<b>Program Revenues</b>							
<b>Governmental Activities:</b>							
<b>Charges for Services</b>							
General Government	\$ 2,119,343	\$ 2,188,739	\$ 1,435,627	\$ 970,615	\$ 1,180,105	\$ 656,516	\$ 572,119
Parks and Recreation	50,025	62,414	65,400	78,197	1,355,988	1,254,479	1,904,056
Public Safety	116,525	179,917	192,831	113,193	108,343	121,429	135,506
Public Works	204,563	240,794	403,518	634,361	1,208,708	953,418	1,796,856
Operating Grants and Contributions	125,064	59,624	33,306	8,632	-	11,924	14,598
Capital Grants and Contributions	11,138,506	<b>9,205,961</b>	17,486,048	10,684,131	6,269,316	1,330,022	1,166,046
<b>Total Governmental Activities Program Revenues</b>	<b>13,754,026</b>	<b>11,937,449</b>	<b>19,616,730</b>	<b>12,489,129</b>	<b>10,122,460</b>	<b>4,327,788</b>	<b>5,589,181</b>
<b>Business-Type Activities:</b>							
<b>Charges for Services</b>							
Water	2,705,358	3,625,729	4,792,751	4,803,707	5,395,596	4,995,495	5,511,767
Wastewater	1,133,672	1,398,101	1,738,799	2,004,146	2,123,952	2,359,528	2,774,232
Other Activities	553,884	393,410	757,614	763,136	574,355	552,392	560,669
Capital Grants and Contributions	38,237,409	<b>27,232,102</b>	14,934,116	12,481,218	6,312,796	3,689,777	3,720,291
<b>Total Business-Type Activities Program Revenues</b>	<b>42,630,323</b>	<b>32,649,342</b>	<b>22,223,280</b>	<b>20,052,207</b>	<b>14,406,699</b>	<b>11,597,192</b>	<b>12,566,959</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 56,384,349</b>	<b>\$ 44,586,791</b>	<b>\$ 41,840,010</b>	<b>\$ 32,541,336</b>	<b>\$ 24,529,159</b>	<b>\$ 15,924,980</b>	<b>\$ 18,156,140</b>
<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)	\$ (7,608,728)
Business-Type Activities	36,565,728	26,037,753	14,377,034	11,209,169	5,392,227	1,644,470	1,722,732
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ 43,486,469</b>	<b>\$ 30,665,439</b>	<b>\$ 25,935,656</b>	<b>\$ 13,442,892</b>	<b>\$ 2,985,429</b>	<b>\$ (6,653,132)</b>	<b>\$ (5,885,996)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental Activities:</b>							
<b>Taxes</b>							
Sales & Use Taxes	\$ 5,521,258	\$ 5,698,013	\$ 4,619,335	\$ 3,922,663	\$ 3,559,908	\$ 3,126,330	\$ 3,420,183
Property Taxes	788,955	1,297,382	1,628,286	3,078,525	3,556,517	3,720,316	3,947,570
Franchise Taxes	282,980	389,787	456,110	507,525	589,062	571,130	684,352
Transportation Taxes	468,683	538,998	673,676	806,622	883,191	926,189	950,021
Other Taxes	89,183	90,766	133,689	142,283	147,324	235,249	59,151
Investment Earnings	184,664	786,400	2,193,728	2,734,514	1,633,905	621,372	279,776
Other Miscellaneous	514,218	<b>456,322</b>	455,373	789,859	204,950	84,860	170,926
<b>Total Governmental Activities</b>	<b>7,849,941</b>	<b>9,257,668</b>	<b>10,160,197</b>	<b>11,981,991</b>	<b>10,574,857</b>	<b>9,285,446</b>	<b>9,511,979</b>
<b>Business-Type Activities:</b>							
Investment Earnings	361,030	954,971	1,583,138	2,063,478	1,405,388	438,286	155,037
Other Miscellaneous	102,527	<b>182,403</b>	664,385	249,360	271,320	92,529	119,783
<b>Total Business-Type Activities</b>	<b>463,557</b>	<b>1,137,374</b>	<b>2,247,523</b>	<b>2,312,838</b>	<b>1,676,708</b>	<b>530,815</b>	<b>274,820</b>
<b>Total Primary Government General Revenue and Other Changes in Net Assets</b>	<b>\$ 8,313,498</b>	<b>\$ 10,395,042</b>	<b>\$ 12,407,720</b>	<b>\$ 14,294,829</b>	<b>\$ 12,251,565</b>	<b>\$ 9,816,261</b>	<b>\$ 9,786,799</b>
<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	\$ 1,903,251
Business-Type Activities	37,029,285	27,175,127	16,624,557	13,522,007	7,068,935	<b>2,175,285</b>	1,997,552
<b>Total Primary Government Changes in Net Assets</b>	<b>\$ 51,799,967</b>	<b>\$ 41,060,481</b>	<b>\$ 38,343,376</b>	<b>\$ 27,737,721</b>	<b>\$ 15,236,994</b>	<b>\$ 3,163,129</b>	<b>\$ 3,900,803</b>

Source: Town of Erie Finance Department

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

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

	Fiscal Year									
	2001	2002	2003	2004 <sup>(1)</sup>	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 354,049	\$ 244,747	\$ 265,249	\$ 362,116	\$ 229,174	\$ 15,307,980	\$ 2,884,711	\$ 3,664,997	\$ 1,253,409	\$ 8,025,287
Unreserved	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	8,245,195
Total General Fund	\$ 1,029,747	\$ 1,690,410	\$ 3,531,866	\$ 7,713,833	\$ 11,734,091	\$ 30,389,443	\$ 18,289,608	\$ 20,174,420	\$ 18,611,881	\$ 16,270,482
All Other Governmental Funds										
Reserved	\$ 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	13,328,502
Unreserved, Reported in:										
Special Revenue Funds	(518,295)	(376,105)	414,479	-	-	151,887	179,743	144,587	133,606	-
Total of All Other Governmental Funds	\$ 619,317	\$ 1,639,000	\$ 4,492,309	\$ 11,444,500	\$ 17,455,004	\$ 21,968,293	\$ 21,000,171	\$ 22,210,360	\$ 16,773,193	\$ 13,328,502

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 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	\$ 8,273,559
Licenses and Permits	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	1,968,364
Intergovernmental	334,412	651,796	436,368	475,854	505,979	659,054	685,090	1,363,593	1,199,026	536,684
Charges for Services	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	3,736,348
Fines	73,817	82,000	88,712	116,525	179,917	192,831	113,193	108,343	121,429	135,506
Investment Earnings	-	-	-	184,664	786,400	2,193,728	2,734,513	1,633,905	621,372	262,564
Miscellaneous	658,561	1,028,128	561,426	554,354	286,456	1,355,123	1,333,578	229,917	280,207	190,739
<b>Total Revenues</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>15,103,764</b>
<b>Expenditures</b>										
General Government	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	1,986,858
Parks & Recreation	559,822	597,834	644,330	764,938	1,026,281	1,766,445	1,546,258	3,821,824	2,035,521	2,240,394
Public Safety	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	1,582,570
Public Works	828,331	747,506	758,968	1,008,671	1,237,714	1,267,684	1,525,403	1,694,976	4,272,112	4,468,041
Small Equipment	9,552	39,248	-	-	-	-	-	-	-	-
Capital Outlay	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	8,606,166
Debt Service										
Principal	270,637	373,297	257,000	239,600	220,110	205,000	340,000	800,000	845,000	880,000
Interest	215,087	204,838	193,833	186,633	178,843	133,055	1,230,056	922,632	889,732	857,444
Bond Issuance Costs	-	-	-	-	-	297,249	-	-	-	-
<b>Total Expenditures</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>	<b>20,621,473</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(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)	(5,517,710)
<b>Other Financing Sources (Uses)</b>										
Open Space Land Financing	292,750	7,560	-	-	-	-	-	-	-	-
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	155,730	-	-	-
Bond Proceeds	-	-	-	-	-	20,206,989	-	-	-	-
Payment for Refunded Bonds	-	-	-	-	-	(2,991,338)	-	-	-	-
Operating Transfers In	308,557	-	-	-	135,000	85,000	698,300	104,939	718,200	1,126,396
Operating Transfers Out	(323,557)	-	-	-	(135,000)	(85,000)	(698,300)	(98,900)	(718,200)	(1,135,709)
<b>Total Other Financing Sources (Uses)</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>(9,313)</b>
<b>Net Changes in Fund Balance</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>	<b>\$ (5,527,023)</b>
Debt Service as a Percentage of Noncapital Expenditures	8.70%	10.81%	8.16%	6.79%	5.98%	8.74%	17.00%	14.91%	14.88%	14.16%

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
2001	403,037	1,777,499	675,648	204,855	41,507	(3)	(3)	8,967	10,580	3,122,093
2002	609,799	1,781,426	883,541	186,554	59,895	(3)	(3)	10,545	10,500	3,542,260
2003	689,563	1,974,189	1,635,785	220,058	65,753	(3)	(3)	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 <sup>(2)</sup>	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
2010	3,947,570	2,842,974	577,210	684,352	221,453	600,843	127,725	7,724	51,427	9,061,278

Source: Town of Erie Finance Department

<sup>(1)</sup> In November 2004, voters approved a mill levy increase for trails and natural areas. It went into effect in 2005. In 2005 this change added 3.677 mills to the Town's levy. For collection years after 2005, the levy increase is 4.000 mills.

<sup>(2)</sup> In November 2005, voters approved a mill levy increase to construct the Erie Community Center. It went into effect in 2007. In 2007 and later collection years this change added 7.320 mills to the Town's levy.

<sup>(3)</sup> The Town implemented GASB 34, the new reporting standard, in fiscal year 2004. This information is not available for years prior to 2004, since it was included as part of Intergovernmental Revenues in those years.

**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 Real Property	Assessed Value
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
2010	74,095,210	7,658,420	6,248,880	12,085,460	4,334,730	95,753,240

Weld County						
Year <sup>(1)</sup>	Residential	Commercial	Vacant		Less:	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value
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
2010	83,802,080	15,705,830	8,242,820	38,309,470	10,838,480	135,221,720

Boulder County and Weld County			
Year <sup>(1)</sup>	Total	Grand Total	Assessed Value
	Direct Tax Rate	Estimated Actual Taxable Value	as a Percentage of Actual Value <sup>(2)</sup>
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%
2010	17.198	2,222,470,311	11.08%

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: 2010 taxes assessed will be collected in the 2011 calendar year.

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

Town of Erie  
Principal Taxpayers  
December 31, 2010

Taxpayer	Boulder County					
	2010			2001		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas Usa Inc	\$ 3,875,140	1	4.05 %	\$ -	-	- %
Arapahoe Ridge Retail Center LLC	2,669,050	2	2.79	-	-	-
Public Service Co of Colorado	2,624,912	3	2.74	-	-	-
Muhr Partnership Three	1,070,040	4	1.12	-	-	-
Westpac Realty Fund II LLC	869,040	5	0.91	-	-	-
Tousa Recovery Acquisition LLC	823,520	6	0.86	-	-	-
Boulder Valley Investment LLC	672,580	7	0.70	-	-	-
Richmond American Homes of Colorado Inc	637,160	8	0.67	-	-	-
CVH Investments LLC	549,900	9	0.57	-	-	-
Richard E & Deborah L Oliver	503,040	10	0.53	-	-	-
Becky Family Investment Co LLLP	-	-	-	1,319,510	1	3.49
Hudson Construction LLC	-	-	-	615,830	2	1.63
Boulder Valley Investment LLC	-	-	-	495,830	3	1.31
Safeway Inc	-	-	-	488,620	4	1.29
Westpac Realty Fund II LLC	-	-	-	357,710	5	0.95
Westpac Realty Fund II LLC	-	-	-	346,430	6	0.92
Boulder Valley Investment LLC	-	-	-	312,480	7	0.83
Boulder Valley Investment LLC	-	-	-	312,480	8	0.83
Becky Family Investment Co LLLP	-	-	-	298,470	9	0.79
Boulder Valley Investment LLC	-	-	-	290,320	10	0.77
	<u>\$ 14,294,382</u>		<u>14.93 %</u>	<u>\$ 4,837,680</u>		<u>12.80 %</u>

Taxpayer	Weld County					
	2010			2001 <sup>(1)</sup>		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas (USA) Inc	\$ 7,545,490	1	5.58 %	\$ -	-	- %
Kerr-McGee Oil & Gas Onshore LP	4,091,370	2	3.03	-	-	-
Noble Energy	3,157,580	3	2.34	-	-	-
Vista Ridge Development LLC	1,216,350	4	0.90	-	-	-
Erie Commons Commercial Partners LLC	1,157,440	5	0.86	-	-	-
Waste Connections Inc	1,058,080	6	0.78	-	-	-
Colorado National Golf Club LLC	1,052,810	7	0.78	-	-	-
Comcast of Colorado I LLC	794,650	8	0.59	-	-	-
Right Sky Properties LLC	786,880	9	0.58	-	-	-
Public Service CO of Colo (Xcel)	713,500	10	0.53	-	-	-
	<u>\$ 21,574,150</u>		<u>15.95 %</u>	<u>\$ -</u>		<u>- %</u>

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

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

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

Boulder County										
Year	Town of Erie	Boulder County	St Vrain Valley School District	Boulder Valley School District	Mountain View Fire Protection District	Northern Colorado Water Conservation District	Urban Drainage & Flood District	Lafayette Rural Fire District	High Plains Library <sup>(2)</sup>	Total
Rates (In mills) <sup>(1)</sup>										
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
2010	17.198	23.667	46.268	39.999	11.747	1.000	0.508	2.500	3.255	146.142

Levy										
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
2010	1,646,764	137,564,655	73,308,962	167,976,116	4,609,169	5,347,290	2,124,166	112,829	292,936	392,982,887

Weld County										
Year	Town of Erie	Weld County	St Vrain Valley School District	Frederick Firestone Fire Protection District	Mountain View Fire Protection District	Northern Colorado Water Conservation District	Tri-Area Ambulance Special District <sup>(3)</sup>	Vista Ridge Metro Special District	High Plains Library	St Vrain Sanitation District
Rates (In mills) <sup>(1)</sup>										
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
2010	17.198	16.804	46.268	12.401	11.747	1.000	-	57.827	3.255	0.737

Levy										
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
2010	2,325,543	96,972,420	36,441,473	4,025,507	6,115,352	4,203,631	-	2,889,985	16,628,403	322,948

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: 2010 taxes assessed will be collected in the 2011 calendar year

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

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

Weld County

Bridgewater Metro #1	Bridgewater Metro #2	Bridgewater Metro #3	Erie Commons Metro #2	Erie Corporate Center Metro #2	Erie Corporate Center Metro #3	Total
-	-	-	-	-	-	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	50.000	17.140	435.170
50.000	50.000	50.000	50.000	50.000	18.000	435.237
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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
123	21,312	61,517	487,437	16,824	9,539	139,567,435
129	29,192	75,290	666,755	17,961	13,554	170,728,143

**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
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>(3)</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
2010	3,972,307	3,945,965	99.34

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: 2010 taxes assessed will be collected in the 2011 calendar year.

<sup>(2)</sup> In November 2004, voters approved a mill levy increase for trails and natural areas.

It went into effect in 2005. In 2005 this change added 3.677 mills to the Town's levy.

For collection years after 2005, the levy increase is 4.000 mills.

<sup>(3)</sup> In November 2005, voters approved a mill levy increase to construct the Erie Community Center. It went into effect in 2007. In 2007 and later collection years this change added 7.320 mills to the Town's levy.

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

Year	Automotive	General	Construction Materials	Total Sales and Use Tax	Total Direct Tax Rate
2001	\$ 210,930 <sup>(1)</sup>	\$ 1,206,567	\$ 675,648	\$ 2,093,145	3.50 %
2002	734,425	1,043,074	883,541	2,661,040	3.50
2003	773,889	1,007,537	1,635,785	3,417,211	3.50
2004	819,053	1,155,136	3,390,914	5,365,103	3.50
2005	972,415	1,157,929	3,316,384	5,446,728	3.50
2006	1,116,128	1,265,501	2,153,162	4,534,791	3.50
2007	1,193,071	1,273,102	1,131,969	3,598,142	3.50
2008	1,079,982	1,710,712	935,125	3,725,819	3.50
2009	845,641	1,779,142	553,590	3,178,373	3.50
2010	1,105,114	1,737,860	577,210	3,420,184	3.50

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

<sup>(1)</sup> Boulder County automotive sales tax data unavailable.

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			
2001	3.50 %	2.90 %	0.60 %	0.10 %	0.10 %	0.40 %	4.10 %			
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			
2010	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	
2001	3.50 %	2.90 %	0.60 %	0.10 %	3.60 %	
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	
2010	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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Aggregate top ten filers <sup>(1)</sup>	\$ 667,050	\$ 686,529	\$ 723,615	\$ 762,952	\$ 837,475	\$ 820,681	\$ 731,869	\$ 876,757	\$ 857,218	\$ 1,009,572
Aggregate all other filers	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	2,410,611
Total sales and use tax	\$ 2,453,147	\$ 2,664,967	\$ 3,609,974	\$ 5,521,258	\$ 5,698,013	\$ 4,619,335	\$ 3,922,663	\$ 3,559,908	\$ 3,126,330	\$ 3,420,183
Top ten filers as a percentage of total tax	27.2%	25.8%	20.0%	13.8%	14.7%	17.8%	18.7%	24.6%	27.4%	29.5%

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: 7-Eleven 34168A, County Line Wine & Spirits, New Cingular Wireless (Boulder County), New Cingular Wireless (Weld County), Ridge Liquor, Starbucks Coffee #13426, Verizon Wireless (VAW) LLC (Boulder County), Venzon Wireless (VAW) LLC (Weld County), Vista Ridge Catering LLC and Walgreens #12864

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

Fiscal Year	Governmental Activities			Business-Type		
	General Obligation Bonds	Open Space	Capital Leases	Water Revenue Bonds <sup>(2)</sup>	Wastewater Revenue Bonds <sup>(2)</sup>	Storm Drainage Loan
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
2010	17,355,000	-	-	35,396,000	24,505,236	355,785

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

Activities		Total Primary Government	Boulder County	Weld County	Per Capita
Housing Authority <sup>(3)</sup>	Capital Leases		Percentage of Personal Income	Percentage of Personal Income	
\$ -	\$ -	\$ 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	0.64%	1.48%	5,599
856,327	30,515,000	100,528,727	0.67%	1.42%	5,828
838,939	29,955,000	111,017,027	(1)	(1)	6,138
819,154	29,990,000	108,421,175	(1)	(1)	5,840

**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
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
2010	18,564	2,222,470,311	17,355,000	0.78	935

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, 2010**

	<u>Outstanding General Bonded Debt</u>	<u>Percentage Applicable to the Town</u>	<u>Share of Debt Applicable to the Town</u>
Direct Debt			
Town of Erie	\$ 17,355,000	100 %	\$ 17,355,000
Overlapping Debt <sup>(1)</sup>			
Boulder Valley School District	374,280,000	1	3,742,800
Erie Commons Metro #1	8,480,000	100	8,480,000
Frederick-Firestone Fire Protection District	3,055,000	1	30,550
Northern Colorado Water Conservation District	4,069,927	2	81,399
St Vrain Valley School District	452,735,000	5	22,636,750
Vista Ridge Metropolitan District	<u>39,616,644</u>	100	<u>39,616,644</u>
Total Overlapping Debt	<u>882,236,571</u>		<u>74,588,143</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 899,591,571</u>		<u>\$ 91,943,143</u>

Source: Provided by each government entity

<sup>(1)</sup>The following governments had no outstanding general bonded debt as of December 31, 2010

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 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	\$ 66,674,109
Total Net Debt Applicable to Limit	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	17,355,000
Legal Debt Margin	\$ 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	\$ 49,319,109
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.92%	17.80%	15.17%	11.44%	9.85%	45.11%	37.35%	31.14%	28.18%	26.03%

Legal Debt Margin Calculation for Fiscal Year 2010

Actual Valuation	
Boulder County	\$ 1,009,800,900
Weld County	1,212,669,411
Total Actual Valuation	<u>\$ 2,222,470,311</u>
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	\$ 66,674,109
Debt Applicable to Limitation:	
Outstanding Balance of General Obligation Bonds	<u>17,355,000</u>
Legal Debt Margin	<u>\$ 49,319,109</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	
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
2010	8,315,995	2,628,715	5,687,280	1,260,000	1,592,148	2,852,148	1.99

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	
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
2010	3,310,482	1,406,196	1,904,286	460,178	1,018,239	1,478,417	1.29

Source: Town of Erie Finance Department

<sup>(1)</sup>Gross revenues consist of wastewater 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
2001	7,817	\$ 12,085,925	\$ 40,436	33.8	27,500	3.5	\$ 4,950,093	\$ 25,367	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	15,039,895	50,058	36.0	28,677	4.9	7,067,989	28,402	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
2010	18,564	<sup>(3)</sup>	<sup>(3)</sup>	35.8	29,360	6.7	<sup>(3)</sup>	<sup>(3)</sup>	33.1	26,617	10.0

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

<u>Employer</u>	2010		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Erie	258	1	9.21 %
St Vrain Valley School District	250	2	8.93
Colorado National Golf Club	75	3	2.68
Safeway	70	4	2.50
Magpul Industries	60	5	2.14
John Murphy Millworks	25	6	0.89
Front Range Hospice	25	7	0.89
Walgreens	20	8	0.71
Yellow Scene	12	9	0.43
Erie Animal Hospital	7	10	0.25
Total	<u>802</u>		<u>28.64 %</u>

	2005 <sup>(1)</sup>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Safeway	130	1	6.50 %
Town of Erie	80	2	4.00
Erie Elementary	46	3	2.30
Erie Middle/Senior High	45	4	2.25
Vista Ridge	25	5	1.25
Great American Tire	20	6	1.00
County Line Lumber	14	7	0.70
Ehrhart Griffin & Associates	14	7	0.70
Forever Young	13	9	0.65
Erie Pre-Cast Concrete	12	10	0.60
	<u>399</u>		<u>19.95 %</u>

Source: Erie Chamber of Commerce

<sup>(1)</sup> 2001 Information is not available. 2005 information will be used for the next several years

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

Function	Full-Time Equivalent employees as of December 31									
	2001	2002	2003	2004	2005	2006	2007 <sup>(1)</sup>	2008	2009	2010
General Government	24.750	14.000	12.375	13.775	14.775	15.900	16.400	14.450	13.300	13.800
Parks & Recreation										
Parks	8.000	9.000	8.500	10.000	11.000	11.000	11.000	11.000	11.000	16.000
Recreation	4.150	4.100	4.600	4.650	4.650	4.650	50.540	50.540	51.140	51.140
Public Safety										
Police	18.250	18.250	18.250	20.250	22.650	22.650	22.650	22.650	23.650	24.650
Public Works	24.000	9.000	7.750	8.500	8.750	8.750	8.125	8.425	8.425	8.425
Water	4.000	15.000	13.833	14.848	15.973	16.515	16.828	16.903	16.878	17.128
Wastewater	3.000	12.000	10.803	11.808	11.933	12.475	12.787	12.862	12.837	13.087
Storm Drainage	-	-	0.990	1.320	1.320	1.340	1.340	1.340	1.340	1.340
Airport	1.000	1.000	1.000	1.000	1.000	1.020	0.020	0.020	0.020	0.020
<b>Total</b>	<b>87.150</b>	<b>82.350</b>	<b>78.101</b>	<b>86.151</b>	<b>92.051</b>	<b>94.300</b>	<b>139.690</b>	<b>138.190</b>	<b>138.590</b>	<b>145.590</b>

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Parks</b>										
Total Acres of Parks Maintained	24	24	68	69	72	87	73	87	91	148
Total Acres of Open Space Maintained	14	32	116	116	120	169.18	259.21	204	204	272
<b>Recreation</b>										
Participation in Recreation Activities	549	700	576	284	391	1,470	1,558	5,248	5,512	40,862
Participation in Sports	830	947	984	1,039	1,147	1,267	1,347	1,737	2,161	3,303
Participation in Senior Activities	849	682	920	1,179	893	1,029	849	2,572	5,459	3,667
Senior Lunches	1,687	1,271	1,550	2,037	2,177	2,082	1,833	2,742	2,059	2,636
<b>Police</b>										
Traffic Violations	710	779	660	1,011	1,586	987	838	823	840	1,021
Criminal Violations	650	690	554	615	821	828	323	318	173	158
<b>Water</b>										
Number of Service Connections	3,141	3,404	3,850	4,574	5,340	5,787	6,030	6,228	6,383	6,572
Average Daily Flow (million gallons per day)	<sup>(1)</sup>	1.72	1.54	1.78	2.25	2.60	2.50	2.57	2.358	2.53
<b>Wastewater</b>										
Number of Service Connections	2,945	3,243	3,673	4,343	5,070	5,551	5,789	5,982	6,106	6,216
Average Monthly Flows (million gallons per day)	0.528	0.510	0.578	0.706	0.784	0.840	0.964	0.930	0.964	1.007

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Parks and Recreation										
Community Center <sup>(2)</sup>	-	-	-	-	-	-	1	1	1	1
Parks	5	5	8	8	8	8	8	7	10	10
Park Acreage	24	24	68	69	72	87.3	72.9	87	90.5	148
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	4	4	6	6	6	7	8	8	8	8
Public Works										
Streets (miles)	67.15	72.26	90.29	99.34	100.09	119.00	105.13	112.29	132.00	130.00
Water										
Water Mains (miles)	46.39	52.60	72.30	93.12	117.01	153.00	110.00	110.00	111.00	111.00
Maximum Daily Capacity (million gallons per day)	4.00	6.00	6.00	6.00	12.00	12.00	7.25	12.20	12.20	12.20
Wastewater										
Sanitary Sewers (miles)	33.54	40.79	51.29	66.29	86.17	164.00	93.43	93.43	94.00	94.00
Maximum Daily Capacity (million gallons per day)	0.80	0.80	0.80	0.80	1.20	1.20	1.20	1.20	1.80	1.80
Storm Drainage										
Storm Sewers (miles)	12.61	16.53	20.23	27.32	(1)	(1)	(1)	32.45	34.00	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

<sup>(2)</sup>Erie Community Center opened December 31, 2007

**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
	2001	\$ 19,826,322	\$ 430,506,306	\$ 450,332,628	9	\$ 872,658	220
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
2010	80,565,996	1,983,526,184	2,064,092,180	3	14,093,550	119	25,714,523

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, 2010, is as follows:

Operating Revenue		
Charges for Services	\$ 2,774,232	
Capital Contributions (Tap Fees)	536,250	
Total Operating Revenue	<u>                    </u>	\$ 3,310,482
Operating & Maintenance Expense <sup>(1)</sup>		<u>1,406,196</u>
Net Revenue		1,904,286
2010 Principal Due	460,178	
2010 Interest Due	1,018,239	
Total Debt Service	<u>1,478,417</u>	
110% of Total Debt Service		<u>1,626,258</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 278,028</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 year ended December 31, 2010.

## 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 ending December 31, 2010, is as follows:

Operating Revenue		
Charges for Services	\$ 2,774,232	
Capital Contributions (Tap Fees)	<u>536,250</u>	
Total Operating Revenue		\$ 3,310,482
Operating & Maintenance Expense <sup>(1)</sup>		<u>1,406,196</u>
Net Revenue		1,904,286
2010 Principal Due	460,178	
2010 Interest Due	<u>1,018,239</u>	
Total Debt Service	<u>1,478,417</u>	
125% of Total Debt Service		<u>1,848,021</u>
Amount Net Revenue Exceeded Loan Requirements		<u>\$ 56,265</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 year ended December 31, 2010.

### 3. 2008a and 2009a 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 2008a and 2009a Wastewater Revenue Bonds, other revenue bonds, and other loans.

The rate maintenance calculation for the year ended ending December 31, 2010, is as follows:

Operating Revenue		
Charges for Services	\$ 2,774,232	
Capital Contributions (Tap Fees)	536,250	
Total Operating Revenue	<u>                    </u>	\$ 3,310,482
Operating & Maintenance Expense <sup>(1)</sup>		<u>1,406,196</u>
Net Revenue		1,904,286
2010 Principal Due	460,178	
2010 Interest Due	1,018,239	
Total Debt Service	<u>                    </u>	1,478,417
125% of Total Debt Service		<u>                    </u> 1,848,021
Amount Net Revenue Exceeded Loan Requirements		<u><u>                    </u></u> \$ 56,265

<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 year ended December 31, 2010.

#### 4. 2008b 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 2008b Wastewater Revenue Bonds, other revenue bonds, and other loans.

The rate maintenance calculation for the year ended ending December 31, 2010, is as follows:

Operating Revenue		
Charges for Services	\$ 2,774,232	
Capital Contributions (Tap Fees)	<u>536,250</u>	
Total Operating Revenue		\$ 3,310,482
Operating & Maintenance		
Expense <sup>(1)</sup>		<u>1,406,196</u>
Net Revenue		1,904,286
2010 Principal Due	460,178	
2010 Interest Due	<u>1,018,239</u>	
Total Debt Service	1,478,417	
125% of Total Debt Service		<u>1,848,021</u>
Amount Net Revenue Exceeded Loan Requirements		<u><u>\$ 56,265</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 year ended December 31, 2010.

History of Net Revenues and Pro-Forma Debt Service Coverage

	2004	2005	2006	2007	2008	2009	2010
Gross Revenues							
Charges for Services	\$ 1,133,672	\$ 1,398,101	\$ 1,738,799	\$ 2,004,146	\$ 2,123,952	\$ 2,359,528	\$ 2,774,232
Interest Income	84,605	269,000	561,530	607,842	455,732	227,299	91,326
Other income	60,894	63,397	66,580	12,834	127,344	4,384	6,550
Tap fees	1,964,000	3,080,000	1,711,677	1,164,000	800,481	493,910	536,250
Total Gross Revenues	3,243,171	4,810,498	4,078,586	3,788,822	3,507,509	3,085,121	3,408,358
Operation and Maintenance Expenses	995,223	1,128,840	1,226,783	1,213,319	1,408,979	1,410,235	1,406,196
Net Revenues	\$ 2,247,948	\$ 3,681,658	\$ 2,851,803	\$ 2,575,503	\$ 2,098,530	\$ 1,674,886	\$ 2,002,162
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	\$ 1,478,417
Pro-Forma Coverage	1.38x	2.27x	1.76x	1.59x	1.29x	1.03x	1.35x

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	4	77,220	107	493,910
2010	119	499,070	3	37,180	122	536,250

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%
2010	6,112	104	6,216	1.8%

Largest Customers of the System - 2010

Type of Business	2010 Revenue	% of Total <sup>(1)</sup>
Homeowner's Association	\$ 56,149	2.02 %
School District	54,162	1.95
Homeowner's Association	15,429	0.56
Municipality	12,891	0.46
Homeowner's Association	7,866	0.28
Retail Grocer	7,192	0.30
Mobile Home Park	5,700	0.21
Retail Gas Station	5,643	0.20
Retail Golf Course	5,600	0.20
Homeowner's Association	5,084	0.18
Total	\$ 175,716	6.36 %

<sup>(1)</sup> Based on total charges for service of \$2,774,232 in 2010.

Budget Summary and Comparison - Wastewater Fund

	2009 Final Budget	2009 Actual	2010 Final Budget	2010 Actual
Budgeted Beginning Fund Balance	\$ 22,982,821	\$ 22,982,821	\$ 32,110,007	\$ 32,110,007
Revenues				
Charges for services	2,536,900	2,359,528	3,126,100	2,774,232
Interest Income	331,000	227,299	82,900	91,326
Debt Proceeds	14,034,700	14,227,559	-	-
Other nonoperating income	-	4,384	-	6,550
Tap fees	832,000	493,910	523,400	536,250
Total revenues	17,734,600	17,312,680	3,732,400	3,408,358
Total funds available	40,717,421	40,295,501	35,842,407	35,518,365
Operating Expenses				
Administration	714,300	673,253	768,200	649,253
Debt service	1,059,700	1,170,224	1,653,900	1,472,517
Collection	135,400	119,532	135,100	101,298
Treatment	684,000	610,010	694,100	573,632
Capital outlay (repairs and maint)	75,000	9,746	65,200	35,764
Capital outlay (additional capacity)	33,579,600	5,602,729	28,666,600	18,796,360
Total operating expenses	36,248,000	8,185,494	31,983,100	21,628,823
Available Fund Over (Under) Expenses	\$ 4,469,421	\$ 32,110,007	\$ 3,859,307	\$ 13,889,542

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

	Year Ended December 31,					
	2005	2006	2007	2008	2009	2010
Operating Revenues						
Charges for Services	\$ 1,398,101	\$ 1,738,799	\$ 2,004,146	\$ 2,123,952	\$ 2,359,528	\$ 2,774,232
Operating Expenses						
Personnel Services	742,509	760,084	834,735	901,264	928,272	912,108
Operations and Maintenance	386,331	466,699	378,584	507,715	481,963	494,088
Depreciation	568,670	643,288	705,813	763,332	777,846	776,962
Project Expenses	-	-	-	-	-	56,038
Total Operating Expenses	1,697,510	1,870,071	1,919,132	2,172,311	2,188,081	2,239,196
Net Operating Income (Loss)	(299,409)	(131,272)	85,014	(48,359)	171,447	535,036
Nonoperating Revenues (Expenses)						
Interest Income	269,000	561,530	676,203	500,331	227,299	91,326
Other	63,397	66,580	12,834	127,344	4,384	6,550
Amortization of Debt Issuance Costs	(3,573)	(3,730)	(3,887)	(36,971)	(7,936)	(5,818)
Interest Expense	(153,354)	(145,564)	(137,694)	(160,870)	(532,930)	(1,016,230)
Total Nonoperating Revenues (Expenses)	175,470	478,816	547,456	429,834	(309,183)	(924,172)
Income before Contributions	(123,939)	347,544	632,470	381,475	(137,736)	(389,136)
Capital Contributions	4,826,567	4,149,690	3,839,485	1,631,575	493,910	536,250
Change in Net Assets	4,702,628	4,497,234	4,471,955	2,013,050	356,174	147,114
Total Net Assets - Beginning	23,406,560	28,109,190	32,606,422	37,078,377	39,091,429	39,415,347
Total Net Assets - Ending	\$ 28,109,188	\$ 32,606,424	\$ 37,078,377	\$ 39,091,427	\$ 39,447,603	\$ 39,562,461

## 5. 2007a Water Refunding Bond

The Town is required by certain debt covenants to maintain rates and charges for the Water system for each calendar year in an amount sufficient to (1) pay operating expenses, (2) pay any amount required by a debt service reserve, and (3) pay at least 125% of the 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, 2010, is as follows:

Operating Revenue		
Charges for Services	\$	5,511,767
Other Income		79,323
Investment Earnings		53,790
Capital Contributions (Tap Fees)		<u>2,671,115</u>
Total Operating Revenue	\$	<u>8,315,995</u>
Operating & Maintenance		
Expense <sup>(1)</sup>		<u>2,628,715</u>
Net Revenue		<u>5,687,280</u>
CWRPDA and GMAC Principal Due		610,000
CWRPDA and GMAC Interest Due		491,481
Revenue Bonds (2007a/2007b) Principal Due		255,000
Revenue Bonds (2007a/2007b) Interest Due		916,654
Revenue Bonds (2009b) Principal Due		395,000
Revenue Bonds (2009b) Interest Due		<u>184,013</u>
Total Debt Service		<u>2,852,148</u>
125% of Total Debt Service		<u>3,565,186</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>2,122,094</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 year ended December 31, 2010.

## 6. 2007b Water Revenue Bond

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

The rate maintenance calculation for the year ended December 31, 2010, is as follows:

Operating Revenue		
Charges for Services	\$	5,511,767
Other Income		79,323
Investment Earnings		53,790
Capital Contributions (Tap Fees)		2,671,115
Total Operating Revenue	\$	8,315,995
Operating & Maintenance Expense <sup>(1)</sup>		2,628,715
Net Revenue		5,687,280
CWRPDA and GMAC Principal Due		610,000
CWRPDA and GMAC Interest Due		491,481
Revenue Bonds (2007a/2007b) Principal Due		255,000
Revenue Bonds (2007a/2007b) Interest Due		916,654
Revenue Bonds (2009b) Principal Due		395,000
Revenue Bonds (2009b) Interest Due		184,013
Total Debt Service		2,852,148
125% of Total Debt Service		3,565,186
Amount Net Revenue Exceeded Loan Requirements	\$	2,122,094

<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 year ended December 31, 2010.

## 7. 2009b 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, 2010, is as follows:

Operating Revenue		
Charges for Services	\$	5,511,767
Other Income		79,323
Investment Earnings		53,790
Capital Contributions (Tap Fees)		<u>2,671,115</u>
Total Operating Revenue	\$	<u>8,315,995</u>
Operating & Maintenance		
Expense <sup>(1)</sup>		<u>2,628,715</u>
Net Revenue		<u>5,687,280</u>
CWRPDA and GMAC Principal Due		610,000
CWRPDA and GMAC Interest Due		491,481
Revenue Bonds (2007a/2007b) Principal Due		255,000
Revenue Bonds (2007a/2007b) Interest Due		916,654
Revenue Bonds (2009b) Principal Due		395,000
Revenue Bonds (2009b) Interest Due		<u>184,013</u>
Total Debt Service		<u>2,852,148</u>
125% of Total Debt Service		<u>3,565,186</u>
Amount Net Revenue Exceeded Loan Requirements	\$	<u><u>2,122,094</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 year ended December 31, 2010.

## 6. Water CWRPDA 2004 Loan

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

The rate maintenance calculation for the year ended December 31, 2010, is as follows:

Operating Revenue		
Charges for Services	\$ 5,511,767	
Other Income	79,323	
Investment Earnings	53,790	
Capital Contributions (Tap Fees) <sup>(1)</sup>	2,003,336	
Total Operating Revenue		\$ 7,648,216
Operating & Maintenance Expense <sup>2</sup>		2,628,715
Net Revenue		5,019,501
CWRPDA and GMAC Principal Due	610,000	
CWRPDA and GMAC Interest Due	491,481	
Revenue Bonds (2007a/2007b) Principal Due	255,000	
Revenue Bonds (2007a/2007b) Interest Due	916,654	
Revenue Bonds (2009b) Principal Due	395,000	
Revenue Bonds (2009b) Interest Due	184,013	
Total Debt Service	2,852,148	
125% of Total Debt Service		3,565,186
Amount Net Revenue Exceeded Loan Requirements		\$ 1,454,315

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

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

There were no material violations of legal covenants for the year ended December 31, 2010.

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
2010	6,503

Table 3  
System Accounts

Classification	Number of Accounts	Percent of Total Accounts
Residential	6,267	96%
Commercial	236	4%
<b>Total</b>	<b>6,503</b>	<b>100%</b>

Table 4  
Five Largest Consumers of the System

Customer	Revenue Percentage
St Vrain Valley School District	3.00%
Town of Erie	2.47%
Blue Sky at Vista Ridge	1.60%
Arapahoe Ridge HOA	0.79%
Kenosha Farms HOA	0.66%

Table 5  
System Income

	2004	2005	2006	2007	2008	2009	2010
User Charges	\$ 2,705,358	\$ 3,625,729	\$ 4,792,751	\$ 4,803,707	\$ 5,395,596	\$ 4,995,495	\$ 5,511,767
Contributed Capital - Tap Fees	14,577,250	17,093,209	8,848,116	5,955,348	4,063,131	2,463,790	2,671,115
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	79,323
Investment Earnings	246,101	658,406	979,127	1,327,613	852,045	187,881	53,790
<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>	<b>\$ 8,315,995</b>

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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: Erie, Colorado
		YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of _) Town of Erie	Prepared By: Phone:	Robert Hartwig 303-926-2751

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,110,126
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	158,220
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	97,875
2. General fund appropriations	1,198,216	b. Snow and ice removal	21,229
3. Other local imposts (from page 2)	489,954	c. Other	403,350
4. Miscellaneous local receipts (from page 2)	128,959	d. Total (a. through c.)	522,454
5. Transfers from toll facilities		4. General administration & miscellaneous	472,518
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	369,561
a. Bonds - Original Issues		6. Total (1 through 5)	2,632,879
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	117,163
7. Total (1 through 6)	1,817,129	b. Redemption	255,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	372,163
<b>C. Receipts from State government (from page 2)</b>	1,268,188	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,085,317	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	372,163
		<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>	3,005,042

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	2,730,000		255,000	2,475,000
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
	3,280,806	3,085,317	3,005,042	3,361,081	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2010

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	22,367
<b>b. Other local imposts:</b>		b. Traffic Fines & Penalties	106,592
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	204,260	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	285,694	g. Other Misc. Receipts	
6. Total (1. through 5.)	489,954	h. Other	
c. Total (a. + b.)	489,954	i. Total (a. through h.)	128,959
	(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	554,729	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	63,485	d. Federal Transit Admin	
d. Other (Specify) - ARRA Grant	649,974	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	713,459	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,268,188	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.I. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		497	497
<b>c. Construction:</b>			
(1). New Facilities		37,672	37,672
(2). Capacity Improvements			0
(3). System Preservation		465,033	465,033
(4). System Enhancement & Operation		606,924	606,924
(5). Total Construction (1) + (2) + (3) + (4)	0	1,109,629	1,109,629
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,110,126	1,110,126
			(Carry forward to page 1)

Notes and Comments:

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