

TOWN OF ELIZABETH, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elizabeth (the Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elizabeth, as of December 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with 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.

Management has omitted the Management's Discussion & Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and 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

Greenwood Village, Colorado
May 14, 2024

BASIC FINANCIAL STATEMENTS

TOWN OF ELIZABETH
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and investments	\$ 18,230,008	\$ 6,363,419	\$ 24,593,427
Cash and investments - restricted	412,714	74,436	487,150
Accounts receivable	972,527	159,361	1,131,888
Property taxes receivable	739,691	-	739,691
Capital assets, not depreciated	1,577,098	1,028,753	2,605,851
Capital assets, net of depreciation	11,847,386	9,464,428	21,311,814
Total Assets	<u>33,779,424</u>	<u>17,090,397</u>	<u>50,869,821</u>
<u>Deferred Outflows of Resources</u>			
Loss on refunding	47,568	-	47,568
Related to pension	416,998	-	416,998
Total Deferred Outflows of Resources	<u>464,566</u>	<u>-</u>	<u>464,566</u>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	283,212	144,702	427,914
Accrued interest payable	4,477	1,713	6,190
Unearned revenue	325,329	-	325,329
Deposits	80,433	54,936	135,369
Net pension liability	60,740	-	60,740
Noncurrent liabilities:			
Due within one year	461,290	67,464	528,754
Due in more than one year	1,536,613	234,746	1,771,359
Total Liabilities	<u>2,752,094</u>	<u>503,561</u>	<u>3,255,655</u>
<u>Deferred Inflows of Resources</u>			
Related to pension	60,334	-	60,334
Unavailable property taxes	739,691	-	739,691
Total Deferred Outflows of Resources	<u>800,025</u>	<u>-</u>	<u>800,025</u>
<u>Net Position</u>			
Net investment in capital assets	11,539,484	10,218,019	21,757,503
Restricted			
Emergency reserves	264,785	-	264,785
Debt service	267,493	72,723	340,216
Conservation trust	140,744	-	140,744
Unrestricted	18,479,365	6,296,094	24,775,459
Total Net Position	<u>\$ 30,691,871</u>	<u>\$ 16,586,836</u>	<u>\$ 47,278,707</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,159,467	\$ 809,722	\$ -	\$ -	\$ (349,745)	\$ -	\$ (349,745)
Community development	788,535	-	-	-	(788,535)	-	(788,535)
Public safety	1,547,169	81,869	-	-	(1,465,300)	-	(1,465,300)
Public works	1,584,272	10,394	-	172,702	(1,401,176)	-	(1,401,176)
Interest and fiscal charges	77,110	-	-	-	(77,110)	-	(77,110)
Total governmental activities	5,156,553	901,985	-	172,702	(4,081,866)	-	(4,081,866)
Business-Type Activities:							
Water and wastewater	1,713,870	1,576,259	-	2,829,415	-	2,691,804	2,691,804
Total business-type activities	1,713,870	1,576,259	-	2,829,415	-	2,691,804	2,691,804
Total primary government	6,870,423	2,478,244	-	3,002,117	(4,081,866)	2,691,804	(1,390,062)
GENERAL REVENUES:							
Sales and use taxes					4,942,009	-	4,942,009
Property taxes					794,034	-	794,034
Specific ownership taxes					128,732	-	128,732
Other taxes					72,948	-	72,948
Public improvement fees					839,837	-	839,837
Investment earnings					850,094	235,524	1,085,618
Miscellaneous					123,833	54,721	178,554
Internal balances					175,000	(175,000)	-
Total general revenues					7,926,487	115,245	8,041,732
Change in net position					3,844,621	2,807,049	6,651,670
Net position - beginning					26,847,250	13,779,787	40,627,037
Net position - ending					\$ 30,691,871	\$ 16,586,836	\$ 47,278,707

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2023

				<u>Non-Major</u>	
	General	Street Capital Improvement	Capital Improvements	Street Maintenance	Total Governmental Funds
<u>Assets</u>					
Cash and investments	\$ 3,231,985	\$ 4,002,709	\$ 9,983,916	\$ 1,011,398	\$ 18,230,008
Cash and investments - restricted	140,744	271,970	-	-	412,714
Accounts receivable	350,238	256,009	284,454	81,826	972,527
Property taxes receivable	739,691	-	-	-	739,691
Total assets	<u>\$ 4,462,658</u>	<u>\$ 4,530,688</u>	<u>\$ 10,268,370</u>	<u>\$ 1,093,224</u>	<u>\$ 20,354,940</u>
<u>Liabilities, Deferred inflows of resources and fund balance</u>					
Liabilities:					
Accounts payable and retainage	\$ 69,996	\$ -	\$ 15,367	\$ 64,838	\$ 150,201
Accrued liabilities	126,445	-	-	6,566	133,011
Unearned revenue	303,829	11,500	-	10,000	325,329
Escrow deposits	80,433	-	-	-	80,433
Total liabilities	<u>580,703</u>	<u>11,500</u>	<u>15,367</u>	<u>81,404</u>	<u>688,974</u>
<u>Deferred inflows of resources</u>					
Unavailable property taxes	739,691	-	-	-	739,691
Total deferred inflows of resources	<u>739,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,691</u>
Fund balance:					
Restricted					
Emergencies	264,785	-	-	-	264,785
Debt service	-	271,970	-	-	271,970
Conservation trust	140,744	-	-	-	140,744
Committed					
Street maintenance	-	-	-	1,011,820	1,011,820
Street improvements	-	4,247,218	-	-	4,247,218
Capital improvements	-	-	10,253,003	-	10,253,003
Assigned for					
Subsequent year budget	152,313	-	-	-	152,313
Unassigned	2,584,422	-	-	-	2,584,422
Total fund balances	<u>3,142,264</u>	<u>4,519,188</u>	<u>10,253,003</u>	<u>1,011,820</u>	<u>18,926,275</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,462,658</u>	<u>\$ 4,530,688</u>	<u>\$ 10,268,370</u>	<u>\$ 1,093,224</u>	<u>\$ 20,354,940</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balance, governmental funds	\$ 18,926,275
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	13,424,484
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Long-term liabilities, including net pension liabilities, loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.

Bonds payable	(1,885,000)
Accrued interest	(4,477)
Compensated absences	(112,903)
Net pension liability	(60,740)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Related to pension	416,998
Loss on refunding	47,568

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Related to pension	(60,334)
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Total net position of governmental activities	<u>\$ 30,691,871</u>
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TOWN OF ELIZABETH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

				Non-Major	
	General	Street Capital Improvement	Capital Improvements	Street Maintenance	Total Governmental Funds
Revenues					
Taxes	\$ 1,952,873	\$ 1,724,400	\$ 1,916,389	\$ 271,113	\$ 5,864,775
Public improvement fees	815,482	-	-	24,355	839,837
Licenses and permits	809,722	-	-	10,394	820,116
Intergovernmental	-	-	-	172,702	172,702
Charges for services	81,869	-	-	-	81,869
Investment earnings	170,419	189,432	443,161	47,082	850,094
Miscellaneous	75,660	-	121,121	-	196,781
Total revenues	<u>3,906,025</u>	<u>1,913,832</u>	<u>2,480,671</u>	<u>525,646</u>	<u>8,826,174</u>
Expenditures					
Current:					
General government	1,060,434	-	-	-	1,060,434
Community development	788,535	-	-	-	788,535
Public safety	1,512,839	-	-	-	1,512,839
Public works	136,851	158,277	-	469,171	764,299
Capital outlay	827	55,160	807,904	-	863,891
Debt service:					
Principal	-	440,000	-	-	440,000
Interest and fiscal charges	-	66,263	-	-	66,263
Total expenditures	<u>3,499,486</u>	<u>719,700</u>	<u>807,904</u>	<u>469,171</u>	<u>5,496,261</u>
Excess (deficiency) of revenues over (under) expenditures	406,539	1,194,132	1,672,767	56,475	3,329,913
Other financing sources (uses)					
Transfers in	280,000	-	-	-	280,000
Transfers out	-	(50,000)	(55,000)	-	(105,000)
Total other financing sources (uses)	<u>280,000</u>	<u>(50,000)</u>	<u>(55,000)</u>	<u>-</u>	<u>175,000</u>
Net change in fund balances	686,539	1,144,132	1,617,767	56,475	3,504,913
Fund balances - beginning	2,455,725	3,375,056	8,635,236	955,345	15,421,362
Fund balances - ending	<u>\$ 3,142,264</u>	<u>\$ 4,519,188</u>	<u>\$ 10,253,003</u>	<u>\$ 1,011,820</u>	<u>\$ 18,926,275</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net change in fund balance - total governmental funds:	\$ 3,504,913
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Capital outlay	643,846
Depreciation expense	(694,437)
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.	440,000
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 the governmental funds	
Change in accrued interest payable	1,045
Change in accrued compensated absences	(65,315)
Amortization of loss on refunding	(11,892)
Pension income	26,461
Change in net position of governmental activities	<u>\$ 3,844,621</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Water and Wastewater</u>
<u>Assets</u>	
Current assets:	
Cash and investments	\$ 6,363,419
Cash and investments - restricted	74,436
Accounts receivable	159,361
Total current assets	<u>6,597,216</u>
Noncurrent assets:	
Capital assets, not being depreciated	1,028,753
Capital assets, net of depreciation	9,464,428
Total noncurrent assets	<u>10,493,181</u>
Total assets	<u>17,090,397</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and retainage	131,350
Accrued liabilities	13,352
Accrued interest payable	1,713
Customer deposits	54,936
Compensated absences, current portion	2,705
Loans payable, current portion	64,759
Total current liabilities	<u>268,815</u>
Noncurrent liabilities:	
Compensated absences	24,343
Loans payable	210,403
Total noncurrent liabilities	<u>234,746</u>
Total liabilities	<u>503,561</u>
<u>Net Position</u>	
Net investment in capital assets	10,218,019
Restricted	
Debt service	72,723
Unrestricted	6,296,094
Total net position	<u>\$ 16,586,836</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	<u>Water and Wastewater</u>
Operating revenues	
Charges for services	\$ 1,576,259
Miscellaneous	54,721
Total operating revenues	<u>1,630,980</u>
Operating expenses	
Systems operations	1,170,141
Depreciation	532,079
Total operating expenses	<u>1,702,220</u>
Operating income (loss)	(71,240)
Nonoperating revenues (expenses)	
Investment earnings	235,524
Interest expense	(11,650)
Total non-operating revenues (expenses)	<u>223,874</u>
Income before contributions and transfers	152,634
Capital contributions	2,829,415
Transfers out	<u>(175,000)</u>
Change in net position	2,807,049
Net position, beginning of year	<u>13,779,787</u>
Net position, end of year	<u><u>\$ 16,586,836</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	<u>Water and Wastewater</u>
Cash Flows From Operating Activities	
Cash received from customers	\$ 1,613,451
Cash paid to suppliers	(980,412)
Cash paid to employees	(252,498)
Net cash provided by operating activities	<u>380,541</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(1,175,716)
Tap fees received	2,829,415
Loan principal payments	(62,396)
Loan interest payment	(12,040)
Net cash provided by capital and related financing activities	<u>1,579,263</u>
Cash Flows From Noncapital Financing Activities	
Cash paid to other funds	(175,000)
Net cash used by noncapital and related financing activities	<u>(175,000)</u>
Cash Flows From Investing Activities	
Interest received	235,524
Net cash provided by investing activities	<u>235,524</u>
Net change in cash and cash equivalents	2,020,328
Cash and cash equivalents and restricted cash, beginning of year	<u>4,417,527</u>
Cash and cash equivalents and restricted cash, end of year	<u><u>\$ 6,437,855</u></u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities	
Net operating income (loss)	\$ (71,240)
Adjustments to reconcile net operating income to cash provided by operating activities	
Depreciation expense	532,079
Changes in assets and liabilities related to operations	
Accounts receivable	(17,529)
Prepaid items	413
Accounts payable	(86,435)
Accrued liabilities	3,222
Customer deposits	9,023
Compensated absences payable	11,008
Net cash provided by operating activities	<u><u>\$ 380,541</u></u>
Reconciliation of Cash and Cash Equivalents to Proprietary Funds Statement of Net Position	
Cash and cash equivalents	\$ 6,363,419
Restricted cash	74,436
Total cash and cash equivalents	<u><u>\$ 6,437,855</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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.

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 has no component units, nor is the Town a component of any other governmental entity.

Government-Wide and Fund Financial Statements

The more significant accounting policies of the Town are described as follows:

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. 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 net position presents the financial position of the governmental and business-type activities of the Town at year-end. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

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 revenues.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. Depreciation is computed and recorded as an expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and notes are recorded as reduction in liabilities.

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. The major sources of revenue susceptible to accrual are property and sales taxes, intergovernmental revenues, and interest. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. 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.

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

The *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.

The *Street Capital Improvement Fund* accounts primarily for the collection of ninety percent (90%) of 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.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Improvement Fund* accounts for 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.

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.

The Town reports the following major proprietary fund:

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

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

Interfund transactions are treated and classified as revenues, expenditures, or expenses. These include interfund transfers 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 business-type activities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Pooled Cash and Investments

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

Whenever possible the Town pools cash equivalents to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential. The Town makes investments pursuant to relevant State of Colorado statutes.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Investments are reported in accordance with GASB Statement 72, as amended.

Property Taxes and 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, 2023, the Town believes all amounts recorded are fully collectible.

By December 15 of each year, property taxes for the Town are levied by the Board and certified to Elbert County for collection in the subsequent year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. The taxes are collected by Elbert County on behalf of the Town.

Property taxes levied in the General Fund are included in receivables and deferred inflows of resources at December 31, 2023. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2024 and are budgeted for in 2024 as revenue.

Prepaid Items

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

Capital Assets

Capital assets, which include land, construction in progress, 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 acquisition cost or estimated acquisition 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.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

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

<u>Description</u>	<u>Estimated Lives</u>
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

Compensated Absences

Employees of the Town are allowed to accumulate unused paid time off. Upon termination of employment from the Town, an employee will be compensated for all accrued paid time off, based on years of service, up to a maximum of 384 hours, at their current rate of pay. These compensated absences are expended when earned in the proprietary fund. Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

A long-term liability has been reported in the government-wide financial statements and the proprietary fund 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 as 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.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the statement of net position but are recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has certain items that relate to its pension plan that qualify for reporting as a deferred outflow of resources. See Note 8 for more information. In addition, a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources for the Town consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

The Town also reports a deferred inflow of resources for items related to its pension plan. See Note 8 for additional information.

Pensions

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

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, and pension expense (income), information about the fiduciary net position of the SWDB, administered by FPPA, and additions to/deductions from the SWDB's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Balance and Net Position

The Town's governmental fund balances may consist of five classifications based on relative strength of the spending constraints:

Nonspendable fund balance – The amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. As of December 31, 2023, the general fund had no nonspendable fund balance.

Restricted fund balance – The amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At December 31, 2023, the general fund had restricted fund balance of \$264,785 and \$140,744 related to emergency restrictions and conservation trust funds, respectively, and the street capital improvement fund had restricted fund balance of \$271,970 related to future debt service.

Committed fund balance – Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2023, the street capital improvement fund had committed fund balance of \$4,247,218, the capital improvements fund had committed fund balance of \$10,253,003 and the street maintenance fund had committed fund balance of \$1,011,820. All amounts represent the residual fund balance associated with each fund.

Assigned fund balance – Amounts are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. At December 31, 2023, the general fund had assigned fund balance of \$152,313 related to a budgeted deficit for fiscal year 2024.

Unassigned fund balance – Is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance (Continued)

When an expenditure is incurred for which restricted, committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town's Board has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Town can report up to three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town will use the most restrictive net position first.

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.

Adoption of New Accounting Standard

For the year ended December 31, 2023, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides guidance on the accounting and financial reporting for SBITAs for governments. The implementation of the new standard had no impact on the Town's net position as of December 31, 2023.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures and depreciation is not budgeted.

On or before October 15 of each year, the Town Administrator submits to the Town Board a proposed operating budget for the fiscal year commencing on the following January 1. Public hearings are conducted to obtain input from elected officials, residents, and other interested parties. By December 31, the final budget is adopted.

The appropriated budget is adopted by fund. 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. All appropriations lapse at fiscal year-end.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at December 31, 2023, consisted of the following:

Petty cash	\$	400
Cash deposits		1,057,406
Investments		24,022,771
Total	\$	<u>25,080,577</u>

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

Cash and investments	\$	24,593,427
Cash and investments - restricted		487,150
Total cash and investments	\$	<u>25,080,577</u>

Cash Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust.

The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (Continued)

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the Town's cash deposits had a bank balance of \$1,331,941 and a carrying balance of \$1,057,406.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments. The Town generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Local Government Investment Pools

At December 31, 2023, the Town had \$18,882,185 and \$5,140,586 invested in the Colorado Local Government Liquid Asset Trust PLUS Fund (ColoTrust PLUS) and the Colorado Surplus Asset Fund Trust CORE FUND (CSAFE CORE), 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 operate similarly to money market funds and each share is valued at \$1.00. Both pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. 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 funds.

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's investment in ColoTrust PLUS is measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The Town's investment in CSAFE is measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Restricted Cash and Investments

At December 31, 2023, the General Fund reported \$140,744 restricted for conservation trust funds. The Street Capital Improvement Fund and the Water and Wastewater Fund reported \$271,970 and \$74,436 restricted for debt service reserves.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023, is summarized below:

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 1,177,787	\$ 399,311	\$ -	\$ 1,577,098
Total capital assets, not depreciated	<u>1,177,787</u>	<u>399,311</u>	<u>-</u>	<u>1,577,098</u>
Capital Assets, Being Depreciated				
Land improvements	2,077,915	-	-	2,077,915
Infrastructure	14,670,570	10,275	-	14,680,845
Buildings and improvements	844,758	72,733	-	917,491
Vehicles and equipment	1,388,395	161,527	-	1,549,922
Total capital assets, depreciated	<u>18,981,638</u>	<u>244,535</u>	<u>-</u>	<u>19,226,173</u>
Accumulated depreciation				
Land improvements	(433,683)	(83,817)	-	(517,500)
Infrastructure	(4,895,632)	(489,361)	-	(5,384,993)
Buildings and improvements	(378,269)	(28,478)	-	(406,747)
Vehicles and equipment	(976,766)	(92,781)	-	(1,069,547)
Total accumulated depreciation	<u>(6,684,350)</u>	<u>(694,437)</u>	<u>-</u>	<u>(7,378,787)</u>
Net capital assets, depreciated	<u>12,297,288</u>	<u>(449,902)</u>	<u>-</u>	<u>11,847,386</u>
Governmental Activities				
Capital Assets, net	<u>\$ 13,475,075</u>	<u>\$ (50,591)</u>	<u>\$ -</u>	<u>\$ 13,424,484</u>
	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land and easements	\$ 358,630	\$ -	\$ -	\$ 358,630
Construction in Process	3,155,599	1,175,716	(3,661,192)	670,123
Total capital assets, not depreciated	<u>3,514,229</u>	<u>1,175,716</u>	<u>(3,661,192)</u>	<u>1,028,753</u>
Capital Assets, Being Depreciated				
Plant and equipment	8,285,239	3,661,192	-	11,946,431
Plant and improvements	5,016,172	-	-	5,016,172
Total capital assets, depreciated	<u>13,301,411</u>	<u>3,661,192</u>	<u>-</u>	<u>16,962,603</u>
Accumulated depreciation				
Plant and equipment	(4,669,970)	(370,349)	-	(5,040,319)
Plant and improvements	(2,296,126)	(161,730)	-	(2,457,856)
Total accumulated depreciation	<u>(6,966,096)</u>	<u>(532,079)</u>	<u>-</u>	<u>(7,498,175)</u>
Net capital assets, depreciated	<u>6,335,315</u>	<u>3,129,113</u>	<u>-</u>	<u>9,464,428</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 9,849,544</u>	<u>\$ 4,304,829</u>	<u>\$ (3,661,192)</u>	<u>\$ 10,493,181</u>

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	\$ 33,718
Public safety	60,791
Public works	599,928
Total	<u>\$ 694,437</u>

NOTE 5 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	<u>Balances</u> <u>December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>December 31, 2023</u>	<u>Due In</u> <u>One Year</u>
Governmental Activities:					
2015 Revenue refunding bonds	\$ 2,325,000	\$ -	\$ 440,000	\$ 1,885,000	\$ 450,000
Compensated absences	47,588	190,213	124,898	112,903	11,290
Total	<u>\$ 2,372,588</u>	<u>\$ 190,213</u>	<u>\$ 564,898</u>	<u>\$ 1,997,903</u>	<u>\$ 461,290</u>

2015 Revenue Refunding Bonds

\$3,160,000 Sales and Use Tax Revenue Refunding Bonds, Series 2015 (the 2015 Bonds), 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. The 2015 Bonds are not subject to optional redemption prior to maturity.

The 2015 Bonds are payable from pledged revenues consisting of ninety percent (90%) of 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. The bonds are further secured by the bond reserve account in the amount of \$271,970.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Remaining debt service at December 31, 2023, was as follows:

<i>2015 Revenue Refunding Bonds</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 450,000	\$ 53,722	\$ 503,722
2025	465,000	40,898	505,898
2026	480,000	27,645	507,645
2027	490,000	13,965	503,965
Total	<u>\$ 1,885,000</u>	<u>\$ 136,230</u>	<u>\$ 2,021,230</u>

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2023:

	<u>Balances</u> <u>December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>December 31, 2023</u>	<u>Due In</u> <u>One Year</u>
Business-Type Activities:					
2007 CWRPDA loan	\$ 337,558	\$ -	\$ 62,396	\$ 275,162	\$ 64,759
Compensated absences	16,040	34,824	23,816	27,048	2,705
Total	<u>\$ 353,598</u>	<u>\$ 34,824</u>	<u>\$ 86,212</u>	<u>\$ 302,210</u>	<u>\$ 67,464</u>

2007 CWRPDA Loan

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 (the 2007 Loan). 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 2007 Loan is subject to optional redemption prior to maturity without premium.

The 2007 Loan is payable solely from pledged property consisting of revenues from the Town's water and wastewater system, after deducting operating and maintenance costs.

Annual debt service requirements for the outstanding loan at December 31, 2023, was as follows:

<i>2007 CWPRDA Loan</i>			
<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	64,759	9,678	74,437
2025	67,210	7,226	74,436
2026	69,754	4,682	74,436
2027	73,439	2,042	75,481
Total	<u>\$ 275,162</u>	<u>\$ 23,628</u>	<u>\$ 298,790</u>

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The Town is required to comply with certain covenants and reserve requirements related to long-term debt. As of December 31, 2023, management believes the Town is in compliance with all covenants and reserve requirements.

NOTE 6 - INTERFUND TRANSFERS

The schedule below outlines the total interfund transfers for the year ended December 31, 2023:

	General Fund	Total Transfers Out
Street Capital Improvement Fund	\$ 50,000	\$ 50,000
Capital Improvements Fund	55,000	55,000
Water and Wastewater Fund	175,000	175,000
Total Transfers In	<u>\$ 280,000</u>	<u>\$ 280,000</u>

NOTE 7 - 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 Statutes (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. Settlement claims have not exceeded coverages for each of the past three fiscal years.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - STATEWIDE DEFINED BENEFIT PENSION PLAN

Plan Description

The Town contributes to the Statewide Defined Benefit Plan (SWDB), 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 provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid police officers of the Town are members of the SWDB and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the Town to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. 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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers contributed at a rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent. In 2023, the members of the SWDB plan and their employers contributed at a rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. The District's contributions to the plan of the year ended December 31, 2023, were \$67,801 equal to the required contributions.

Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2023, the Town reported a liability of \$60,740, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the Town's proportion was 0.06843% which was an increase of 0.00951% from its proportion measured at December 31, 2022.

For the year ended December 31, 2023, the Town recognized pension income of \$12,242.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 131,480	\$ 7,455
Changes of Assumptions or other Inputs	77,817	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	137,452	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	2,448	52,879
Contributions Subsequent to the Measurement Date	67,801	-
Total	<u>\$ 416,998</u>	<u>\$ 60,334</u>

\$67,801 reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to the measurement date will be recognized as a decrease in the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 25,219
2025	51,369
2026	74,889
2027	106,032
2028	16,528
Thereafter	14,826
Total	<u>\$ 288,863</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60 percent of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	100%	

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 418,731</u>	<u>\$ 60,740</u>	<u>\$ (235,793)</u>

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.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 - 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 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. During the year ended December 31, 2023, the Town contributed \$51,663 to the plan. The plan is administered by Mission Square Retirement, and all plan assets are held in trust for the exclusive benefit of the participants.

NOTE 10 - 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 statute 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. 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 3.0% of base salaries for the year ended December 31, 2023. The Town's contributions to the plan for years ended December 31, 2023 were \$17,871 equal to the required contributions.

NOTE 11 - COMMITMENTS 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, 2023, 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.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 -TAX, SPENDING AND DEBT LIMITATIONS (TABOR)

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and local governments.

Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. The Town voters approved an election question to remove limits on the amount of revenue the Town is allowed to collect, spend, and retain.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying revenues, as required by the Amendment. At December 31, 2023, the emergency reserve of \$264,785 is reported as restricted fund balance in the governmental funds and as restricted net position within governmental activities.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Property taxes	\$ 750,000	\$ 750,000	\$ 794,034	\$ 44,034
Specific ownership taxes	115,000	115,000	128,732	13,732
Sales and use tax	1,000,000	1,000,000	1,030,107	30,107
Public improvement fees	710,000	710,000	815,482	105,482
Licenses and permits	260,000	729,669	809,722	80,053
Intergovernmental	63,000	63,000	-	(63,000)
Fines and forfeitures	73,000	73,000	81,869	8,869
Investment earnings	8,000	8,000	170,419	162,419
Miscellaneous	35,000	35,000	75,660	40,660
Total revenues	<u>3,014,000</u>	<u>3,483,669</u>	<u>3,906,025</u>	<u>422,356</u>
<u>Expenditures</u>				
General government	1,123,737	1,123,737	1,060,434	63,303
Public safety	1,522,877	1,522,877	1,512,839	10,038
Community development	583,190	807,312	788,535	18,777
Public works	170,489	170,489	136,851	33,638
Capital outlay	-	-	827	(827)
Total expenditures	<u>3,400,293</u>	<u>3,624,415</u>	<u>3,499,486</u>	<u>124,929</u>
Excess (deficiency) of revenues				
Over (under) expenditures	(386,293)	(140,746)	406,539	547,285
Other financing sources (uses)				
Transfers in	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Total other financing sources (uses)	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (106,293)</u>	<u>\$ 139,254</u>	686,539	<u>\$ 547,285</u>
Fund balance - beginning of year			<u>2,455,725</u>	
Fund balance - end of year			<u>\$ 3,142,264</u>	

See accompanying Independent Auditors' Report

TOWN OF ELIZABETH
SCHEDULE OF THE TOWN'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY (ASSET)
STATEWIDE DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability	0.0684%	0.0589%	0.0538%	0.0514%	0.0506%	0.0496%	0.0465%	0.0495%	0.0547%
Town's proportionate share of the net pension liability (asset)	\$ 60,740	\$ (319,291)	\$ (116,857)	\$ (29,097)	\$ 64,008	\$ (71,308)	\$ 16,814	\$ (873)	\$ (61,735)
Town's covered payroll	595,692	457,153	492,850	379,188	339,938	289,928	238,144	240,138	241,660
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.2%	(69.8%)	(23.7%)	(7.7%)	18.8%	(24.6%)	7.1%	(0.4%)	(25.5%)
Plan fiduciary net pension as a percentage of the total pension liability	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. The Town implemented GASB Statement No. 68 in 2015; therefore, 10 years of data is not available.

TOWN OF ELIZABETH
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
AND RELATED RATIOS
STATEWIDE DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 67,801	\$ 53,582	\$ 38,858	\$ 39,428	\$ 30,335	\$ 27,195	\$ 23,194	\$ 19,052	\$ 19,211	\$ 19,333
Contributions in relation to the statutorily required contributions	67,801	53,582	38,858	39,428	30,335	27,195	23,194	19,052	19,211	19,333
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 714,853	\$ 595,692	\$ 457,153	\$ 492,850	\$ 379,188	\$ 339,938	\$ 289,928	\$ 238,144	\$ 240,138	\$ 241,660
Contributions as a percentage of covered payroll	9.5%	9.0%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
STREET MAINTENANCE FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes			
Sales and use tax	\$ 160,000	\$ 271,113	\$ 111,113
Public improvement fees	22,000	24,355	2,355
Licenses and permits	-	10,394	10,394
Intergovernmental	222,200	172,702	(49,498)
Investment earnings	4,000	47,082	43,082
Total revenues	<u>408,200</u>	<u>525,646</u>	<u>117,446</u>
<u>Expenditures</u>			
Public works	<u>598,247</u>	<u>469,171</u>	<u>129,076</u>
Total expenditures	<u>598,247</u>	<u>469,171</u>	<u>129,076</u>
Excess (deficiency) of revenues			
Over (under) expenditures	(190,047)	56,475	246,522
Net change in fund balance	<u>\$ (190,047)</u>	56,475	<u>\$ 246,522</u>
Fund balance - beginning of year		<u>955,345</u>	
Fund balance - end of year		<u>\$ 1,011,820</u>	

See the accompanying independent auditors' report

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
STREET CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes			
Sales and use tax	\$ 1,542,000	\$ 1,724,400	\$ 182,400
Investment earnings	10,000	189,432	179,432
Total revenues	<u>1,552,000</u>	<u>1,913,832</u>	<u>361,832</u>
<u>Expenditures</u>			
Public works	840,000	158,277	681,723
Capital outlay	1,710,000	55,160	1,654,840
Debt service			
Principal	440,000	440,000	-
Interest and fiscal charges	66,863	66,263	600
Total expenditures	<u>3,056,863</u>	<u>719,700</u>	<u>2,337,163</u>
Excess (deficiency) of revenues			
Over (under) expenditures	(1,504,863)	1,194,132	(1,975,331)
Other financing sources (uses)			
Transfers out	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,504,863)</u>	1,144,132	<u>\$ (1,975,331)</u>
Fund balance - beginning of year		<u>3,375,056</u>	
Fund balance - end of year		<u>\$ 4,519,188</u>	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes			
Sales and use tax	\$ 1,650,000	\$ 1,916,389	\$ 266,389
Investment earnings	15,000	443,161	428,161
Miscellaneous	50,000	121,121	71,121
Total revenues	<u>1,715,000</u>	<u>2,480,671</u>	<u>765,671</u>
<u>Expenditures</u>			
Capital outlay	<u>1,505,690</u>	<u>807,904</u>	<u>697,786</u>
Total expenditures	<u>1,505,690</u>	<u>807,904</u>	<u>697,786</u>
Excess of revenues			
Over (under) expenditures	209,310	1,672,767	1,463,457
Other financing Sources (Uses)			
Transfers out	<u>(58,500)</u>	<u>(55,000)</u>	<u>3,500</u>
Total other financing sources (uses)	<u>(58,500)</u>	<u>(55,000)</u>	<u>3,500</u>
Net change in fund balance	<u>\$ 150,810</u>	1,617,767	<u>\$ 1,466,957</u>
Fund balance - beginning of year		<u>8,635,236</u>	
Fund balance - end of year		<u>\$ 10,253,003</u>	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION –
BUDGET AND ACTUAL – NON-GAAP BUDGETARY BASIS
WATER AND WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,430,000	\$ 1,576,259	\$ 146,259
Tap fees	700,000	2,829,415	2,129,415
Investment earnings	10,000	235,524	225,524
Miscellaneous	70,000	54,721	(15,279)
Total revenues	<u>2,210,000</u>	<u>4,695,919</u>	<u>2,485,919</u>
<u>Expenditures</u>			
System operations	1,494,782	1,170,141	324,641
Capital outlay	2,335,000	1,175,716	1,159,284
Debt service			
Principal	62,398	62,396	2
Interest and fiscal charges	12,100	11,650	450
Total expenses	<u>3,904,280</u>	<u>2,419,903</u>	<u>1,484,377</u>
Excess (deficiency) of revenues			
Over (under) expenses	(1,694,280)	2,276,016	3,970,296
Other financing Sources (Uses)			
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Change in net position, budgetary basis	<u>\$ (1,869,280)</u>	2,101,016	<u>\$ 3,970,296</u>
Reconciliation to GAAP basis			
Capital outlay		1,175,716	
Depreciation		(532,079)	
Debt principal payments		<u>62,396</u>	
Change in net position, GAAP basis		<u>\$ 2,807,049</u>	

See the accompanying independent auditors' report

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Elizabeth	
		YEAR ENDING : December 2022	
This Information From The Records Of (example - City of _ or County of _)		Prepared By: Hannah Bruce, Finance Officer Phone: 303-646-4166	

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	426,368
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	779
2. General fund appropriations		b. Snow and ice removal	2,689
3. Other local imposts (from page 2)	1,707,523	c. Other	
4. Miscellaneous local receipts (from page 2)	475,947	d. Total (a. through c.)	3,468
5. Transfers from toll facilities		4. General administration & miscellaneous	44,687
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	17,337
a. Bonds - Original Issues		6. Total (1 through 5)	491,859
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	77,666
7. Total (1 through 6)	2,183,470	b. Redemption	410,000
B. Private Contributions		c. Total (a. + b.)	487,666
C. Receipts from State government (from page 2)	88,735	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,272,205	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	487,666
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	979,525

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	2,735,000		410,000	2,325,000
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
	8,249,160	2,272,205	979,525	9,541,840	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2022	
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	70,045
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,571,503	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	22,225	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	113,795	g. Other Misc. Receipts	239,110
6. Total (1. through 5.)	1,707,523	h. Other County Road & Bridge	166,792
c. Total (a. + b.)	1,707,523	i. Total (a. through h.)	475,947
	(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	77,000	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	11,734	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	11,734	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	88,735	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
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
Notes and Comments:			