

TOWN OF ELIZABETH, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2024

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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, 2024, 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, 2024, 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

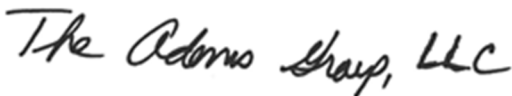
Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic 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.

A handwritten signature in black ink that reads "The Adams Group, LLC". The signature is written in a cursive, flowing style.

Greenwood Village, Colorado
July 22, 2025

BASIC FINANCIAL STATEMENTS

TOWN OF ELIZABETH
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and investments	\$ 20,757,899	\$ 9,470,732	\$ 30,228,631
Cash and investments - restricted	442,996	74,436	517,432
Accounts receivable	1,033,839	116,758	1,150,597
Property taxes receivable	853,787	-	853,787
Capital assets, not depreciated	2,470,757	1,150,248	3,621,005
Capital assets, net of depreciation	11,518,728	9,238,533	20,757,261
Total Assets	<u>37,084,410</u>	<u>20,050,707</u>	<u>57,135,117</u>
<u>Deferred Outflows of Resources</u>			
Loss on refunding	35,676	-	35,676
Related to pension	396,948	-	396,948
Total Deferred Outflows of Resources	<u>432,624</u>	<u>-</u>	<u>432,624</u>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	215,454	117,924	333,378
Accrued interest payable	3,408	1,142	4,550
Unearned revenue	66,050	-	66,050
Deposits	216,046	69,507	285,553
Noncurrent liabilities:			
Due within one year	478,082	69,333	547,415
Due in more than one year	1,087,734	162,307	1,250,041
Total Liabilities	<u>2,066,774</u>	<u>420,213</u>	<u>2,486,987</u>
<u>Deferred Inflows of Resources</u>			
Related to pension	66,857	-	66,857
Unavailable property taxes	853,787	-	853,787
Total Deferred Outflows of Resources	<u>920,644</u>	<u>-</u>	<u>920,644</u>
<u>Net Position</u>			
Net investment in capital assets	12,554,485	10,178,377	22,732,862
Restricted			
Emergency reserves	278,114	-	278,114
Debt service	284,250	73,294	357,544
Conservation trust	155,338	-	155,338
Unrestricted	21,257,429	9,378,823	30,636,252
Total Net Position	<u>\$ 34,529,616</u>	<u>\$ 19,630,494</u>	<u>\$ 54,160,110</u>

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

TOWN OF ELIZABETH
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,129,152	\$ 953,966	\$ -	\$ -	\$ (175,186)	\$ -	\$ (175,186)
Community development	684,376	-	-	-	(684,376)	-	(684,376)
Public safety	1,811,534	60,199	-	-	(1,751,335)	-	(1,751,335)
Public works	1,943,105	11,167	-	277,842	(1,654,096)	-	(1,654,096)
Interest and fiscal charges	64,546	-	-	-	(64,546)	-	(64,546)
Total governmental activities	5,632,712	1,025,332	-	277,842	(4,329,538)	-	(4,329,538)
Business-Type Activities:							
Water and wastewater	1,775,138	1,793,064	-	2,701,883	-	2,719,809	2,719,809
Total business-type activities	1,775,138	1,793,064	-	2,701,883	-	2,719,809	2,719,809
Total primary government	7,407,850	2,818,396	-	2,979,725	(4,329,538)	2,719,809	(1,609,729)
GENERAL REVENUES:							
Sales and use taxes					4,989,313	-	4,989,313
Property taxes					735,118	-	735,118
Specific ownership taxes					103,384	-	103,384
Other taxes					72,948	-	72,948
Public improvement fees					867,714	-	867,714
Investment earnings					1,042,317	435,884	1,478,201
Miscellaneous					156,489	87,965	244,454
Internal balances					200,000	(200,000)	-
Total general revenues					8,167,283	323,849	8,491,132
Change in net position					3,837,745	3,043,658	6,881,403
Net position - beginning					30,691,871	16,586,836	47,278,707
Net position - ending					\$ 34,529,616	\$ 19,630,494	\$ 54,160,110

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

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2024

				Non-Major	
	General	Street Capital Improvement	Capital Improvements	Street Maintenance	Total Governmental Funds
<u>Assets</u>					
Cash and investments	\$ 3,820,227	\$ 4,801,451	\$ 11,032,534	\$ 1,103,687	\$ 20,757,899
Cash and investments - restricted	155,338	287,658	-	-	442,996
Accounts receivable	357,818	267,225	296,917	111,879	1,033,839
Property taxes receivable	853,787	-	-	-	853,787
Prepaid items	6,165	-	-	239	6,404
Total assets	<u>\$ 5,193,335</u>	<u>\$ 5,356,334</u>	<u>\$ 11,329,451</u>	<u>\$ 1,215,805</u>	<u>\$ 23,094,925</u>
<u>Liabilities, Deferred inflows of resources and fund balance</u>					
Liabilities:					
Accounts payable and retainage	\$ 29,178	\$ 43,105	\$ 21,160	\$ -	\$ 93,443
Accrued liabilities	115,653	-	-	6,358	122,011
Unearned revenue	44,550	11,500	-	10,000	66,050
Escrow deposits	216,046	-	-	-	216,046
Total liabilities	<u>405,427</u>	<u>54,605</u>	<u>21,160</u>	<u>16,358</u>	<u>497,550</u>
<u>Deferred inflows of resources</u>					
Unavailable property taxes	853,787	-	-	-	853,787
Total deferred inflows of resources	<u>853,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>853,787</u>
<u>Fund balance:</u>					
Nonspendable					
Prepaid items	6,165	-	-	239	6,404
Restricted					
Emergencies	278,114	-	-	-	278,114
Debt service	-	287,658	-	-	287,658
Conservation trust	155,338	-	-	-	155,338
Committed					
Street maintenance	-	-	-	1,199,208	1,199,208
Street improvements	-	5,014,071	-	-	5,014,071
Impact fee funded improvements	338,916	-	-	-	338,916
Capital improvements	-	-	11,308,291	-	11,308,291
Unassigned	3,155,588	-	-	-	3,155,588
Total fund balances	<u>3,934,121</u>	<u>5,301,729</u>	<u>11,308,291</u>	<u>1,199,447</u>	<u>21,743,588</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,193,335</u>	<u>\$ 5,356,334</u>	<u>\$ 11,329,451</u>	<u>\$ 1,215,805</u>	<u>\$ 23,094,925</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, 2024

Total fund balance, governmental funds	\$ 21,743,588
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.	13,989,485
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	(1,435,000)
Accrued interest	(3,408)
Compensated absences	(130,816)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	396,948
Loss on refunding	35,676
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	(66,857)
Total net position of governmental activities	<u>\$ 34,529,616</u>

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

TOWN OF ELIZABETH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

		Street Capital	Capital	Non-Major Street	Total Governmental
<u>Revenues</u>	<u>General</u>	<u>Improvement</u>	<u>Improvements</u>	<u>Maintenance</u>	<u>Funds</u>
Taxes	\$ 1,917,293	\$ 1,718,520	\$ 1,909,467	\$ 282,535	\$ 5,827,815
Public improvement fees	842,550	-	-	25,164	867,714
Licenses and permits	953,966	-	-	11,167	965,133
Intergovernmental	-	-	-	277,842	277,842
Charges for services	60,199	-	-	-	60,199
Investment earnings	212,520	242,106	535,638	52,053	1,042,317
Miscellaneous	195,543	-	33,894	-	229,437
Total revenues	<u>4,182,071</u>	<u>1,960,626</u>	<u>2,478,999</u>	<u>648,761</u>	<u>9,270,457</u>
<u>Expenditures</u>					
Current:					
General government	1,075,393	-	-	-	1,075,393
Community development	684,376	-	-	-	684,376
Public safety	1,781,074	-	-	-	1,781,074
Public works	259,151	170,471	-	461,134	890,756
Capital outlay	220	403,891	1,313,711	-	1,717,822
Debt service:					
Principal	-	450,000	-	-	450,000
Interest and fiscal charges	-	53,723	-	-	53,723
Total expenditures	<u>3,800,214</u>	<u>1,078,085</u>	<u>1,313,711</u>	<u>461,134</u>	<u>6,653,144</u>
Excess (deficiency) of revenues over (under) expenditures	381,857	882,541	1,165,288	187,627	2,617,313
Other financing sources (uses)					
Transfers in	410,000	-	-	-	410,000
Transfers out	-	(100,000)	(110,000)	-	(210,000)
Total other financing sources (uses)	<u>410,000</u>	<u>(100,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	791,857	782,541	1,055,288	187,627	2,817,313
Fund balances - beginning	3,142,264	4,519,188	10,253,003	1,011,820	18,926,275
Fund balances - ending	<u>\$ 3,934,121</u>	<u>\$ 5,301,729</u>	<u>\$ 11,308,291</u>	<u>\$ 1,199,447</u>	<u>\$ 21,743,588</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, 2024

Net change in fund balance - total governmental funds:	\$ 2,817,313
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	1,303,253
Depreciation expense	(738,252)
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.	450,000
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	1,069
Change in accrued compensated absences	(17,913)
Amortization of loss on refunding	(11,892)
Pension income	34,167
Change in net position of governmental activities	<u>\$ 3,837,745</u>

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

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Water and Wastewater</u>
<u>Assets</u>	
Current assets:	
Cash and investments	\$ 9,470,732
Cash and investments - restricted	74,436
Accounts receivable	116,758
Total current assets	<u>9,661,926</u>
Noncurrent assets:	
Capital assets, not being depreciated	1,150,248
Capital assets, net of depreciation	9,238,533
Total noncurrent assets	<u>10,388,781</u>
Total assets	<u>20,050,707</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and retainage	109,128
Accrued liabilities	8,796
Accrued interest payable	1,142
Customer deposits	69,507
Compensated absences, current portion	2,123
Loans payable, current portion	67,210
Total current liabilities	<u>257,906</u>
Noncurrent liabilities:	
Compensated absences	19,113
Loans payable	143,194
Total noncurrent liabilities	<u>162,307</u>
Total liabilities	<u>420,213</u>
<u>Net Position</u>	
Net investment in capital assets	10,178,377
Restricted	
Debt service	73,294
Unrestricted	9,378,823
Total net position	<u>\$ 19,630,494</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, 2024

	<u>Water and Wastewater</u>
Operating revenues	
Charges for services	\$ 1,793,064
Miscellaneous	87,965
Total operating revenues	<u>1,881,029</u>
Operating expenses	
Systems operations	1,228,536
Depreciation	537,495
Total operating expenses	<u>1,766,031</u>
Operating income (loss)	114,998
Nonoperating revenues (expenses)	
Investment earnings	435,884
Interest expense	(9,107)
Total non-operating revenues (expenses)	<u>426,777</u>
Income before contributions and transfers	541,775
Capital contributions	2,701,883
Transfers out	<u>(200,000)</u>
Change in net position	3,043,658
Net position, beginning of year	<u>16,586,836</u>
Net position, end of year	<u><u>\$ 19,630,494</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, 2024

	Water and Wastewater
Cash Flows From Operating Activities	
Cash received from customers	\$ 1,923,632
Cash paid to suppliers	(969,459)
Cash paid to employees	(277,096)
Net cash provided by operating activities	<u>677,077</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(433,095)
Tap fees received	2,701,883
Loan principal payments	(64,758)
Loan interest payment	(9,678)
Net cash provided by capital and related financing activities	<u>2,194,352</u>
Cash Flows From Noncapital Financing Activities	
Cash paid to other funds	(200,000)
Net cash used by noncapital and related financing activities	<u>(200,000)</u>
Cash Flows From Investing Activities	
Interest received	435,884
Net cash provided by investing activities	<u>435,884</u>
Net change in cash and cash equivalents	3,107,313
Cash and cash equivalents and restricted cash, beginning of year	<u>6,437,855</u>
Cash and cash equivalents and restricted cash, end of year	<u><u>\$ 9,545,168</u></u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities	
Net operating income (loss)	\$ 114,998
Adjustments to reconcile net operating income to cash provided by operating activities	
Depreciation expense	537,495
Changes in assets and liabilities related to operations	
Accounts receivable	42,603
Accounts payable	(22,222)
Accrued liabilities	(4,556)
Customer deposits	14,571
Compensated absences payable	(5,812)
Net cash provided by operating activities	<u><u>\$ 677,077</u></u>
Reconciliation of Cash and Cash Equivalents to Proprietary Funds Statement of Net Position	
Cash and cash equivalents	\$ 9,470,732
Restricted cash	74,436
Total cash and cash equivalents	<u><u>\$ 9,545,168</u></u>

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

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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, 2024. These taxes are classified as deferred inflows since they are not normally available to the Town until mid-2025 and are budgeted for in 2025 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 or aggregate 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, 2024

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, 2024

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 Retirement Plan (SRP), 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 SRP, administered by FPPA, and additions to/deductions from the SRP'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, 2024

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, 2024, the general fund had \$6,165 of 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, 2024, the general fund had restricted fund balance of \$278,114 and \$155,338 related to emergency restrictions and conservation trust funds, respectively, and the street capital improvement fund had restricted fund balance of \$287,658, 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, 2024, the general fund had committed fund balance of \$338,916, the street capital improvement fund had committed fund balance of \$5,014,071, the capital improvements fund had committed fund balance of \$11,308,291 and the street maintenance fund had committed fund balance of \$1,199,208. 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, 2024, there was no assigned fund balance.

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, 2024

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, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which established standards for accounting and financial reporting for compensated absences and associated salary-related payments. The implementation of the new standard had no impact on the Town's net position as of December 31, 2024.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, consisted of the following:

Petty cash	\$	400
Cash deposits		428,977
Investments		30,316,686
Total	\$	<u>30,746,063</u>

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

Cash and investments	\$	30,228,631
Cash and investments - restricted		517,432
Total cash and investments	\$	<u>30,746,063</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, 2024

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, 2024, the Town's cash deposits had a bank balance of \$778,056 and a carrying balance of \$428,977.

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, 2024

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Local Government Investment Pools

At December 31, 2024, the Town had \$25,073,489 and \$5,243,197 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, 2024, the General Fund reported \$155,338 restricted for conservation trust funds. The Street Capital Improvement Fund and the Water and Wastewater Fund reported \$287,658 and \$74,436 restricted for debt service reserves.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2024, is summarized below:

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 1,577,098	\$ 893,659	\$ -	\$ 2,470,757
Total capital assets, not depreciated	<u>1,577,098</u>	<u>893,659</u>	<u>-</u>	<u>2,470,757</u>
Capital Assets, Being Depreciated				
Land improvements	2,077,915	-	-	2,077,915
Infrastructure	14,680,845	-	-	14,680,845
Buildings and improvements	917,491	14,022	-	931,513
Vehicles and equipment	1,549,922	395,572	-	1,945,494
Total capital assets, depreciated	<u>19,226,173</u>	<u>409,594</u>	<u>-</u>	<u>19,635,767</u>
Accumulated depreciation				
Land improvements	(517,500)	(83,817)	-	(601,317)
Infrastructure	(5,384,993)	(489,361)	-	(5,874,354)
Buildings and improvements	(406,747)	(28,478)	-	(435,225)
Vehicles and equipment	(1,069,547)	(136,596)	-	(1,206,143)
Total accumulated depreciation	<u>(7,378,787)</u>	<u>(738,252)</u>	<u>-</u>	<u>(8,117,039)</u>
Net capital assets, depreciated	<u>11,847,386</u>	<u>(328,658)</u>	<u>-</u>	<u>11,518,728</u>
Governmental Activities				
Capital Assets, net	<u>\$ 13,424,484</u>	<u>\$ 565,001</u>	<u>\$ -</u>	<u>\$ 13,989,485</u>
	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024
Business-Type Activities:				
Capital Assets, Not Being Depreciated				
Land and easements	\$ 358,630	\$ -	\$ -	\$ 358,630
Construction in Process	670,123	121,495	-	791,618
Total capital assets, not depreciated	<u>1,028,753</u>	<u>121,495</u>	<u>-</u>	<u>1,150,248</u>
Capital Assets, Being Depreciated				
Plant and equipment	11,946,431	-	-	11,946,431
Plant and improvements	5,016,172	311,600	-	5,327,772
Total capital assets, depreciated	<u>16,962,603</u>	<u>311,600</u>	<u>-</u>	<u>17,274,203</u>
Accumulated depreciation				
Plant and equipment	(5,040,319)	(365,378)	-	(5,405,697)
Plant and improvements	(2,457,856)	(172,117)	-	(2,629,973)
Total accumulated depreciation	<u>(7,498,175)</u>	<u>(537,495)</u>	<u>-</u>	<u>(8,035,670)</u>
Net capital assets, depreciated	<u>9,464,428</u>	<u>(225,895)</u>	<u>-</u>	<u>9,238,533</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 10,493,181</u>	<u>\$ (104,400)</u>	<u>\$ -</u>	<u>\$ 10,388,781</u>

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities		
General government	\$	35,846
Public safety		64,627
Public works		637,780
Total	\$	<u>738,252</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, 2024:

	Balances December 31, 2023	Additions	Deletions	Balances December 31, 2024	Due In One Year
Governmental Activities:					
2015 Revenue refunding bonds	\$ 1,885,000	\$ -	\$ 450,000	\$ 1,435,000	\$ 465,000
Compensated absences*	112,903	17,913	-	130,816	13,082
Total	<u>\$ 1,997,903</u>	<u>\$ 17,913</u>	<u>\$ 450,000</u>	<u>\$ 1,565,816</u>	<u>\$ 478,082</u>

*The change in the compensated absences liability is reported as a net change.

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 \$287,658.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Remaining debt service at December 31, 2024, was as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 465,000	\$ 40,898	\$ 505,898
2026	480,000	27,645	507,645
2027	490,000	13,965	503,965
Total	<u>\$ 1,435,000</u>	<u>\$ 82,508</u>	<u>\$ 1,517,508</u>

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024:

	<u>Balances</u> <u>December 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>December 31, 2024</u>	<u>Due In</u> <u>One Year</u>
Business-Type Activities:					
2007 CWRPDA loan	\$ 275,162	\$ -	\$ 64,758	\$ 210,404	\$ 67,210
Compensated absences*	27,048	-	5,812	21,236	2,123
Total	<u>\$ 302,210</u>	<u>\$ -</u>	<u>\$ 70,570</u>	<u>\$ 231,640</u>	<u>\$ 69,333</u>

*The change in the compensated absences liability is reported as a net change.

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, 2024, was as follows:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 67,210	\$ 7,226	\$ 74,436
2026	69,754	4,682	74,436
2027	73,440	2,042	75,482
Total	<u>\$ 210,404</u>	<u>\$ 13,950</u>	<u>\$ 224,354</u>

The Town is required to comply with certain covenants and reserve requirements related to long-term debt. December 31, 2024, management believes the Town is in compliance with all covenants and reserve requirements.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - INTERFUND TRANSFERS

The schedule below outlines the total interfund transfers for the year ended December 31, 2024:

	General Fund	Total Transfers Out
Street Capital Improvement Fund	\$ 100,000	\$ 100,000
Capital Improvements Fund	110,000	110,000
Water and Wastewater Fund	200,000	200,000
Total Transfers In	<u>\$ 410,000</u>	<u>\$ 410,000</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, 2024

NOTE 8 - STATEWIDE RETIREMENT PLAN

Plan Description

The Town contributes to the Statewide Retirement Plan (SRP), 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 SRP 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 SRP 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

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The normal retirement age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with a combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service. A member is eligible for 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. The annual retirement benefit for the defined benefit component is 2.0 percent of the average of the member's highest three-year base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three-year-base salary for each year of service thereafter. Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or noncompounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 - STATEWIDE RETIREMENT PLAN (CONTINUED)

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the defined benefit component contributed 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the members of the defined benefit component and their employers contributed at a rate of 12.0 percent and 10.0 percent, respectively, of base salary for a total contribution rate of 22.0 percent. The Town's contributions to the plan for the year ended December 31, 2024 were \$77,592, equal to the required contributions.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

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

At December 31, 2024, the Town reported a liability of \$0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. 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 0.07264% which was an increase of 0.00421% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the Town recognized pension income of \$24,376.

At December 31, 2024, 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, 2024

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)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$138,348	\$6,647
Changes of Assumptions or other Inputs	80,248	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	99,321	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	1,439	60,210
Contributions Subsequent to the Measurement Date	77,592	-
Total	<u>\$ 396,948</u>	<u>\$ 66,857</u>

\$77,592 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, 2025. 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>
2025	\$45,088
2026	70,368
2027	104,177
2028	6,463
2029	10,307
Thereafter	16,095
Total	<u>\$ 252,498</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2024	January 1, 2023
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, 2024

NOTE 8 - STATEWIDE RETIREMENT 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 Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	<u>100%</u>	

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 - STATEWIDE RETIREMENT 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 Statewide Retirement Plan's 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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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 3.77% (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:

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 - STATEWIDE RETIREMENT PLAN (CONTINUED)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 407,349	\$ -	\$ -

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 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 5% of each employee's salary. During the year ended December 31, 2024, the Town contributed \$74,039 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, 2024. The Town's contributions to the plan for years ended December 31, 2024 were \$27,927 equal to the required contributions.

TOWN OF ELIZABETH
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024 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 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, 2024, the emergency reserve of \$278,114 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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Property taxes	\$ 780,119	\$ 780,119	\$ 735,118	\$ (45,001)
Specific ownership taxes	110,000	110,000	103,384	(6,616)
Sales and use tax	975,000	975,000	1,078,791	103,791
Public improvement fees	786,510	786,510	842,550	56,040
Licenses and permits	338,000	338,000	953,966	615,966
Intergovernmental	17,800	17,800	-	(17,800)
Fines and forfeitures	80,000	80,000	60,199	(19,801)
Investment earnings	80,000	80,000	212,520	132,520
Miscellaneous	47,000	47,000	195,543	148,543
Total revenues	<u>3,214,429</u>	<u>3,214,429</u>	<u>4,182,071</u>	<u>967,642</u>
<u>Expenditures</u>				
General government	1,098,750	1,124,152	1,075,393	48,759
Public safety	1,809,729	1,848,496	1,781,074	67,422
Community development	567,185	756,885	684,376	72,509
Public works	301,078	301,078	259,151	41,927
Capital outlay	-	-	220	(220)
Total expenditures	<u>3,776,742</u>	<u>4,030,611</u>	<u>3,800,214</u>	<u>230,397</u>
Excess (deficiency) of revenues				
Over (under) expenditures	(562,313)	(816,182)	381,857	1,198,039
Other financing sources (uses)				
Transfers in	410,000	410,000	410,000	-
Total other financing sources (uses)	<u>410,000</u>	<u>410,000</u>	<u>410,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (152,313)</u>	<u>\$ (406,182)</u>	791,857	<u>\$ 1,198,039</u>
Fund balance - beginning of year			<u>3,142,264</u>	
Fund balance - end of year			<u>\$ 3,934,121</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

	<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>
Town's proportion of the net pension liability	0.0726%	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	\$ 714,853	\$ 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	0.0%	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	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%

See accompanying Independent Auditors' Report

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

	<u>2024</u>	<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>
Statutorily required contributions	\$ 77,592	\$ 67,801	\$ 53,582	\$ 38,858	\$ 39,428	\$ 30,335	\$ 27,195	\$ 23,194	\$ 19,052	\$ 19,211
Contributions in relation to the statutorily required contributions	<u>77,592</u>	<u>67,801</u>	<u>53,582</u>	<u>38,858</u>	<u>39,428</u>	<u>30,335</u>	<u>27,195</u>	<u>23,194</u>	<u>19,052</u>	<u>19,211</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 777,472	\$ 714,853	\$ 595,692	\$ 457,153	\$ 492,850	\$ 379,188	\$ 339,938	\$ 289,928	\$ 238,144	\$ 240,138
Contributions as a percentage of covered payroll	10.0%	9.5%	9.0%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

See accompanying Independent Auditors' Report

SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
STREET MAINTENACE FUND
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes			
Sales and use tax	\$ 158,750	\$ 282,535	\$ 123,785
Public improvement fees	23,490	25,164	1,674
Licenses and permits	-	11,167	11,167
Intergovernmental	202,200	277,842	75,642
Investment earnings	30,000	52,053	22,053
Total revenues	<u>414,440</u>	<u>648,761</u>	<u>234,321</u>
<u>Expenditures</u>			
Public works	<u>474,680</u>	<u>461,134</u>	<u>13,546</u>
Total expenditures	<u>474,680</u>	<u>461,134</u>	<u>13,546</u>
Excess (deficiency) of revenues			
Over (under) expenditures	(60,240)	187,627	247,867
Net change in fund balance	<u>\$ (60,240)</u>	187,627	<u>\$ 247,867</u>
Fund balance - beginning of year		<u>1,011,820</u>	
Fund balance - end of year		<u>\$ 1,199,447</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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Sales and use tax	\$ 1,428,750	\$ 1,428,750	\$ 1,718,520	\$ 289,770
Investment earnings	110,000	110,000	242,106	132,106
Intergovernmental	-	1,250,000	-	(1,250,000)
Total revenues	<u>1,538,750</u>	<u>2,788,750</u>	<u>1,960,626</u>	<u>(828,124)</u>
<u>Expenditures</u>				
Public works	920,000	945,000	170,471	774,529
Capital outlay	622,500	2,147,500	403,891	1,743,609
Debt service				
Principal	450,000	450,000	450,000	-
Interest and fiscal charges	54,323	54,323	53,723	600
Total expenditures	<u>2,046,823</u>	<u>3,596,823</u>	<u>1,078,085</u>	<u>2,518,738</u>
Excess (deficiency) of revenues				
Over (under) expenditures	(508,073)	(808,073)	882,541	(3,346,862)
Other financing sources (uses)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (508,073)</u>	<u>\$ (808,073)</u>	782,541	<u>\$ (3,346,862)</u>
Fund balance - beginning of year			<u>4,519,188</u>	
Fund balance - end of year			<u>\$ 5,301,729</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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>				
Taxes				
Sales and use tax	\$ 1,587,500	\$ 1,587,500	\$ 1,909,467	\$ 321,967
Intergovernmental	-	200,000	-	(200,000)
Investment earnings	350,000	350,000	535,638	185,638
Miscellaneous	15,000	15,000	33,894	18,894
Total revenues	<u>1,952,500</u>	<u>2,152,500</u>	<u>2,478,999</u>	<u>326,499</u>
<u>Expenditures</u>				
Capital outlay	<u>1,693,000</u>	<u>2,642,000</u>	<u>1,313,711</u>	<u>379,289</u>
Total expenditures	<u>1,693,000</u>	<u>2,642,000</u>	<u>1,313,711</u>	<u>379,289</u>
Excess of revenues				
Over (under) expenditures	259,500	(489,500)	1,165,288	705,788
Other financing Sources (Uses)				
Transfers out	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 149,500</u>	<u>\$ (599,500)</u>	1,055,288	<u>\$ 705,788</u>
Fund balance - beginning of year			<u>10,253,003</u>	
Fund balance - end of year			<u>\$ 11,308,291</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, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 1,540,000	\$ 1,793,064	\$ 253,064
Tap fees	2,400,000	2,701,883	301,883
Investment earnings	140,000	435,884	295,884
Miscellaneous	41,000	87,965	46,965
Total revenues	<u>4,121,000</u>	<u>5,018,796</u>	<u>897,796</u>
<u>Expenditures</u>			
System operations	1,224,186	1,228,536	(4,350)
Capital outlay	915,000	433,095	481,905
Debt service			
Principal	64,758	64,758	-
Interest and fiscal charges	9,678	9,107	571
Total expenses	<u>2,213,622</u>	<u>1,735,496</u>	<u>478,126</u>
Excess (deficiency) of revenues			
Over (under) expenses	1,907,378	3,283,300	1,375,922
Other financing Sources (Uses)			
Transfers out	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Change in net position, budgetary basis	<u>\$ 1,707,378</u>	3,083,300	<u>\$ 1,375,922</u>
Reconciliation to GAAP basis			
Capital outlay		433,095	
Depreciation		(537,495)	
Debt principal payments		<u>64,758</u>	
Change in net position, GAAP basis		<u>\$ 3,043,658</u>	

See the accompanying independent auditors' report

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/2024
This Information From The Records Of: Town of Elizabeth	Prepared By: Hannah Bruce / hbruce@townofelizabeth.org

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. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 362,100
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 345,756
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 17,071
2. General fund appropriations		b. Snow and ice removal	\$ 11,590
3. Other local imposts (from page 2)	\$ 1,746,735	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 863,280	d. Total (a. through c.)	\$ 28,662
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 60,816
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 25,899
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 823,232
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ 53,723
7. Total (1 through 6)	\$ 2,610,015	b. Redemption	\$ 450,000
B. Private Contributions		c. Total (a. + b.)	\$ 503,723
C. Receipts from State government (from page 2)	\$ 102,755	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 2,712,770	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 503,723
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,326,955

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 1,885,000		\$ 450,000	\$ 1,435,000
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 2,712,770	\$ 1,326,955		\$ 1,385,816

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO YEAR ENDING (mm/yy): 12/2024	
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	\$ 294,159
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 1,618,187	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 25,164	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 103,384	g. Other Misc. Receipts	\$ 291,280
6. Total (1. through 5.)	\$ 1,746,735	h. Other	\$ 277,842
c. Total (a. + b.)	\$ 1,746,735	i. Total (a. through h.)	\$ 863,280
(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 (from Item I.C.5.)	\$ 91,588	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	\$ 11,167	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 11,167	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 102,755	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	
III. EXPENDITURES 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		\$ -	\$ -
b. Engineering Costs		\$ 170,172	\$ 170,172
c. Construction:			
(1). New Facilities		\$ 172,085	\$ 172,085
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 19,843	\$ 19,843
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 191,928	\$ 191,928
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 362,100	\$ 362,100
(Carry forward to page 1)			
Notes and Comments:			

FORM FHWA-536