

Town of Elizabeth

**Financial Statements and
Report of Independent
Certified Public Accountants**

December 31, 2008

JASPERS + HALL, PC
CERTIFIED PUBLIC ACCOUNTANTS

7900 East Union Ave, Ste 900
Denver, CO 80237
(303) 773-3391

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Report of Independent Certified Public Accountants

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

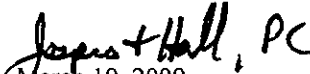
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Elizabeth, Colorado (the Town), as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 11 and the major fund budgetary comparison information on pages 42 through 45 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information presented on pages 46 through 56 is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


March 19, 2009

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Town of Elizabeth's (the Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the calendar year ended December 31, 2008. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by \$9,180,424 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$4,392,287 consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of borrowings used for the acquisition, construction or improvement of those assets.
 - (2) Unrestricted net assets of \$3,975,730 represent the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending net assets were \$5,568,909 this year. This compares to the prior year ending fund balance of \$4,443,430. This is an increase of \$1,125,479.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$524,978, which was an increase of \$55,717 over the 2007 ending fund balance of \$468,355.
- At the end of the current calendar year, fund balance for the Street Maintenance Fund was \$606,831.
- At the end of the current calendar year, fund balance for the Street Capital Improvement Fund was \$2,054,641 of which \$533,963 is reserved as required by the street and sales tax revenue bond documents. The Town of Elizabeth issued \$4,055,000 in sales and use tax revenue bonds for street improvements in 2006 and \$3,445,000 in 2003.
- At the end of the current calendar year, fund balance for the General Capital Improvement Fund was \$624,025. The voters approved a 1.5% sales and use tax for capital improvements in 2007. The Town of Elizabeth issued \$5,145,273 in Clean Water Revenue Bonds for the upgrade and expansion of the Gold Creek Wastewater Treatment Facility. The bonds are secured by a portion of the 1.5% sales and use tax.
- The Town's Water and Sewer Fund ended the year with a net working capital of \$4,930,188, which includes \$4,782,748 in proceeds from the Clean Water Revenue Bonds.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data with calendar year 2007.

Government-Wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to

that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by sales taxes, fines and forfeiture and user charges and fees. Governmental activities include general government, public safety, public works, and culture and recreation. The business-type activity includes the water and sewer system.

The government-wide financial statements are presented on pages 11 & 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. All of the Town's funds are classified as major and reported separately.

The Town has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 13-16 of this report.

The *Proprietary fund* is reported in the fund financial statements and generally report services for which the Town charges customers a fee. The one Town proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers within the Town's organization for water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 17-20 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the special revenue funds. Budgetary comparison schedules for the enterprise fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the Town's adopted and final revised budget. Required supplementary information can be found on pages 42-45 of this report with additional supplementary information on pages 46-54.

Special Reports Section

The Special Reports Section includes the Local Highway Finance Report for the Highway User Tax Fund (HUTF).

Financial Analysis of the Town as a Whole

The Town implemented the new financial reporting model used in this report beginning with the calendar year ending December 31, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Town as a whole.

The following table provides a summary of the Town's net assets for year ending 2008 and 2007:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current assets	\$ 1,872,575	\$ 1,638,937	\$5,335,780	\$ 1,461,463	\$ 7,208,355	\$ 3,100,400
Restricted assets	2,554,112	4,406,585	635,003	281,568	3,189,115	4,688,153
Capital and other assets	8,690,053	6,838,236	4,026,010	2,685,251	12,716,063	9,523,487
Total assets	13,116,740	12,883,758	9,996,793	4,428,282	23,113,533	17,312,040
Liabilities:						
Current liabilities	914,379	1,525,592	307,483	97,176	1,221,862	1,622,768
Long-term liabilities	6,633,452	6,914,736	6,241,782	1,261,718	12,875,234	8,176,454
Total liabilities	7,547,831	8,440,328	6,549,265	1,358,894	14,097,096	9,799,222
Net assets:						
Invested in capital assets, net of debt	1,990,088	3,520,976	2,402,199	2,424,761	4,392,287	5,945,737
Restricted	625,252	625,252	25,636	25,636	650,888	650,888
Unrestricted	2,953,569	297,202	1,019,693	618,991	3,973,262	916,193
Total net assets	\$ 5,568,909	\$ 4,443,430	\$3,447,528	\$ 3,069,388	\$ 9,016,437	\$ 7,512,818

The Town's current ratio has increased over the period primarily due the addition of the WPC loans. The proceeds from the loan are recorded as a current asset while the debt is recorded as a long term liability. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 1.66 to 1 and 17.35 to 1 for business type activities. For the Town overall, the current ratio is 5.61 to 1. For comparison, in 2007 the current ratios for the government activities and business type activities were 1.07 to 1 and 15.04 to 1 respectively. The overall current ratio in 2007 was 1.91 to 1.

The Town reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$1,125,479 for governmental activities and increased by \$542,127 for business-type activities. The Town's overall financial position increased by \$1,667,606 during calendar year 2008.

Note that approximately 36% of the governmental activities' net assets are tied up in capital assets. The Town uses these capital assets to provide services to its citizens. However, with business type activities, the Town has spent approximately 67% of its net assets on capital assets. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 48% of the Town's total net assets are included in capital assets.

The following table provides a summary of the Town's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Program Revenues:						
Charges for services	\$ 83,161	\$ 111,298	\$ 765,457	\$ 771,055	\$ 848,618	\$ 882,353
Operating grants	92,451	176,192	-	-	92,451	176,192
Capital grants	4,150	-	352,000	111,829	356,150	111,829
General:						
Taxes	2,292,477	1,492,287	-	-	2,292,477	1,492,287
Investment Earnings	119,692	292,844	21,410	24,224	141,102	317,068
Other	316,182	245,903	(122,139)	(138,321)	194,043	107,582
Total revenues	\$ 2,908,113	\$ 2,318,524	\$ 1,016,728	\$ 768,787	\$ 3,924,841	\$ 3,087,311
Program Expenses:						
General government	\$ 585,046	\$ 469,836	\$ -	\$ -	\$ 585,046	\$ 469,836
Public safety	551,674	502,001	-	-	551,674	502,001
Public Works	299,914	297,903	-	-	299,914	297,903
Culture and recreation	25,144	10,287	-	-	25,144	10,287
Interest	320,856	337,449	-	-	320,856	337,449
Water and sewer	-	-	474,601	546,218	474,601	546,218
Total expenses	\$ 1,782,634	\$ 1,617,476	\$ 474,601	\$ 546,218	\$ 2,257,235	\$ 2,163,694
Change in net assets	1,125,479	701,048	542,127	222,569	1,667,606	923,617
Beginning net assets	4,443,430	3,742,382	3,069,388	2,846,819	7,512,818	5,699,482
Ending net assets	\$ 5,568,909	\$ 4,443,430	\$ 3,611,515	\$ 3,069,388	\$ 9,180,424	\$ 7,512,818

GOVERNMENTAL REVENUES

The Town is heavily reliant on retail sales from residents who reside in or near the community and shop in Elizabeth for their daily supplies. 63% of governmental revenues are derived from sales tax. The Town levies a 4.0% sales tax on retail sales and a 3.0% use tax. 1% of the collections are distributed to the General Fund. 1.5% of sales and use tax are distributed to the Street Maintenance and Street Capital Improvement Fund. The Street Capital Improvement Fund receives 90% of the 1.5% sales and use tax, the Street Maintenance Fund receives 10%. 1.5% of the sales and use tax are distributed to the General Capital Improvement Fund.

GOVERNMENTAL FUNCTIONAL EXPENSES

74% of total governmental expenditures are spent on general government, public safety and streets. The general government expense and public safety expense increased slightly in 2008 primarily due to a one-time expenditure for outfitting an Emergency Operation Center funded through a federal grant from the Department of Criminal Justice.

This table presents the cost of each of the Town's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 585,046	\$ (467,292)
Public safety	551,674	(508,896)
Public Works	299,914	(289,936)
Culture and recreation	25,144	(15,892)
Interest	320,856	(320,856)
General Revenue	<u>2,728,351</u>	<u>2,728,351</u>
Total	<u>\$ 4,510,985</u>	<u>\$ 1,125,479</u>

Although the Town reports very little program revenue, much of the general government functions are funded by sales, use and property tax. Taxes are reported as general revenue, rather than program revenue; therefore, the net cost of services is offset by general revenues of \$2,728,351

BUSINESS-TYPE ACTIVITIES Revenues vs. Costs

The operating revenues for the water and sewer fund were 5% less than 2007, and the operating expenses were 13% less than 2007. These activities reported \$290,856 of operating income compared to operating income of \$259,190 for the prior year. This was fairly stable. Total net assets increased by \$378,140 in calendar year 2008 primarily due to a sanitary sewer tap fee paid for the Wal-Mart.

Financial Analysis of the Town's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,838,511. Of this year-end total, \$2,054,641 is designated for street maintenance and improvements and \$624,025 for other capital improvements. The difference of \$553,014 is the undesignated portion of the general fund and the emergency reserve required by the TABOR amendment.

Major Governmental Funds

The general fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The general fund's fund balance increased by \$55,717 primarily due to a \$75,000 impact fee from the Wal-Mart. In the prior calendar year, the fund balance increased \$173,621.

The 2008 property taxes comprised 32% of total general fund revenues. Sales tax collections were up 1% from the previous year. Other taxes, licenses and permits, which includes use tax on building materials and building permits was up due to a tenant finish on the Safeway Store and exterior finish on the Sonic Restaurant. The Town also received grant proceeds from the Colorado Department of Local Affairs Energy and Mineral Impact Assistance Grant for an update to the Town's Master Plan and a federal grant from the Department of Criminal Justice for equipping an Emergency Operations Center. Most other revenue classifications were stable, although interest earnings declined in 2008 due to lower available interest rates.

General fund expenditures increased \$252,123 or 26% over the prior year, primarily due to the purchase of a new police vehicle, purchase of land for open space, and a consultant contract for an update to the Town's Master Plan. The general fund's positive ending fund balance was primarily the result of a one-time impact fee from the Wal-Mart.

The street maintenance fund balance ended 2008 at \$606,831, which is an increase from the previous years ending fund balance of \$38,345. The primary reason for the increase was postponement of street maintenance activities due to the efforts needed to observe and inspect the Street Improvement Project.

The street capital improvement fund balance ended 2008 at \$2,054,641, which is a decrease under the previous year. The fund was established to more clearly account for earmarked revenues and expenses associated with street capital improvements. \$4,055,000 in sales and use tax revenue bonds were issued in 2006 for the installation of underground utilities and paving of town streets in 2007 and 2008. The project began in 2007 and significant expense was incurred for the final completion of street improvements in 2008.

Budgetary Highlights

The General Fund – Overall, the Town recognized a 6% or \$74,983 increase in revenues above the adopted budget. The increase was primarily driven by a \$75,000 impact fee received for Wal-Mart.

The general government, in the general fund expenditures function experienced a variance of \$56,634 or about 4.3% below the budgeted amount. The variance was primarily due the expenses associated with the update to the Town Master Plan. Other savings were achieved through operating efficiencies.

The Street Maintenance Fund – The revenue collections for the Street Maintenance Fund were greater than budgeted, primarily due to an unexpected increase in Specific Ownership taxes and a greater than expected automobile use tax distributions. Additionally, the interest received was greater than expected due to more available funds for investment.

Expenditures were under budget due to the postponement of street maintenance. Limited maintenance activity took place due to the need for staff to oversee the Street Improvement Project.

The Street Capital Improvement Fund - The revenue collections for the Street Capital Improvement Fund were greater than budgeted primarily due greater than expected sales tax and greater interest due to availability of resources.

Expenditures were under budget; however, the project was completed. Final release of retainage did not occur in 2008.

The General Capital Improvement Fund - The Fund was created in 2008 to account for the voter approved 1.5% sales and use tax for capital improvements. The Fund was established to hold collections for later transfer to other funds where major capital expenditures were incurred. The Town collected \$664,373 in sales and use tax for the fund and \$2,302 in interest earning. \$42,650 was transferred to the Water and Sewer Fund for the first debt service payment on a \$5,145,273 Clean Water Revenue Bond for the Gold Creek Waste Water Treatment Plant Upgrade and Expansion.

The Water and Sewer Fund - The charges for services for the water and sewer fund were greater than budgeted due to consumptive patterns. 2008 was drier than 2007 and the need for irrigation greater. Tap fees were significantly more than budgeted due to the payment of a sanitary sewer tap from Wal-Mart. Loan proceeds were significantly less than budgeted due to a lower estimate of cost for the Gold Creek Wastewater Treatment Plant project.

On the expenditure side the budget was substantially less than budgeted due to the postponement of the Gold Creek Wastewater Treatment Plant upgrade and expansion. \$9,000,000 was budgeted in anticipation of project start up in 2008. Engineering costs were the only expense incurred in 2008 in preparation of start up. Additionally, the Running Creek Wastewater Force Main and Lift Station project completed in 2008 was less than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2008, was \$8,455,140 and \$4,026,010 respectively. The net investment was a 28% increase for governmental and a 50% increase for business-type activities. See Note 3, page 33 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Non-depreciable assets:						
Land	\$ 376,865	\$ 310,298	\$ 315,468	\$ 196,468	\$ 692,333	\$ 506,766
Construction in progress	3,880,401	2,008,100	424,390	256,547	4,304,791	2,264,647
Easements	-	-	43,162	43,162	43,162	43,162
Total non-depreciable	4,257,266	2,318,398	783,020	496,177	5,040,286	2,814,575
Depreciable assets:						
Land improvements	87,561	87,561	-	-	87,561	87,561
Infrastructure	3,936,228	3,936,228	-	-	3,936,228	3,936,228
Buildings	375,209	375,209	-	-	375,209	375,209
Building Improvements	160,739	160,739	-	-	160,739	160,739
Vehicles	392,905	339,738	-	-	392,905	339,738
Heavy Equipment	296,459	222,150	-	-	296,459	222,150
Office Equipment	39,845	39,845	-	-	39,845	39,845
Plant and Equipment	-	-	2,801,174	2,801,174	2,801,174	2,801,174
Plant Improvements	-	-	2,392,427	1,203,765	2,392,427	1,203,765
Total depreciable assets	5,288,946	5,161,470	5,193,601	4,004,939	10,482,547	9,166,409
Less accumulated depreciation	1,091,072	890,949	1,950,611	1,815,865	3,041,683	2,706,814
Book value - depreciable assets	4,197,874	4,270,521	3,242,990	2,189,074	7,440,864	6,459,595
Percentage depreciated	21%	17%	38%	45%	29%	30%
Book value - all assets	\$ 8,455,140	\$ 6,588,919	\$ 4,026,010	\$ 2,685,251	\$ 12,481,150	\$ 9,274,170

At December 31, 2008, the depreciable capital assets for governmental activities were 21% depreciated. This compares to 17% at December 31, 2007. Overall, the Town percentage of assets depreciated is 29%.

Infrastructure Assets

The Town of Elizabeth depreciates infrastructure assets. See note 1 of the notes to the financial statements.

Long-term Debt

The governmental activities long-term debt consists of two types of debt outstanding, sales and use tax revenue bonds and capital leases. See Note 3 for detailed information. Compensated absences are also recorded.

The water and sewer enterprise fund is also composed of revolving debt and revenue bonds for water and sewer capital improvements.

	Outstanding Borrowings					
	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenue bonds	\$ 6,650,000	\$ 6,880,000			\$ 6,650,000	\$ 7,100,000
Capital leases	207,823	246,718			207,823	287,490
Revolving Loan	-	-	6,406,559	1,310,490	6,406,559	260,490
Compensated absences	19,555	19,233	3,103	4,322	22,658	18,709
Total	\$ 6,877,378	\$ 7,145,951	\$ 6,409,662	\$ 360,612	\$ 13,287,040	\$ 7,666,689

Economic Conditions Affecting the Town

While the Town's historic economy was traditionally agriculture, the dynamics of the community have slowly shifted towards a service oriented community for town and county residents working in the Southeast Metropolitan region and choosing to live in the more rural small town atmosphere. The retail purchases made by the residents of the town and those adjacent county residents are currently what drive the economy of Elizabeth.

The primary revenue source for the Town is retail sales tax. The Town levies a 4.0% sales and 3.0% use tax for general administration, street capital improvements and maintenance, and general capital improvements. The Town experienced a major tenant finish to the Safeway grocery store, exterior remodel of the Sonic Drive Thru, and the purchase and remodel of the hardware store by True-Value in 2008. These improvements assisted the Town in maintaining stable retail sales, while the national economy experienced declines. Anecdotal evidence suggests that area residents are foregoing the trips into nearby Parker and Castle Rock in an effort to restrain spending and cut expenses for fuel. Elizabeth is not immune to the mortgage crisis and threats to the retail sales base exist due to the availability of vacant tracts outside of the town limits; however, the Town is actively trying to annex adjacent properties to reduce the potential impacts. The Wild Pointe development to the west of Town poses the greatest threat, as the County has approved 300,000 square feet of office and retail space on 40 acres. A Super Center Wal-Mart broke ground in 2008, with a grand opening slated for August 2009. The Town in 2005 entered into an intergovernmental agreement with the Elbert and Highway 86 Commercial Metropolitan District to share a portion of a public improvement fee, which will be assessed in the commercial component of the Wild Pointe Development. In exchange for the PIF, the Town will permit the commercial development to tap into town sewer service. The agreement is for a forty year period or until the District pays off their bonds. The financial impact from the Wal-Mart is likely going to be positive for the Town, but will impact some existing Elizabeth businesses. The Safeway Grocery Store upgraded their facility in an effort to compete.

The Town has made tremendous progress in plans for upgrades to the wastewater system. The Town completed the construction of a force main and lift station at the Running Creek site which transfers wastewater to the Gold Creek Wastewater Treatment facility, which is currently at 20% capacity. The eligible voters for the Town of Elizabeth approved a new 1.5% sales and use tax in 2007, which took effect in 2008. The tax will be used to assist the Town in Capital Improvement needs, specifically water and wastewater improvements. The Town has designed the Gold Creek Wastewater Plant to handle the additional flows from the lift station plus growth. The construction is slated for March 2009. The Street Improvements in the existing Town were completed in 2008. The Town has had a claim filed against it regarding the Street Paving Project after numerous attempts to settle the dispute amicably. The Town has exposure for roughly \$400,000 in claims and associated expenses. The Town has roughly \$1,500,000 in discretionary Street Capital Improvement Fund reserves and therefore, the outcome should not have a material effect on the financial position of the Town.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town staff at 303-646-4166.

Government-wide Financial Statements