TOWN OF ELIZABETH

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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THE ADAMS GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Board of Trustees
Town of Elizabeth
Elizabeth, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Elizabeth, Colorado (the Town) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

400 S. Colorado Blvd., Ste. 690 • Denver, CO 80246 • 303-733-3796 • 303-733-6230 fax • www.tagcpaco.com

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 and each major fund of the Town of Elizabeth as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplement information on pages iii-x and pages 26-29 be presented to the supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual major budget to actual statement and the local highway finance report are presented for purposes of additional analysis and are not a required part of the financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual major budget to actual statement and the local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Adams Group, LLC

July 9, 2019
Denver, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Elizabeth (the Town) offers the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2018.

Financial Highlights

- On a government-wide level, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $21,839,452 (net position) at the close of the fiscal year.
- Total net position increased by $2,760,217 or 14.5%, mainly attributable to the increase in the Town's tax revenues, charges for services and capital grants and contributions.
- The Town's governmental funds reported combined ending fund balances of $9,634,230 at the close of the fiscal year. Of this amount, $1,200 is non-spendable for prepaid expenses, $89,412 is restricted for emergencies, $81,923 is restricted for parks, $8,862,510 is assigned for other capital improvements and $599,185 is unassigned.
- Total cash and investments increased by $2,539,546 or 26.05% from the prior year, mainly attributable to a focus on decreased spending.
- The Town's Water and Wastewater Fund's net position increased by $1,063,338 or 16.32%, mainly attributable to an increase in tap fee revenues.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary information and schedules in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between the four is reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Thus, revenues and the statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the Town that are principally to be supported by property taxes and sales taxes (governmental activities). The governmental activities of the Town include general government, public safety (police), public works, and parks and recreation. The business-type activities of the Town include water and wastewater operations.

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 funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported 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. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains four individual governmental funds. Information for these funds is presented by fund name in the Governmental Fund Balance Sheet and the governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balances because they all meet the criteria to be designated as major funds (General Fund, Street Maintenance Fund, Street Capital Improvement Fund, and Capital Improvement Fund).

Proprietary funds. The Town's water and wastewater utility services are reported in a proprietary fund; it focuses on overall economic position rather than year-end fund balances. An enterprise fund is the type of proprietary fund used to account for this fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately after the basic financial statements.

Other information. Budgetary comparison statements or schedules for all funds with budgeted/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations. For the year ended December 31, 2018, all funds had budgeted expenditures/expenses.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets related to governmental activities exceeded liabilities by $21,839,452 at the end of the year.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	$10,517,085	$ 8,921,462	$ 3,042,024	$ 1,978,830	$13,559,109	$10,900,292
Capital Assets	8,628,741	8,861,998	7,902,416	8,192,809	16,531,157	17,054,807
Total Assets	19,145,826	17,783,460	10,944,440	10,171,639	30,090,266	27,955,099
Deferred Outflow of Resources	195,515	200,682	-	-	195,515	200,682
Total Deferred Outflow of Resources	195,515	200,682	-	-	195,515	200,682
Current Liabilities	294,218	303,976	89,040	92,021	383,258	395,997
Noncurrent Liabilities	3,949,244	4,333,626	3,562,483	3,850,039	7,511,727	8,183,665
Total Liabilities	4,243,462	4,637,602	3,651,523	3,942,060	7,894,985	8,579,662
Deferred Inflow of Resources	551.344	496,884	-	-	551,344	496,884
Total Deferred Inflow of Resources	551,344	496,884	-	-	551,344	496,884
Net Investment in Capital Assets	4,713,741	4,890,333	4,345,936	4,350,139	9,059,677	9,240,472
Restricted	9,033,845	3,838,352	42,195	45,000	9,076,040	3,883,352
Unrestricted	799,219	4,120,971	2,904,786	1,834,440	3,704,005	5,955,411
Total Net Position	$14,546,535	$12,849,656	$ 7,292,917	$ 6,229,579	$21,839,452	$19,079,235

Net investment in capital assets comprises 41.48% of the Town's total net position at December 31, 2018. The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending.

Approximately 41.5% ($9,076,040) of the Town's total net position at the end of 2018 represents resources that are subject to restrictions as to how they can be used and are not currently available for the Town's ongoing obligations. They are primarily fund balance restrictions for emergency/TABOR reserve ($131,607), Conservation Trust Fund ($81,923), sales taxes collected for street maintenance ($831,786), street improvements ($4,177,698), and capital improvements ($3,881,370). The remaining balance of the Town's net position 16.96% ($3,704,005) is unrestricted and may be used to meet the Town's future expenditures.

At the end of the fiscal year, the Town is able to report positive balances in all three categories of net position.

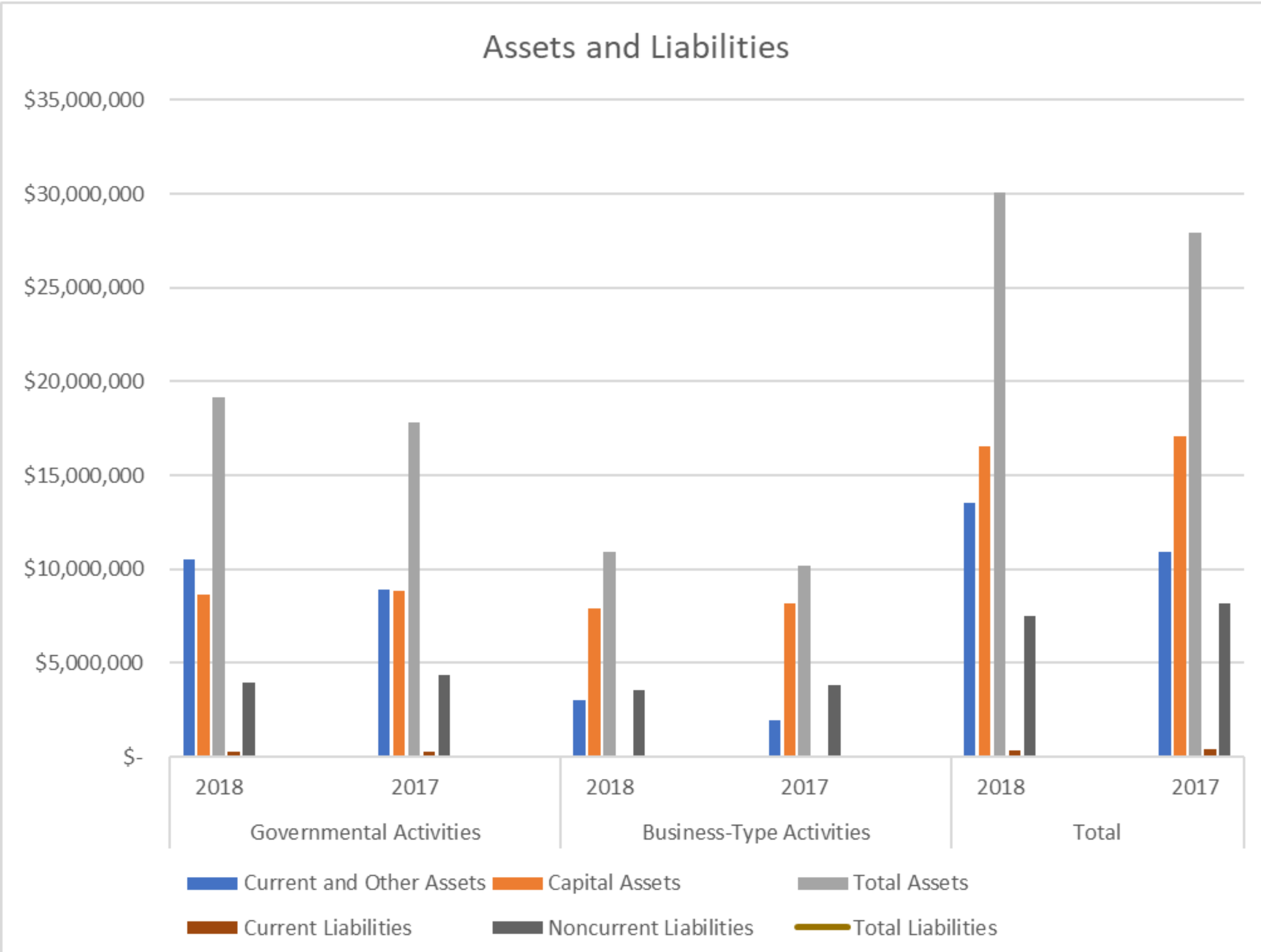
The following chart displays the changes in net position experienced by the Town over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type activities.

Changes in Net Position

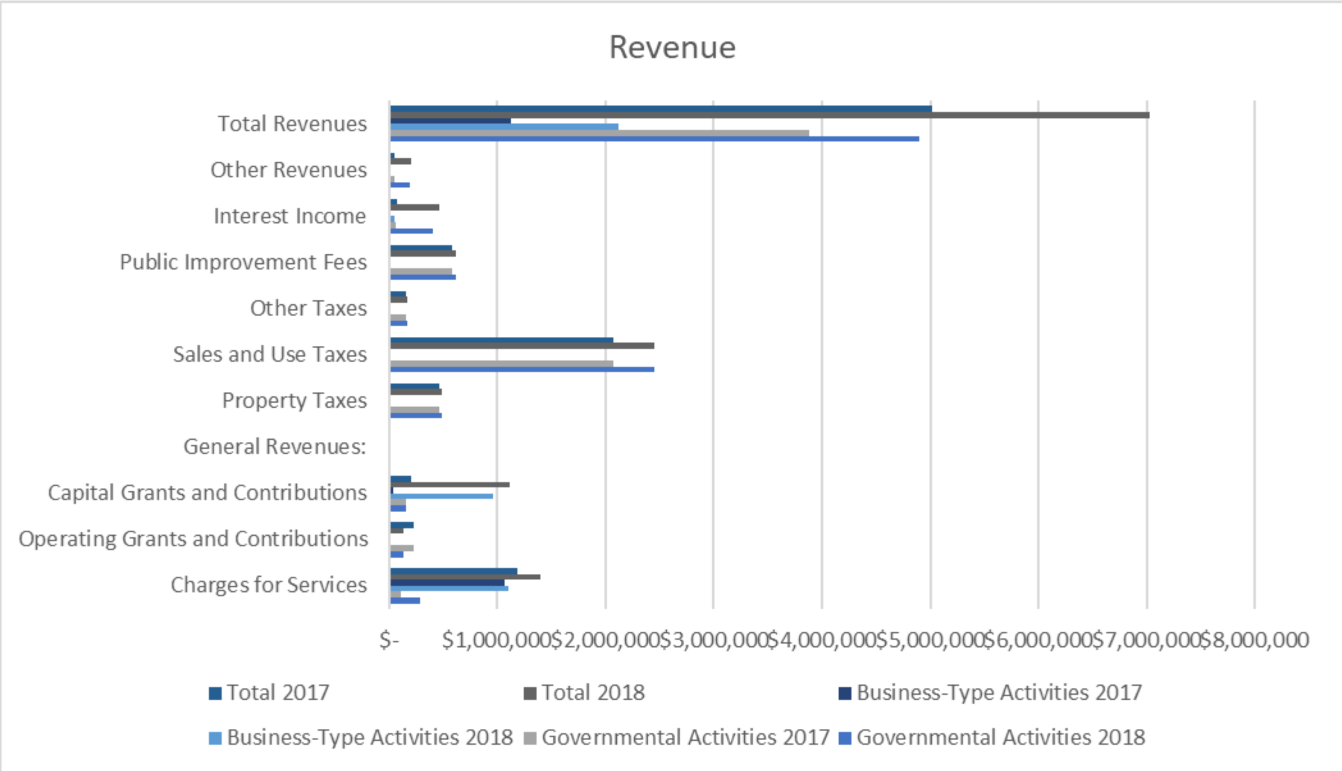
	2018	2017	2018	2017	2018	2017
Revenue:						
Program Revenues:						
Charges for Services	$ 291,046	$ 109,141	$ 1,106,111	$ 1,072,806	$ 1,397,157	$ 1,181,947
Operating Grants and Contributions	130,458	232,867	-	-	130,458	232,867
Capital Grants and Contributions	157,238	162,060	958,500	42,250	1,115,738	204,310
General Revenues:						
Property Taxes	487,940	465,731	-	-	487,940	465,731
Sales and Use Taxes	2,446,205	2,067,816	-	-	2,446,205	2,067,816
Other Taxes	163,813	160,532	-	-	163,813	160,532
Public Improvement Fees	622,348	578,378	-	-	622,348	578,378
Interest Income	410,634	60,262	48,638	14,274	459,272	74,536
Other Revenues	188,664	46,263	12,028	-	200,692	46,263
Total Revenues	4,898,346	3,883,050	2,125,277	1,129,330	7,023,623	5,012,380
Expenses:						
General Government	1,099,989	367,820	-	-	1,099,989	367,820
Public Safety	895,221	795,207	-	-	895,221	795,207
Public Works	729,222	879,278	-	-	729,222	879,278
Parks and Recreation	14,575	64,839	-	-	14,575	64,839
Water and Wastewater Utility	-	-	1,406,506	1,187,720	1,406,506	1,187,720
Interest on Long-Term Debt	117,893	139,230	-	-	117,893	139,230
Total Expenses	2,856,900	2,246,374	1,406,506	1,187,720	4,263,406	3,434,094
Increase (decrease) in net position before transfers	2,041,446	1,636,676	718,771	(58,390)	2,760,217	1,578,286
Transfers In/(Out)	(344,567)	(343,978)	344,567	343,978	-	-
CHANGE IN NET POSITION	1,696,879	1,292,698	1,063,338	285,588	2,760,217	1,578,286
Net Position - Beginning of Year	12,849,656	11,556,958	6,229,579	5,943,991	19,079,235	17,500,949
NET POSITION - END OF YEAR	$14,546,535	$12,849,656	$ 7,292,917	$ 6,229,579	$21,839,452	$19,079,235

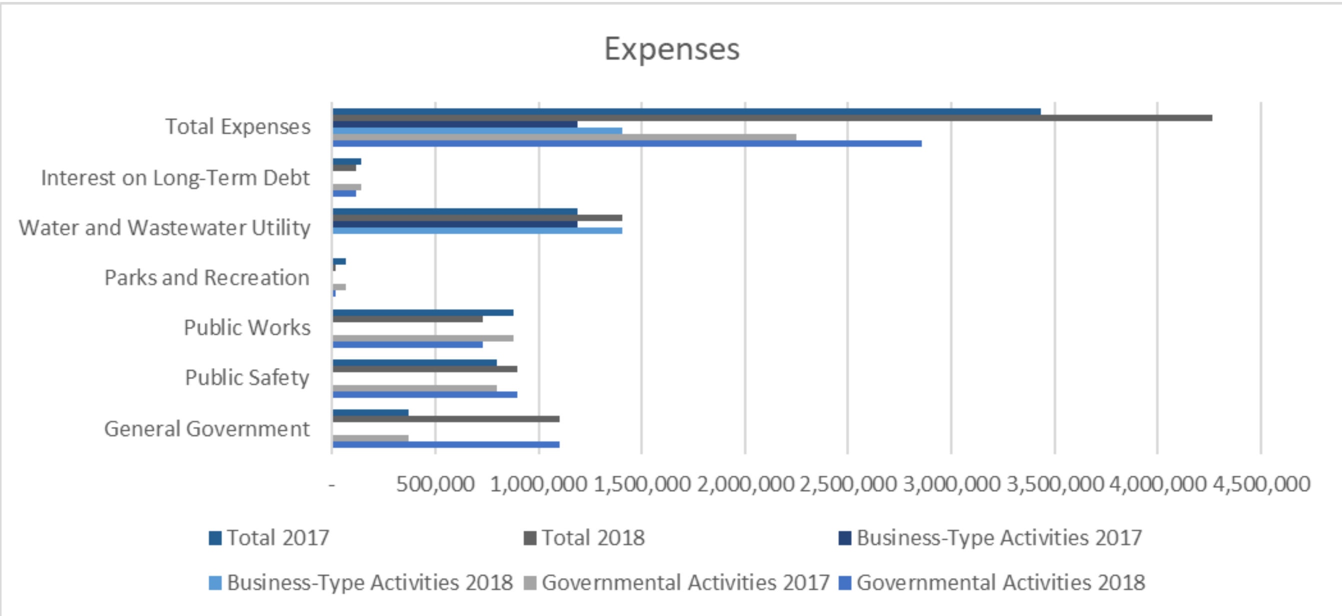
Governmental Activities. The Town's Governmental Activities increased in net position by $1,696,879 or 31.26% in 2018. Most of this increase was due to increases in charges for services, capital grants and contributions and tax revenues and a focus on decreased spending and postponed capital projects.

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.


Assets and Liabilities
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
2018
2017
Governmental Activities
2018
2017
Business-Type Activities
2018
2017
Total
Current and Other Assets
Capital Assets
Total Assets
Current Liabilities
Noncurrent Liabilities
Total Liabilities

Business-Type Activities. Business-type Activities increased the Town's net position by $1,063,338 or 16.3% during 2018. Most of the increase was achieved by an increase in tap fees. Some of this increase was offset by an increase in system operation expenses.





Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2018, the Town's four major Governmental Funds reported combined fund balances of $9,634,230.

General Fund. The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. As of December 31, 2018, fund balance in the General Fund was $743,376. This is a decrease of $230,903 or 23.7% from 2017. This decrease is mainly due to a planned spend down of fund balance in the 2018 budget to address increased demand for various services, such as Police and Community Development, as well as capital expenditures.

Street Maintenance Fund. This fund is utilized to account for 10% of the 1.5% sales and use tax for street maintenance. Other revenues come from a portion of the public improvement fees per an agreement with the WildePoint commercial district. Fund revenues exceeded fund expenditures by $95,912 during 2018.

Street Capital Improvement Fund. This fund is utilized to account for the remaining 90% of the 1.5% sales and use tax described in the preceding paragraph. It also received a portion of the public improvement fees. During 2018, the fund balance increased by $878,162 or 26.6% mainly due to an increase in tax revenues.

Capital Improvement Fund. The Town uses the Capital Improvement Fund to segregate portions of certain revenues for capital needs. During 2018, the Capital Improvement Fund balance increased by $756,853 or 24.2% mainly also due to increased tax revenues along with decreased spending.

Water and Wastewater Fund. At December 31, 2018, the net position of the Water and Wastewater Fund was $7,292,917. This was an increase of $1,063,338 or 16.3% from 2017. The increase is mainly due to an increase in tap fee revenues during 2018.

General Fund Budgetary Highlights

The Town prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sale of assets, and debt repayments, as well as capital outlay, in addition to operations and non-operating revenue and contributions. Capital contributions and depreciation are not reflected on the budget since they do not affect "funds available." This budgetary accounting is required by state statutes.

In the General Fund, the Town's total actual revenue was less than the budgeted revenue by $128,189. This unfavorable variance was primarily due to the receipt of less intergovernmental and miscellaneous revenues.

In the General Fund, the Town's actual expenditures were less than the appropriation by $160,561. This favorable variance was mainly due to the some expenditures in the fund coming in lower than budgeted.

Capital Assets

At December 31, 2018 the Town had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment and park equipment. As mentioned above, the Town has specified certain sales tax revenue streams to fund capital improvements. Of the Town's four cents per dollar sales tax, 37.5% goes to the Capital Improvement Fund and 33.75% goes to the Street Capital Improvement Fund. Note 3 of the financial statements provides a summary of changes in capital assets during the year. During 2018, the Town's major capital purchases included security cameras and a new sound system for Town Hall, playground equipment for Lamar Park, well improvements and the development of a recreational trail system.

Long-Term Debt

As of December 31, 2018, the Town had outstanding bonds from Governmental Activities totaling $3,915,000, and outstanding loans in the Water and Wastewater Fund totaling $3,556,480. In addition, the Town had contractual obligations for compensated absences in the Governmental Funds of $34,244 and in the Water and Wastewater Fund of $6,003. Note 4 of the financial statements provides a summary of the Town's long-term debt.

Economic Factors and Next Year's Budgets and Rates

While the Town's economy has traditionally been primarily driven by agriculture, a shift toward expanded residential development has begun. Retail activity and development are driving economic growth within the Town and the surrounding area. Management believes that the sales and use taxes and public improvement fees will continue to trend upward during the coming year while rates remain the same. Management will closely monitor revenues for sufficiency to cover the costs of increased service demands.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Elizabeth
151 S. Banner Street
Elizabeth, CO 80107
303-646-4166

BASIC FINANCIAL STATEMENTS

TOWN OF ELIZABETH, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	$ 8,988,056	$ 2,909,986	$ 11,898,042
Restricted cash and investments	391,500	-	391,500
Accounts receivables	533,458	132,038	665,496
Property taxes receivable	531,563	-	531,563
Prepaid expenses	1,200	-	1,200
Capital assets, not being depreciated	1,134,721	358,630	1,493,351
Capital assets, net of accumulated depreciation	7,494,020	7,543,786	15,037,806
Net pension asset	71,308	-	71,308
Total assets	19,145,826	10,944,440	30,090,266
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on debt refunding	107,028	-	107,028
Pension related deferred outflow	88,487	-	88,487
Total deferred outflows of resources	195,515	-	195,515
LIABILITIES			
Accounts payable and accrued liabilities	243,533	36,547	280,080
Accrued interest payable	9,013	30,260	39,273
Unearned revenue	11,500		
Deposits	30,172	22,233	52,405
Noncurrent liabilities			
Due within one year	383,424	294,202	677,626
Due in more than one year	3,565,820	3,268,281	6,834,101
Total liabilities	4,243,462	3,651,523	7,894,985
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflow	25,002		25,002
Property taxes	526,342	-	526,342
Total deferred inflows of resources	551,344	-	551,344
NET POSITION			
Net investment in capital assets	4,713,471	4,345,936	9,059,407
Restricted			
Emergency reserves	89,412	42,195	131,607
Parks	81,923	-	81,923
Street maintenance	821,836	-	821,836
Street improvements	4,163,024	-	4,163,024
Capital improvements	3,877,650	-	3,877,650
Unrestricted	799,219	2,904,786	3,704,005
Total net position	$ 14,546,535	$ 7,292,917	$ 21,839,452

These financial statements should be read only in connection with the accompanying notes to financial statements.

TOWN OF ELIZABETH, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 1,099,989	$ 229,440	$ 13,833	$ -	$ (856,716)	$ -	$ (856,716)
Public safety	895,221	51,503	-	-	(843,718)	-	(843,718)
Public works	729,222	9,508	116,625	86,998	(516,091)	-	(516,091)
Parks and recreation	14,575	595	-	70,240	56,260	-	56,260
Interest on long-term debt	117,893	-	-	-	(117,893)	-	(117,893)
Total governemntal activities	2,856,900	291,046	130,458	157,238	(2,278,158)	-	(2,278,158)
Business-Type Activities							
Water and waster water	1,406,506	1,106,111	-	958,500	-	658,105	658,105
Total business-type activities	1,406,506	1,106,111	-	958,500	-	658,105	658,105
Total primary government	4,263,406	1,397,157	130,458	1,115,738	(2,278,158)	658,105	(1,620,053)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Sales and use taxes	2,446,205	-	2,446,205
Property taxes	487,940	-	487,940
Specific ownership taxes	91,169	-	91,169
Other taxes	72,644	-	72,644
Public improvement fees	622,348	-	622,348
Investment income	163,771	48,638	212,409
Miscellaneous	435,527	12,028	447,555
Transfers	(344,567)	344,567	-
Total general revenues	3,975,037	405,233	4,380,270
Change in net position	1,696,879	1,063,338	2,760,217
Net position - Beginning	12,849,656	6,229,579	19,079,235
Net position - Ending	$ 14,546,535	$ 7,292,917	$ 21,839,452

These financial statements should be read only in connection with
the accompanying notes to financials statements.

TOWN OF ELIZABETH, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

		Special Revenue Funds			
	General	Street Maintenance	Street Capital Improvement	Capital Improvements	Total Governmental Funds
ASSETS					
Cash and investments with Treasurer	$ 838,414	$ 779,499	$ 3,614,471	$ 3,755,672	$ 8,988,056
Cash and investments with Treasurer - Restricted	-	-	391,500	-	391,500
Accounts receivable	133,534	67,136	183,227	149,561	533,458
Property taxes receivable	531,563	-	-	-	531,563
Prepaid expenses	1,200	-	-	-	1,200
Total assets	$ 1,504,711	$ 846,635	$ 4,189,198	$ 3,905,233	$ 10,445,777
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 204,821	$ 14,849	$ -	$ 23,863	$ 243,533
Unearned revenue	-	-	11,500	-	11,500
Escrow deposits	30,172	-	-	-	30,172
Total liabilities	234,993	14,849	11,500	23,863	285,205
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes and assessments	526,342	-	-	-	526,342
FUND BALANCES					
Nonspendable					
Prepaid expenses	1,200	-	-	-	1,200
Restricted					
Emergency reserves	61,068	9,950	14,674	3,720	89,412
Parks	81,923	-	-	-	81,923
Assigned					
Street maintenance	-	821,836	-	-	821,836
Street improvements	-	-	4,163,024	-	4,163,024
Capital improvements	-	-	-	3,877,650	3,877,650
Unassigned	599,185	-	-	-	599,185
Total fund balances	743,376	831,786	4,177,698	3,881,370	9,634,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,504,711	$ 846,635	$ 4,189,198	$ 3,905,233	$ 10,445,777

These financial statements should be read only in connection with
the accompanying notes to financials statements.

TOWN OF ELIZABETH, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2018

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - Total governmental funds	$ 9,634,230
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,628,741
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Bonds payable	(3,915,000)
Accrued compensated absences	(34,244)
Accrued interest payable	(9,013)
Loss on debt refunding	107,028
Net pension asset	71,308
Pension related deferred outflows of resources	63,485
Net position of governmental activities	$ 14,546,535

These financial statements should be read only in connection with the accompanying notes to financials statements.

TOWN OF ELIZABETH, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

		Special Revenue Funds			
	General	Street Maintenance	Street Capital Improvement	Capital Improvements	Total Governmental Funds
REVENUES					
Taxes	$ 990,102	$ 271,676	$ 957,314	$ 806,222	$ 3,025,314
Public improvement fees	158,450	18,048	345,030	100,820	622,348
Licenses and permits	230,035	9,508	-	-	239,543
Intergovernmental	13,833	116,625	-	157,238	287,696
Charges for services	51,503	-	-	-	51,503
Net investment income	20,635	10,248	64,949	67,939	163,771
Miscellaneous	340,142	1,482	-	93,200	434,824
Total revenues	1,804,700	427,587	1,367,293	1,225,419	4,824,999
EXPENDITURES					
Current					
General government	1,065,599	-	-	-	1,065,599
Public safety	874,188	-	-	-	874,188
Public works	34,201	331,675	-	-	365,876
Parks and recreation	8,478	-	1,238	-	9,716
Debt service					
Principal	-	-	370,000	-	370,000
Interest and fiscal charges	-	-	117,893	-	117,893
Capital outlay	53,137	-	-	123,999	177,136
Total expenditures	2,035,603	331,675	489,131	123,999	2,980,408
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(230,903)	95,912	878,162	1,101,420	1,844,591
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	-	(344,567)	(344,567)
Total other financing sources (uses)	-	-	-	(344,567)	(344,567)
NET CHANGE IN FUND BALANCES	(230,903)	95,912	878,162	756,853	1,500,024
FUND BALANCES - BEGINNING OF YEAR	974,279	735,874	3,299,536	3,124,517	8,134,206
FUND BALANCES - END OF YEAR	$ 743,376	$ 831,786	$ 4,177,698	$ 3,881,370	$ 9,634,230

TOWN OF ELIZABETH, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - Total governmental funds	$ 1,500,024
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation and donated assets exceeded capital outlay and loss on the disposal of assets in the current period.	
Capital outlay	177,136
Depreciation	(410,393)
The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments made	370,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	
Change in compensated absences	(2,432)
Change in accrued interest	1,089
Amortization of deferred loss on refunding	(11,892)
Pension-related deferred outflows of resources	79,216
Pension-related deferred inflows of resources	(5,869)
Change in net position of governmental activities	$ 1,696,879

These financials statements should be read only in connection with the accompanying notes to financial statements.

TOWN OF ELIZABETH, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2018

		Water and Wastewater
ASSETS		
Current assets		
Cash and investments	$	2,909,986
Accounts receivable		132,038
Total current assets		3,042,024
Noncurrent assets		
Capital assets, not being depreciated		358,630
Capital assets, net of accumulated depreciation		7,543,786
Total noncurrent assets		7,902,416
Total Assets	$	10,944,440
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$	36,547
Accrued interest payable		30,260
Customer deposits		22,233
Compensated absences, current portion		600
Loans payable, current portion		293,602
Total current liabilities		383,242
Noncurrent liabilities		
Compensated absences		5,403
Loans payable		3,262,878
Total noncurrent liabilities		3,268,281
Total liabilities		3,651,523
NET POSITION		
Net investment in capital assets		4,345,936
Restricted for emergencies		42,195
Unrestricted		2,904,786
Total net position	$	7,292,917

These financial statements should be read only in connection with the accompanying notes to financials statements.

TOWN OF ELIZABETH, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
December 31, 2018

	Water and Wastewater
OPERATING REVENUES	
Charges for services	$ 1,106,111
Miscellaneous	12,028
Total operating revenues	1,118,139
OPERATING EXPENSES	
Systems operation	851,763
Depreciation	424,283
Total operating expenses	1,276,046
NET OPERATING LOSS	(157,907)
NONOPERATING REVENUES (EXPENSES)	
Investment income	48,638
Interest expense	(130,460)
Total nonoperating revenues (expenses)	(81,822)
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TAP FEES	(239,729)
CAPITAL CONTRIBUTIONS AND TAP FEES	
Tap fees	958,500
Transfers in	344,567
Total capital contributions and tap fees	1,303,067
CHANGE IN NET POSITION	1,063,338
NET POSITION, BEGINNING OF YEAR	6,229,579
NET POSITION, END OF YEAR	$ 7,292,917

These financial statements should be read only in connection with
the accompanying notes to financials statements.

TOWN OF ELIZABETH, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
December 31, 2018

	Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,118,138
Cash paid to suppliers	(724,496)
Cash paid to employees	(142,381)
Net cash provided by operating activities	251,261
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(122,243)
Tap fees received	947,963
Cash received from other funds	344,567
Loan principal payments	(286,190)
Loan interest payment	(132,814)
Net cash provided by capital and related financing activities	751,283
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	48,638
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,051,182
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,858,804
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,909,986
RECONCILATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income (loss)	$ (157,907)
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation expense	424,283
Changes in assets and liabitlies related to operations	
Accounts payable	(13,749)
Compensated absences payable	(1,366)
Net cash provided by opeating activities	$ 251,261

These financial statements should be read only in connection with the accompanying notes to financials statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Elizabeth, Colorado (the "Town"), was incorporated in 1890, and is governed by a Mayor and six-member Board of Trustees elected by the residents.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to or impose financial burdens on the Town. The Town includes no component units, nor is the Town a component of any other governmental entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Government 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 Activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenue*s. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

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 the 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental funds:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those accounted for in another fund.

Street Maintenance Fund accounts for the collection of ten percent (10%) of a 1.5% sales and use tax restricted by election, and other restricted intergovernmental revenues for the maintenance of streets and roads.

Street Capital Improvement Fund accounts primarily for the collection of ninety percent (90%) of a 1.5% sales and use tax restricted by election for the design, construction, and repayment of debt issued for streets and roads, improvements to street lights, storm water, drainage, pedestrian, landscaping, and modifications to utilities.

Capital Improvement Fund accounts for a 1.5% sales and use tax collected beginning January 1, 2008, through December 31, 2033, restricted by election for the design, construction, and repayment of debt issued for general capital improvements, and land acquisition, and water and wastewater improvements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town reports the following major proprietary fund:

Water and Wastewater Fund accounts for the financial activities associated with the provision of water and sewer services.

Assets, Liabilities and Net Position/Fund Balance

Cash Equivalents – Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents and are generally reported at fair value. CSAFE is measured at amortized cost which is its net asset value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2018, the Town believes all amounts recorded are fully collectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future years, and are reported as prepaid expenses.

Capital Assets – Capital assets, which include land, water and wastewater systems, buildings, equipment, and streets constructed or contributed since January 1, 2004, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Description	Estimated Lives
Land improvements	15 – 25 years
Infrastructure	30 years
Buildings and improvements	25 – 100 years
Vehicles and equipment	3 – 30 years
Plant equipment	5 – 60 years
Plant improvements	5 – 30 years

Deposits – Developer deposits held in escrow and security deposits received from customers are reported as liabilities in the financial statements.

Deferred Inflows of Resources – Deferred inflows of resources include property taxes earned but levied for a subsequent year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Compensated Absences – Employees of the Town are allowed to accumulate unused vacation and sick time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time, based on years of service, up to a maximum of 200 hours, at their current rate of pay. These compensated absences are expended when earned in the proprietary fund and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued vacation time. Employees are not paid for unused sick time. Therefore, no liability is reported for these compensated absences.

Long-Term Obligations – In government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported liabilities. Debt premiums, discounts and losses on debt refunding are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Pensions – The Town participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA).

The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan's fiduciary net position have been determined using the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized in the year the contributions are due.

Net Position/Fund Balance – In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed.

As reported in the governmental fund financial statements, the Board of Trustees establishes a fund balance commitment through passage of a resolution. The Board of Trustees is authorized to informally assign amounts to a specific purpose and has also delegated to the Town Administrator or his designee the authority to assign fund balances for specific purposes.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Town's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes attach as an enforceable lien on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at December 31, 2018, consisted of the following:

Petty cash	$	400
Cash deposits		1,580,489
Investments		10,708,653
Total	$	12,289,542

Cash and investments are classified in the financial statements as follows:

Cash and investments	$	11,898,042
Restricted cash and investments		391,500
Total	$	12,289,542

Cash Deposits

The Colorado Public Deposit Protection act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the Town had bank deposits of $1,742,695 of which $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and $1,492,695 was covered by the PDPA.

Investments

The Town is required to comply with State statutes which specify the investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do no address custodial risk. The Town's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)
Interest Rate Risk – State statutes generally limit investment to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The Town has interest rate risk related to its investments in COLOTRUST and CSAFE. At December 31, 2018, COLOTRUST PLUS+ had a weighted average maturity of 41 days to reset and 61 days to final maturity. At December 31, 2018, CSAFE had a weighted average maturity of 20.66 days.

Credit Risk – State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk – Except for corporate securities, State statutes do not limit the amount the Town may invest in any single investment or issuer.

Local Government Investment Pools – At December 31, 2018, the Town had $7,101,171 and $3,902,320 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at $1. Both pools are rated AAAm by Standard and Poor's. Investments of the pools are limited to those allowed by State statues. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. COLOTRUST and CSAFE do not have any unfunded commitments, redemption restrictions or redemption notice periods.

Fair Value Hierarchy – The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town has no investments required to be reported under the fair value hierarchy.

Restricted Cash and Investments
At December 31, 2018, the Street Capital Improvement Fund reported debt proceeds restricted by the Sales and Use Tax Revenue Bond agreements for debt reserves and street improvements of $391,500.

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2018, is summarized below

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/18
Government Activities				
Capital assets, not being depreciated:				
Land	$ 772,208	$ -	$ -	$ 772,208
Construction in progress	255,513	107,000	-	362,513
Total capital assets, not being depreciated	1,027,721	107,000	-	1,134,721
Capital assets, being depreciated:				
Land improvements	390,898	16,999	-	407,897
Infrastructure	9,954,291	-	-	9,954,291
Building and improvements	805,820	-	-	805,820
Vehicles and equipment	881,514	53,137	-	934,651
Total capital assets, being depreciated	12,032,523	70,136	-	12,102,659
Less accumulated depreciation:				
Land improvements	(146,204)	(17,543)	-	(163,747)
Infrastructure	(3,068,349)	(331,809)	-	(3,400,158)
Building and improvements	(258,224)	(23,491)	-	(281,715)
Vehicles and equipment	(725,469)	(37,550)	-	(763,019)
Total accumulated depreciation	(4,198,246)	(410,393)	-	(4,608,639)
Total capital assets, being depreciated	7,834,277	(340,257)	-	7,494,020
Government Activities Capital Assets, Net	$ 8,861,998	$ (233,257)	$ -	$ 8,628,741

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/18
Business-Type Activities				
Capital assets, not being depreciated				
Land and easements	$ 358,630	$ -	$ -	$ 358,630
Capital assets, being depreciated				
Plant and equipment	8,241,223	-	-	8,241,223
Plant improvements	4,448,131	133,889	-	4,582,020
Total capital assets, being depreciated	12,689,354	133,889	-	12,823,243
Less accumulated depreciation				
Plant and equipment	(3,348,762)	(276,790)	-	(3,625,552)
Plant improvements	(1,506,413)	(147,492)	-	(1,653,905)
Total accumulated depreciation	(4,855,175)	(424,282)	-	(5,279,457)
Total capital assts, being depreciated, net	7,834,179	(290,393)	-	7,543,786
Business-Type Activities Capital Assets, Net	$ 8,192,809	$ (290,393)	$ -	$ 7,902,416

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/program of the Town as follows:

Government Activities		
General government	$	20,194
Public safety		20,744
Public works		364,596
Parks and recreation		4,859
Total	$	410,393

NOTE 4 - LONG-TERM DEBT

Government Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2018.

	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Due Within One Year
2015 revenue refunding bonds	$ 3,110,000	$ -	$ 145,000	$ 2,965,000	$ 150,000
2014 revenue refunding bonds	1,175,000	-	225,000	950,000	230,000
Compensation absences	31,812	44,793	42,361	34,244	3,424
Total	$ 4,316,812	$ 44,793	$ 412,361	$ 3,949,244	$ 383,424

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Government Activities

Revenue Bonds - $3,160,000 Sales and Use Tax Revenue Refunding Bonds, Series 2015, were issued to refund a portion of the existing Sales and Use Tax Revenue Bonds, Series 2006, originally issued to finance street improvements. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at 2.85% per annum. Principal payments are due annually on December 1, through 2027.

$1,995,000 Sales and Use Tax Revenue Refunding Bonds, Series 2014, were issued to refund a portion of the existing Sales and Use Tax Revenue Bonds, Series 2003, originally issued to finance street improvements. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at 2.49% per annum. Principal payments are due annually on December 1, through 2022.

These bonds are payable from ninety percent (90%) of a 1.5% sales and use tax which is reported in the Street Capital Improvement Fund, and if necessary, a 1% sales tax reported in the General Fund. During the year ended December 31, 2018, revenues of $682,939 were available to pay annual debt service of $487,893.

Remaining debt service at December 31, 2018, was as follows:

Year Ended December 31,	Principal	Interest	Total
2019	$ 380,000	$ 108,158	$ 488,158
2020	395,000	98,156	493,156
2021	405,000	87,744	492,744
2022	410,000	77,066	487,066
2023	440,000	66,263	506,263
2024-2027	1,885,000	136,230	2,021,230
Total	$ 3,915,000	$ 573,617	$ 4,488,617

Compensated Absences – Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2018:

	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Due Within One Year
2008 Loan	$ 3,226,696	$ 0	$ 234,372	$ 2,992,324	$ 239,822
2007 Loan	615,974	0	51,818	564,156	53,780
Compensation absences	7,369	3,030	4,396	6,003	600
Total	$ 3,850,039	$ 3,030	$ 290,586	$ 3,562,483	$ 294,202

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)
Loans – During 2008, the Town obtained a loan from the Colorado Water Resources and Power Development Authority (CWRPDA) to finance the upgrade and expansion of the Gold Creek wastewater treatment plant. Principal and interest payments are due semi-annually on February 1 and August 1, through August 1, 2029. Interest accrues at 3.42% per annum.

The loan is payable solely from a 1.5% sales and use tax and other revenues recorded in the Capital Improvement Fund. During the year ended December 31, 2018, revenues of $974,980 were available to per annual debt service of $344,567. Remaining debt service at December 31, 2018 was $3,794,423.

During 2007, the Town obtained a loan from the CWRPDA to finance the construction of a lift station at the Running Creek wastewater treatment plant and the installation of a transfer pipeline to the Gold Creek wastewater treatment plant. Principal and interest payments are due semi-annually on May 1 and November 1, through November 1, 2027. Interest accrues at 3.75% per annum.

The loan is payable solely from revenues to the Town's water and wastewater system, after deducting operating and maintenance costs. During the year ended December 1, 2018, net revenues of $1,273,512 were available to pay annual debt service of $74,436. Remaining debt service at December 31, 2018, was $669,926.

Annual debt service requirements for the outstanding loans at December 31,2018, were as follows:

Year Ended December 31,	Principal	Interest	Total
2019	$ 293,602	$ 125,981	$ 419,583
2020	301,088	116,900	417,988
2021	308,651	109,983	418,634
2022	316,294	103,015	419,309
2023	324,021	95,683	419,704
2024-2029	2,012,824	356,307	2,369,131
Total	$ 3,556,480	$ 907,869	$ 4,464,349

NOTE 5 - INTERFUND TRANSFERS

During the year ended December 31, 2018, the Capital Improvement Fund transferred $344,567 to the Water and Wastewater Fund for debt service on the 2008 CWRPDA loan (see note 4).

NOTE 6 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for its workers compensation claims. For other risks of loss, the Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statues (1982 Replacement Volume) and Colorado Construction, Article XIV, Section 18(2).

The purpose of CIRSA are to provide members defined liability and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

General Information

Plan Description – The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan covers all full-time police officers and certain other auxiliary personnel. Title 31, Article31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided – A plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, return as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information (Continued)

Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, at age 55. A member can continue to work while participating in the DROP, but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plan's net position.

Contributions – The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the state Legislature or by election of the membership. The Town and eligible employees contributed 8% and 9.5% of base salary, respectively, for the year ended December 31, 2018. Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary. The Town's contributions to the plan of the year ended December 31, 2018, were $27,195, equal to the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2018, the Town reported a net pension asset of $71,308, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension liability was based on the Town's contributions to the plan for the calendar year ended December 31, 2017, relative to the projected contributions of all participating employers. At December 31, 2017, the Town's proportion was 0.04956579%, which was an increase of 0.00303236% from its proportion measured at December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension income of $56,022. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 51,423	$ 790
Net difference between projected and actual earnings on plan investments		24,212
Change in assumptions and other inputs	10,744	
Change in proportion	(875)	0
Contributions subsequent to the measurement date	27,195	0
Total	$ 88,487	$ 25,002

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)
Town contributions subsequent to the measurement at of $27,195 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2018	$	8,360
2019		7,257
2020		(3,034)
2021		(6,850)
2022		7,486
Thereafter		23,071
Total	$	36,290

Actuarial Assumptions – The actuarial valuations as of January 1, 2018, determined the total pension liability using the following actuarial assumptions and other inputs:

Investment rate of return, compounded annually, Net of plan investment expenses, including Inflation	7.5%
Inflation	2.5%
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Projected salary increases	4.0-14.0%
Cost of living adjustment	0%

For the actuarial valuation dated January 1, 2019, the investment rate of return was decreased to 7.0%.

Mortality rates for active members were based on the RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Tables for Blue Collar Employees were used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tablets for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used. All tables were projected with Scale BB.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary’s analysis and recommendations from the 2015 Experience Study.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2017, are summarized in the following table:

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37%	8.33%
Equity long/short	9%	7.15%
Illiquid alternatives	24%	9.70%
Fixed income	15%	3.00%
Absolute return	9%	6.46%
Managed futures	4%	6.85%
Cash	2%	2.26%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statues. Based on this assumption, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% increase (8.5%)
Town's proportionate share of the net pension asset (liability)	$ (77,633)	$ 71,308	$ 194,985

Pension Plan Fiduciary Net Position – Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8 - DEFERRED CONTRIBUTION PLANS

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is available to all employees, excluding police officers, and permits them to defer a portion of their salary until future years. The Board of Trustees determines the Town's contributions to the plan. The Town currently matches employee contributions to a maximum of 3% of each employee's salary after one year of employment. During the year ended December 31, 2018, the Town contributed $12,515 to the plan. The plan is administered by FTJ Fundchoice, LLC, and all plan assets are held in trust for the exclusive benefit of the participants.

FPPA Money Purchase Plan

The Town contributes to the Statewide Money Purchase Plan, a multiple-employer defined contribution pension plan, on behalf of the Police Chef. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the Town. Participants vest immediately in their contributions. Vesting in the Town's contributions and the related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2018, the Town contributed $8,292 to the plan, equal to the required contributions.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Town contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire and Police Pension Association of Colorado (FPPA). All full-time police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statue and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

Funding Policy – The contribution requirements are established by State statute. The Town's Board of Trustees determines the contribution split between members and the Town. No contributions are required for members hired prior to January 1, 1997, the Town contributed 2.7% of base salaries for the year ended December 31, 2018. The Town's contributions to the plan for years ended December 31, 2018, 2017, 2016 were $9,291, $10,023, and $8,258 respectively, equal to the required contributions.

NOTE 10 COMMITMENT AND CONTINGENCIES

Claims and Judgements

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2018, certain grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

NOTE 10 COMMITMENT AND CONTINGENCIES (CONTINUED)

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On November 5, 1996, voters allowed the Town to collect, retain and expend the full proceeds of any revenue source of the Town without imposing any new taxes or increases in tax rates, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2018, the emergency reserve of $131,607 was reported as restricted fund balance in the governmental funds, and as restricted net position in the enterprise fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
ASSET (LIABILITY) AND CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PLAN
YEAR ENDED DECEMBER 31, 2018

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Asset (Liability)					
Town's proportion of the net pension asset (liability)	.04956579%	.046533437%	.04953126%	.054708409%	.049811120%
Town's proportionate share of the net pension asset (liability)	$ 71,308	$ (16,814)	$ 873	$ 61,743	$ 44,540
Town's covered payroll	289,928	238,144	240,138	241,660	220,716
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	25%	(7.2%)	0.4%	26%	20%
Plan fiduciary net position as a percentage of the total pension liability	106.3%	98%	100.1%	107%	106%

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Town Contributions					
Statutorily required contribution	$ 27,195	$ 23,194	$ 19,052	$ 19,211	$ 19,333
Contributions in relation to the statutorily required contribution	(27,195)	(23,194)	(19,052)	(19,211)	(19,333)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Town's covered payroll	$ 339,938	$ 289,928	$ 238,144	$ 240,138	$ 241,660
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%

*The schedule is presented to show information for 10 years. Until information for the full 10-years period is available information will be presented for the years it is available.

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Property	$ 520,445	$ 487,940	$ (32,505)
Sales and use	529,713	502,162	(27,551)
Public improvement fees	153,340	158,450	5,110
Licenses and permits	185,748	230,035	44,287
Intergovernmental	101,762	13,833	(87,929)
Fines and Forfeitures	34,200	51,503	17,303
Net investment income	6,309	20,635	14,326
Miscellaneous	401,552	340,142	(61,410)
Total revenues	1,933,069	1,804,700	(128,369)
EXPENDITURES			
General government	1,265,561	1,118,736	146,825
Public safety	870,508	874,188	(3,680)
Parks and recreation	19,082	8,478	10,604
Public works	41,013	34,201	6,812
Total expenditures	2,196,164	2,035,603	160,561
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (263,095)	(230,903)	$ 32,192
FUND BALANCE - BEGINNING OF YEAR		974,279	
FUND BALANCE - END OF YEAR		$ 743,376	

See the accompanying Independent Auditors' Report.

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
STREET MAINTENANCE SPECIAL REVENUE FUND
Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Specific ownership	$ 87,191	$ 91,169	$ 3,978
Sales and use tax	173,866	180,507	6,641
Public improvement fees	17,466	18,048	582
Licenses and permits	9,632	9,508	(124)
Intergovernmental	81,648	116,625	34,977
Net investment income	1,750	10,248	8,498
Miscellaneous	275	1,482	1,207
Total revenues	371,828	427,587	55,759
EXPENDITURES			
Public works	462,307	331,675	130,632
Total expenditures	462,307	331,675	130,632
NET CHANGE IN FUND BALANCE	$ (90,479)	95,912	$ 186,391
FUND BALANCE - BEGINNING OF YEAR		735,874	
FUND BALANCE - END OF YEAR		$ 831,786	

See the accompanying Independent Auditors' Report.

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
STREET CAPITAL IMPROVEMENT SPECIAL REVENUE FUND
Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Sales and use tax	$ 847,842	$ 957,314	$ 109,472
Public improvement fees	333,904	345,030	11,126
Net investment income	12,753	64,949	52,196
Total revenues	1,194,499	1,367,293	172,794
EXPENDITURES			
Public works	136,856	1,238	135,618
Debt service			
Principal	370,000	370,000	-
Interest and fiscal charges	117,892	117,893	(1)
Total expenditures	624,748	489,131	135,617
NET CHANGE IN FUND BALANCES	$ 569,751	878,162	$ 308,411
FUND BALANCE - BEGINNING OF YEAR		3,299,536	
FUND BALANCE - END OF YEAR		$ 4,177,698	

See the accompanying Independent Auditors' Report.

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND
Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Sales and use tax	$ 942,228	$ 806,222	$ (136,006)
Public improvement fees	103,819	100,820	(2,999)
Intergovernmental	869,333	157,238	(712,095)
Net investment income	13,696	67,939	54,243
Miscellaneous	41,800	93,200	51,400
Total revenues	1,970,876	1,225,419	(745,457)
EXPENDITURES			
Public works	45,956	-	45,956
Capital outlay	1,809,258	123,999	1,685,259
Total expenditures	1,855,214	123,999	1,731,215
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	115,662	1,101,420	985,758
OTHER FINANCING SOURCES			
Transfers in	45,000	-	(45,000)
Transfers out	(344,567)	(344,567)	-
Total other financing sources	(299,567)	(344,567)	(45,000)
NET CHANGE IN FUND BALANCE	$ (183,905)	756,853	$ 940,758
FUND BALANCE - BEGINNING OF YEAR		3,124,517	
FUND BALANCE - END OF YEAR		$ 3,881,370	

See the accompanying Independent Auditors' Report.

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

Budgets are adopted for all funds of the Town as required by State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principals (GAAP). Budgetary comparisons for the enterprise fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain tax payor comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All appropriations lapse at the year end.

SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BASIS
WATER AND WASTEWATER FUND
Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	$ 1,116,668	$ 1,106,111	$ (10,557)
Tap fees	600,000	958,500	358,500
Miscellaneous	579	12,028	11,449
Net investment income	12,144	48,638	36,494
Total revenues	1,729,391	2,125,277	395,886
EXPENDITURES			
System operations	922,955	851,763	71,192
Capital outlay	80,000	133,889	(53,889)
Debt service			
Principal	286,190	286,190	-
Interest and fiscal charges	132,813	130,460	2,353
Total expenditures	1,421,958	1,402,302	19,656
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	307,433	722,975	415,542
OTHER FINANCING SOURCES (USES)			
Transfers in	344,567	344,567	-
CHANGE IN NET POSITION, budgetary basis	$ 652,000	1,067,542	$ 415,542
Reconciliation to GAAP basis			
Capital outlay		133,889	
Depreciation		(424,283)	
Debt principal payments		286,190	
CHANGE IN NET POSITION, GAAP basis		$ 1,063,338	

See the accompanying Independent Auditors' Report.

COMPLIANCE SECTION

STATE COMPLIANCE

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County:	Town of Elizabeth
		YEAR ENDING : December 2018	
This Information From The Records Of (example - City of _ or County of _ Town of Elizabeth	Prepared By: Phone:	Marjorie Wickham, Contract Accountant	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	1,274,518
4. Miscellaneous local receipts (from page 2)	442,850
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,717,368
B. Private Contributions	
C. Receipts from State government (from page 2)	77,697
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,795,065

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	257,760
3. Road and street services:	
a. Traffic control operations	8,959
b. Snow and ice removal	3,133
c. Other	
d. Total (a. through c.)	12,092
4. General administration & miscellaneous	44,910
5. Highway law enforcement and safety	18,148
6. Total (1 through 5)	332,910
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	117,893
b. Redemption	370,000
c. Total (a. + b.)	487,893
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	487,893
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	820,803

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	4,285,000		370,000	3,915,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,035,412	1,795,065	820,803	5,009,674	0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2018

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	75,197
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	819,431	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	363,078	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	840	f. Charges for Services	
5. Specific Ownership &/or Other	91,169	g. Other Misc. Receipts	251,028
6. Total (1. through 5.)	1,274,518	h. Other County Road & Bridge	116,625
c. Total (a. + b.)	1,274,518	i. Total (a. through h.)	442,850
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	69,030	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	8,667	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	8,667	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	77,697	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE