

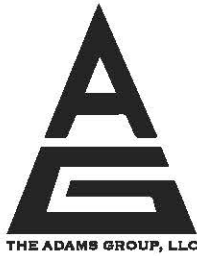
**TOWN OF ELIZABETH
FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Elizabeth, Colorado as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Elizabeth as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and budgetary comparison information on pages 26-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management 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.

Other Information

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

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

June 11, 2020
Denver, Colorado

The Adams Group, LLC

BASIC FINANCIAL STATEMENTS

TOWN OF ELIZABETH
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 10,374,106	\$ 3,990,260	\$ 14,364,366
Restricted cash and investments	353,500	223,561	577,061
Accounts receivables	700,829	100,782	801,611
Property taxes receivable	582,748	0	582,748
Capital assets, not being depreciated	1,443,825	358,630	1,802,455
Capital assets, net of accumulated depreciation	7,184,049	7,134,337	14,318,386
Total assets	<u>20,639,057</u>	<u>11,807,570</u>	<u>32,446,627</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on debt refunding	95,136	0	95,136
Pension related deferred outflow	224,921	0	224,921
Total deferred outflows of resources	<u>320,057</u>	<u>0</u>	<u>320,057</u>
LIABILITIES			
Accounts payable and accrued liabilities	158,369	27,968	186,337
Accrued interest payable	8,180	27,063	35,243
Unearned revenue	11,500	0	11,500
Deposits	48,731	25,260	73,991
Noncurrent liabilities			
Due within one year	401,906	301,999	703,905
Due in more than one year	3,177,319	2,969,244	6,146,563
Net pension liability	64,008	0	64,008
Total liabilities	<u>3,870,013</u>	<u>3,351,534</u>	<u>7,221,547</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflow	2,577	0	2,577
Property taxes	574,701	0	574,701
Total deferred inflows of resources	<u>577,278</u>	<u>0</u>	<u>577,278</u>
NET POSITION			
Net investment in capital assets	5,092,874	4,230,089	9,322,963
Restricted			
Emergency reserves	112,576	38,672	151,248
Debt service	353,500	297,997	651,497
Parks	90,080	0	90,080
Streets	76,055	0	76,055
Street maintenance	850,578	0	850,578
Street improvements	4,492,371	0	4,492,371
Capital improvements	4,606,828	0	4,606,828
Unrestricted	836,961	3,889,278	4,726,239
Total net position	<u>\$ 16,511,823</u>	<u>\$ 8,456,036</u>	<u>\$ 24,967,859</u>

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

TOWN OF ELIZABETH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ 1,464,464	\$ 344,694	\$ 0	\$ 0	\$ (1,119,770)	\$ 0	\$ (1,119,770)
Public safety	1,119,454	66,925	0	0	(1,052,529)	0	(1,052,529)
Public works	672,009	12,686	117,002	230,670	(311,651)	0	(311,651)
Parks and recreation	6,802	0	0	0	(6,802)	0	(6,802)
Interest on long-term debt	108,157	0	0	0	(108,157)	0	(108,157)
Total governmental activities	<u>3,370,886</u>	<u>424,305</u>	<u>117,002</u>	<u>230,670</u>	<u>(2,598,909)</u>	<u>0</u>	<u>(2,598,909)</u>
Business-Type Activities							
Water and wastewater	<u>1,289,067</u>	<u>1,127,692</u>	<u>0</u>	<u>1,124,350</u>	<u>0</u>	<u>962,975</u>	<u>962,975</u>
Total business-type activities	<u>1,289,067</u>	<u>1,127,692</u>	<u>0</u>	<u>1,124,350</u>	<u>0</u>	<u>962,975</u>	<u>962,975</u>
Total primary government	<u>4,659,953</u>	<u>1,551,997</u>	<u>117,002</u>	<u>1,355,020</u>	<u>(2,598,909)</u>	<u>962,975</u>	<u>(1,635,934)</u>
General revenues:							
Sales and use taxes					2,829,665	0	2,829,665
Property taxes					510,221	0	510,221
Specific ownership taxes					101,894	0	101,894
Other taxes					81,564	0	81,564
Public improvement fees					647,279	0	647,279
Investment income					208,634	76,467	285,101
Miscellaneous					182,513	126,104	308,617
Total general revenues					<u>4,561,770</u>	<u>202,571</u>	<u>4,764,341</u>
Transfers, net					<u>2,427</u>	<u>(2,427)</u>	<u>0</u>
Total general revenues and transfers					<u>4,564,197</u>	<u>200,144</u>	<u>4,764,341</u>
Change in net position					<u>1,965,288</u>	<u>1,163,119</u>	<u>3,128,407</u>
Net position - Beginning					<u>14,546,535</u>	<u>7,292,917</u>	<u>21,839,452</u>
Net position - Ending					<u>\$ 16,511,823</u>	<u>\$ 8,456,036</u>	<u>\$ 24,967,859</u>

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

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2019

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Street Maintenance</u>	<u>Street Capital Improvement</u>	<u>Capital Improvements</u>	
ASSETS					
Cash and investments	\$ 746,377	\$ 810,570	\$ 4,360,845	\$ 4,456,314	\$ 10,374,106
Cash and investments - restricted	0	0	353,500	0	353,500
Accounts receivable	289,422	52,366	170,072	188,969	700,829
Property taxes receivable	582,748	0	0	0	582,748
Total assets	<u>\$ 1,618,547</u>	<u>\$ 862,936</u>	<u>\$ 4,884,417</u>	<u>\$ 4,645,283</u>	<u>\$ 12,011,183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 114,450	\$ 4,737	\$ 10,000	\$ 29,182	\$ 158,369
Unearned revenue	0	0	11,500	0	11,500
Escrow deposits	48,731	0	0	0	48,731
Total liabilities	<u>163,181</u>	<u>4,737</u>	<u>21,500</u>	<u>29,182</u>	<u>218,600</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes and assessments	<u>574,701</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>574,701</u>
FUND BALANCES					
Restricted					
Emergency reserves	78,636	7,621	17,046	9,273	112,576
Debt service	0	0	353,500	0	353,500
Parks	90,080	0	0	0	90,080
Streets	76,055	0	0	0	76,055
Assigned					
Street maintenance	0	850,578	0	0	850,578
Street improvements	0	0	4,492,371	0	4,492,371
Capital improvements	0	0	0	4,606,828	4,606,828
Unassigned	635,894	0	0	0	635,894
Total fund balances	<u>880,665</u>	<u>858,199</u>	<u>4,862,917</u>	<u>4,616,101</u>	<u>11,217,882</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
	<u>\$ 1,618,547</u>	<u>\$ 862,936</u>	<u>\$ 4,884,417</u>	<u>\$ 4,645,283</u>	<u>\$ 12,011,183</u>

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

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Total governmental funds	\$ 11,217,882
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,627,874
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Bonds payable	(3,535,000)
Accrued compensated absences	(44,225)
Accrued interest payable	(8,180)
Loss on debt refunding	95,136
Net pension liability	(64,008)
Pension related deferred outflows of resources, net	222,344
Net position of governmental activities	\$ 16,511,823

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

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

Special Revenue Funds

	<u>General</u>	<u>Street Maintenance</u>	<u>Street Capital Improvement</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 1,220,624	\$ 118,455	\$ 1,156,275	\$ 946,426	\$ 3,441,780
Public improvement fees	628,508	18,771	0	0	647,279
Licenses and permits	344,694	12,686	0	0	357,380
Intergovernmental	148,689	117,002	0	81,981	347,672
Charges for services	66,925	0	0	0	66,925
Net investment income	14,156	13,529	97,130	83,819	208,634
Miscellaneous	159,894	0	0	104,183	264,077
Total revenues	<u>2,583,490</u>	<u>280,443</u>	<u>1,253,405</u>	<u>1,216,409</u>	<u>5,333,747</u>
EXPENDITURES					
Current					
General government	1,424,433	0	0	0	1,424,433
Public safety	1,116,963	0	0	0	1,116,963
Public works	52,522	254,030	600	0	307,152
Debt service					
Principal	0	0	380,000	0	380,000
Interest and fiscal charges	0	0	108,157	0	108,157
Capital outlay	27,283	0	79,429	309,105	415,817
Total expenditures	<u>2,621,201</u>	<u>254,030</u>	<u>568,186</u>	<u>309,105</u>	<u>3,752,522</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(37,711)</u>	<u>26,413</u>	<u>685,219</u>	<u>907,304</u>	<u>1,581,225</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	175,000	0	0	0	175,000
Transfers out	0	0	0	(172,573)	(172,573)
Total other financing sources (uses)	<u>175,000</u>	<u>0</u>	<u>0</u>	<u>(172,573)</u>	<u>2,427</u>
NET CHANGE IN FUND BALANCES	137,289	26,413	685,219	734,731	1,583,652
FUND BALANCES - BEGINNING OF YEAR	<u>743,376</u>	<u>831,786</u>	<u>4,177,698</u>	<u>3,881,370</u>	<u>9,634,230</u>
FUND BALANCES - END OF YEAR	<u>\$ 880,665</u>	<u>\$ 858,199</u>	<u>\$ 4,862,917</u>	<u>\$ 4,616,101</u>	<u>\$ 11,217,882</u>

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

TOWN OF ELIZABETH
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	\$ 1,583,652
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation exceeded capital outlay.

Capital outlay	415,817
Depreciation	(416,684)

The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments made	380,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(9,981)
Change in accrued interest	833
Amortization of deferred loss on refunding	(11,892)
Pension-related deferred outflows of resources	(27,195)
Pension-related deferred inflows of resources	50,738

Change in net position of governmental activities	<u>\$ 1,965,288</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Water and Wastewater</u>
ASSETS	
<i>Current assets</i>	
Cash and investments	\$ 3,990,260
Restricted cash	223,561
Accounts receivable	100,782
Total current assets	<u>4,314,603</u>
 <i>Noncurrent assets</i>	
Capital assets, not being depreciated	358,630
Capital assets, net of accumulated depreciation	7,134,337
Total noncurrent assets	<u>7,492,967</u>
Total Assets	<u>\$ 11,807,570</u>
 LIABILITIES	
<i>Current liabilities</i>	
Accounts payable and accrued liabilities	\$ 27,968
Accrued interest payable	27,063
Customer deposits	25,260
Compensated absences, current portion	910
Loans payable, current portion	301,089
Total current liabilities	<u>382,290</u>
 <i>Noncurrent liabilities</i>	
Compensated absences	7,455
Loans payable	2,961,789
Total noncurrent liabilities	<u>2,969,244</u>
Total liabilities	<u>3,351,534</u>
 NET POSITION	
Net investment in capital assets	4,230,089
Restricted	
Emergencies	38,672
Debt service	297,997
Unrestricted	3,889,278
Total net position	<u>\$ 8,456,036</u>

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

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Water and Wastewater</u>
OPERATING REVENUES	
Charges for services	\$ 1,127,692
Miscellaneous	126,104
Total operating revenues	<u>1,253,796</u>
OPERATING EXPENSES	
Systems operation	741,950
Depreciation	424,334
Total operating expenses	<u>1,166,284</u>
NET OPERATING INCOME	<u>87,512</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	76,467
Interest expense	(122,783)
Total nonoperating revenues (expenses)	<u>(46,316)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TAP FEES	41,196
CAPITAL CONTRIBUTIONS AND TAP FEES	
Tap fees	1,124,350
Transfers in	172,573
Transfers out	(175,000)
Total capital contributions and tap fees	<u>1,121,923</u>
CHANGE IN NET POSITION	<u>1,163,119</u>
NET POSITION, BEGINNING OF YEAR	<u>7,292,917</u>
NET POSITION, END OF YEAR	<u>\$ 8,456,036</u>

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

TOWN OF ELIZABETH
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,285,052
Cash paid to suppliers	(514,758)
Cash paid to employees	(233,409)
Net cash provided by operating activities	536,885
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(14,885)
Tap fees received	1,127,377
Loan principal payments	(293,602)
Loan interest payment	(125,980)
Net cash provided by capital and related financing activities	692,910
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other funds	172,573
Cash paid to other funds	(175,000)
Net cash provided by capital and related financing activities	(2,427)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	76,467
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,303,835
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	2,909,986
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 4,213,821
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income	\$ 87,512
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation expense	424,334
Changes in assets and liabilities related to operations	
Accounts receivable	31,256
Accounts payable	(8,579)
Compensated absences payable	2,362
Net cash provided by operating activities	\$ 536,885
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO PROPRIETARY FUNDS STATEMENT OF NET POSITION	
Cash and cash equivalents	\$ 3,990,260
Restricted cash	223,561
Total cash and cash equivalents	\$ 4,213,821

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

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town except those related to fiduciary activities. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major proprietary fund:

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

Assets, Liabilities and Net Position/Fund Balance

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2019, the Town believes all amounts recorded are fully collectible.

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

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

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

<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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for Deferred Outflows/Inflows of Resources. Deferred outflows of resources include deferred charges on the refunding of debt and amounts related to the participation in the Statewide Defined Benefit Plan. Deferred inflows of resources include property taxes earned but levied for a subsequent year and amounts related to the participation in the Statewide Defined Benefit Plan.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

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

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

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

Fund Balance – 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.

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.

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.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned fund balance – Amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned fund balance – Amounts that are available for any purpose.

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

Property Taxes

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

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at December 31, 2019, consisted of the following:

Petty cash	\$	400
Cash deposits		1,360,717
Investments		13,580,310
Total		\$ 14,941,427

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

Cash and investments	\$	14,364,366
Restricted cash and investments		577,061
Total		\$ 14,941,427

Cash Deposits

The Colorado Public Deposit Protection act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the Town had bank deposits of \$1,533,186 of which \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$1,283,186 was covered by the PDPA.

Investments

The Town is required to comply with State statutes which specify the investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The Town’s investment policy does not further limit these investment choices.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

Interest Rate Risk – State statutes generally limit investment to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The Town has interest rate risk related to its investments in COLOTRUST and CSAFE. At December 31, 2019, COLOTRUST PLUS+ had a weighted average maturity of 47 days to reset and 69 days to final maturity. At December 31, 2019, CSAFE had a weighted average maturity of 23.5 days.

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

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

Local Government Investment Pools – At December 31, 2019, the Town had \$9,581,622 and \$3,998,688 invested in the Colorado Local Government Liquid Asset Trust (Colostrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively, investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools are measured at the net asset value per share, with each share valued at \$1. Both pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State 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 participating governments. COLOTRUST and CSAFE do not have any unfunded commitments, redemption restrictions or redemption notice periods.

Fair Value Hierarchy – The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town's investments are recorded at fair value using net asset value.

Restricted Cash and Investments – At December 31, 2019, the Street Capital Improvement Fund and the Water and Wastewater Fund reported \$353,500 and \$223,561 restricted for debt service reserves.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019, is summarized below:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 772,208	\$ 0	\$ 0	\$ 772,208
Construction in progress	362,513	309,104	0	671,617
Total capital assets, not being depreciated	<u>1,134,721</u>	<u>309,104</u>	<u>0</u>	<u>1,443,825</u>
Capital assets, being depreciated:				
Land improvements	407,897	0	0	407,897
Infrastructure	9,954,291	0	0	9,954,291
Building and improvements	805,820	0	0	805,820
Vehicles and equipment	934,651	106,713	0	1,041,364
Total capital assets, being depreciated	<u>12,102,659</u>	<u>106,713</u>	<u>0</u>	<u>12,209,372</u>
Less accumulated depreciation:				
Land improvements	(163,747)	(18,111)	0	(181,858)
Infrastructure	(3,400,158)	(331,809)	0	(3,731,967)
Building and improvements	(281,715)	(23,490)	0	(305,205)
Vehicles and equipment	(763,019)	(43,274)	0	(806,293)
Total accumulated depreciation	<u>(4,608,639)</u>	<u>(416,684)</u>	<u>0</u>	<u>(5,025,323)</u>
Total capital assets, being depreciated, net	<u>7,494,020</u>	<u>(309,971)</u>	<u>0</u>	<u>7,184,049</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,628,741</u>	<u>\$ (867)</u>	<u>\$ 0</u>	<u>\$ 8,627,874</u>
	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Business-Type Activities				
Capital assets, not being depreciated				
Land and easements	\$ 358,630	\$ 0	\$ 0	\$ 358,630
Capital assets, being depreciated				
Plant and equipment	8,241,223	14,885	0	8,256,108
Plant and improvements	4,582,020	0	0	4,582,020
Total capital assets, being depreciated	<u>12,823,243</u>	<u>14,885</u>	<u>0</u>	<u>12,838,128</u>
Less accumulated depreciation				
Plant and equipment	(3,625,552)	(274,610)	0	(3,900,162)
Plant and improvements	(1,653,905)	(149,724)	0	(1,803,629)
Total accumulated depreciation	<u>(5,279,457)</u>	<u>(424,334)</u>	<u>0</u>	<u>(5,703,791)</u>
Total capital assets, being depreciated, net	<u>7,543,786</u>	<u>(409,449)</u>	<u>0</u>	<u>7,134,337</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,902,416</u>	<u>\$ (409,449)</u>	<u>\$ 0</u>	<u>\$ 7,492,967</u>

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	\$ 23,871
Public safety	24,846
Public works	363,010
Parks and recreation	4,957
Total	\$ 416,684

NOTE 4 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Due Within One Year
Governmental Activities:					
2015 Revenue Refunding Bonds	\$ 2,965,000	\$ 0	\$ 150,000	\$ 2,815,000	\$ 160,000
2014 Revenue Refunding Bonds	950,000	0	230,000	720,000	235,000
Compensated absences	34,244	42,961	32,980	44,225	6,906
Total	\$ 3,949,244	\$ 42,961	\$ 412,980	\$ 3,579,225	\$ 401,906

Revenue 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. Remaining debt service, including interest, at December 31, 2019 was \$3,244,352.

Revenue Bonds - \$1,995,000 Sales and Use Tax Revenue Refunding Bonds, Series 2014 (the 2014 Bonds), were issued to refund a portion of the existing Sales and Use Tax Revenue Bonds, Series 2003, originally issued to finance street improvements. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at 2.49% per annum. Principal payments are due annually on December 1, through 2022. The 2014 Bonds are not subject to optional redemption prior to maturity. Remaining debt service, including interest, at December 31, 2019 was \$756,108.

The 2015 and 2014 Bonds are payable from pledged revenues consisting of ninety percent (90%) of a 1.5% sales and use tax which is reported in the Street Capital Improvement Fund, and if necessary, a 1% sales tax reported in the General Fund. The bonds are further secured by the bond reserve account in the amount of \$353,500.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Remaining debt service at December 31, 2019, was as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 395,000	\$ 98,156	\$ 493,156
2021	405,000	87,744	492,744
2022	410,000	77,066	487,066
2023	440,000	66,263	506,263
2024	450,000	53,723	503,723
2025-2027	1,435,000	82,508	1,517,508
Total	<u>\$ 3,535,000</u>	<u>\$ 465,460</u>	<u>\$ 4,000,460</u>

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

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>12/31/2018</u>	<u>Additions</u>	<u>Payments</u>	<u>12/31/2019</u>	<u>One Year</u>
Business-Type Activities:					
2008 CWRPDA Loan	\$ 2,992,324	\$ 0	\$ 239,822	\$ 2,752,502	\$ 245,274
2007 CWRPDA Loan	564,156	0	53,780	510,376	55,815
Compensated absences	6,003	5,937	3,575	8,365	910
Total	<u>\$ 3,562,483</u>	<u>\$ 5,937</u>	<u>\$ 297,177</u>	<u>\$ 3,271,243</u>	<u>\$ 301,999</u>

Loans - During 2008, the Town obtained a loan from the Colorado Water Resources and Power Development Authority (CWRPDA) to finance the upgrade and expansion of the Gold Creek wastewater treatment plant (the 2008 Loan). Principal and interest payments are due semi-annually on February 1 and August 1, through August 1, 2029. Interest accrues at 3.42% per annum. The 2008 Loan is subject to optional redemption prior to maturity subject to the payment of administrative fees premiums as determined by CWRPDA.

The 2008 Loan is payable solely from pledged property consisting of a 1.5% sales and use tax and other revenues recorded in the Capital Improvement Fund. Remaining debt service, including interest, at December 31, 2019 was \$3,449,277. The 2008 Loan is further secured by a reserve equal to three months of budgeted plant operations and maintenance expenses in the amount of \$223,561.

Loans - 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.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

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. Remaining debt service, including interest, at December 31, 2019 was \$595,489. This loan also has a debt service reserve totaling \$74,436.

Annual debt service requirements for the outstanding loans at December 31, 2019, were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 301,089	\$ 116,900	\$ 417,989
2021	308,651	109,983	418,634
2022	316,294	103,015	419,309
2023	324,021	95,683	419,704
2024	331,833	88,063	419,896
2025-2029	1,680,990	268,244	1,949,234
Total	<u>\$ 3,262,878</u>	<u>\$ 781,888</u>	<u>\$ 4,044,766</u>

The Town is required to comply with certain covenants and reserve requirements related to long-term debt. As of December 31, 2019, management believes the Town is in compliance with all covenants and reserve requirements.

NOTE 5 - INTERFUND TRANSFERS

During the year ended December 31, 2019, the Capital Improvement Fund transferred \$172,573 to the Water and Wastewater Fund for debt service on the 2008 CWRPDA loan (see Note 4) and the Water and Wastewater Fund transferred \$175,000 to the General Fund.

NOTE 6 - RISK MANAGEMENT

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

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - RISK MANAGEMENT (CONTINUED)

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

NOTE 7 - DEFINED BENEFIT PENSION PLAN

General Information

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

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

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% interest, return as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Plan members may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement, at age 55. A member can continue to work while participating in the DROP but must terminate employment within five years of entry into the DROP. The member's percentage of retirement benefits is determined at the time of entry into DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Each member shall self-direct the investments in their DROP account, which are held by a custodian and not included in the plan's net position.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions – The Town and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the state Legislature or by election of the membership. The Town and eligible employees contributed 8% and 10.5% of base salary, respectively, for the year ended December 31, 2019. Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. Employer contributions will remain at 8% of base salary. The Town’s contributions to the plan of the year ended December 31, 2019, were \$30,335, equal to the required contributions.

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

At December 31, 2019, the Town reported a net pension liability of \$64,008, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town’s proportion of the net pension liability was based on the Town’s contributions to the plan for the calendar year ended December 31, 2018, relative to the projected contributions of all participating employers. At December 31, 2018, the Town’s proportion was 0.05062832%, which was an increase of 0.00106253% from its proportion measured at December 31, 2017.

For the year ended December 31, 2019, the Town recognized pension income of \$23,543. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 82,245	\$ 683
Net difference between projected and actual earnings on plan investments	0	0
Change in assumptions and other inputs	50,351	0
Change in proportion	61,990	0
Change in proportion	0	1,894
Contributions subsequent to the measurement date	30,335	0
Total	<u>\$ 224,921</u>	<u>\$ 2,577</u>

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Town contributions subsequent to the measurement at of \$30,335 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	
2019	\$ 36,563
2020	26,052
2021	22,154
2022	36,798
2023	17,804
Thereafter	<u>52,638</u>
Total	<u>\$ 192,009</u>

Actuarial Assumptions – The actuarial valuations as of January 1, 2019, determined the total pension liability using the following actuarial assumptions and other inputs.

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Projected salary increases	4.25-11.25%
Cost of living adjustment	0%

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

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's analysis and recommendations from the 2015 Experience Study. The plan had the following changes in actuarial assumptions. The post retirement mortality tables became a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment. This change occurred with the January 1, 2016 valuation. The FPPA Board completed an actuarial experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain at 2.5%. The investment return assumption was reduced from 7.5% to 7.0% which will increase the cost of pension benefits.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global equity	37%	8.03%
Equity long/short	9%	6.45%
Illiquid alternatives	24%	10.00%
Fixed income	15%	2.90%
Absolute return	9%	5.08%
Managed futures	4%	5.35%
Cash	2%	2.52%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension (asset) liability	<u>\$ 248,216</u>	<u>\$ 64,008</u>	<u>\$ (88,789)</u>

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

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 - DEFERRED CONTRIBUTION PLANS

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is available to all employees, excluding police officers, and permits them to defer a portion of their salary until future years. The Board of Trustees determines the Town's contributions to the plan. The Town currently matches employee contributions to a maximum of 3% of each employee's salary after one year of employment. During the year ended December 31, 2019, the Town contributed \$26,915 to the plan. The plan is administered by FTJ Fundchoice, LLC, and all plan assets are held in trust for the exclusive benefit of the participants.

FPPA Money Purchase Plan

The Town contributes to the Statewide Money Purchase Plan, a multiple-employer defined contribution pension plan, on behalf of the Police Chief. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the Town. Participants vest immediately in their contributions. Vesting in the Town's contributions and the related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2019, the Town contributed \$7,354 to the plan, equal to the required contributions.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Town contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire and Police Pension Association of Colorado (FPPA). All full-time police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State 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.

Funding Policy – The contribution requirements are established by State statute. The Town's Board of Trustees determines the contribution split between members and the Town. No contributions are required for members hired prior to January 1, 1997, the Town contributed 2.8% of base salaries for the year ended December 31, 2019. The Town's contributions to the plan for years ended December 31, 2019, 2018, 2017 were \$10,617, \$9,291, and \$10,023 respectively, equal to the required contributions.

NOTE 10 - 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, 2019, certain grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

TOWN OF ELIZABETH
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$151,248 was reported as restricted fund balance in the governmental funds, and as restricted net position in the enterprise fund.

Budget Appropriations

General fund expenditures exceeded budgeted appropriations, which may constitute a violation of State statute.

NOTE 14 – SUBSEQUENT EVENTS

Coronavirus Pandemic

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At the current time, the economic fallout of the COVID-19 pandemic crisis is still largely unknown.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
ASSET (LIABILITY) AND CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2019

Measurement Date	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
<u>Proportionate Share of the Net Pension Asset (Liability)</u>						
Town's proportion of the net pension asset (liability)	0.05062832%	0.04956579%	0.04653344%	0.04953126%	0.05470841%	0.04981112%
Town's proportionate share of the net pension (asset) liability	\$ 64,008	\$ (71,308)	\$ 16,814	\$ (873)	\$ (61,743)	\$ (44,540)
Town's covered payroll	339,938	289,928	238,144	240,138	241,660	220,716
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	18.8%	-24.6%	7.1%	-0.4%	-25.5%	-20.2%
Plan fiduciary net position as a percentage of the total pension liability	95.2%	106.3%	98.0%	100.1%	107.0%	106.0%
	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>Town Contributions</u>						
Statutorily required contribution	\$ 30,335	\$ 27,195	\$ 23,194	\$ 19,052	\$ 19,211	\$ 19,333
Contributions in relation to the statutorily required contributions	<u>(30,335)</u>	<u>(27,195)</u>	<u>(23,194)</u>	<u>(19,052)</u>	<u>(19,211)</u>	<u>(19,333)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Town's covered payroll	\$ 379,188	\$ 339,938	\$ 289,928	\$ 238,144	\$ 240,138	\$ 241,660
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GAAP BUDGET BASIS –
GENERAL FUND
FOR THE YEAR END DECEMBER 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes			
Property	\$ 526,342	\$ 510,221	\$ (16,121)
Specific ownership	88,500	101,894	13,394
Sales and use	550,901	608,509	57,608
Public improvement fees	608,205	628,508	20,303
Licenses and permits	381,096	344,694	(36,402)
Intergovernmental	238,944	148,689	(90,255)
Fines and forfeitures	37,100	66,925	29,825
Net investment income	25,000	14,156	(10,844)
Miscellaneous	76,140	159,894	83,754
Total revenues	<u>2,532,228</u>	<u>2,583,490</u>	<u>51,262</u>
EXPENDITURES			
General government	1,454,956	1,424,433	30,523
Public safety	970,261	1,116,963	(146,702)
Public works	87,988	52,522	35,466
Capital outlay	0	27,283	(27,283)
Total expenditures	<u>2,513,205</u>	<u>2,621,201</u>	<u>(107,996)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,023</u>	<u>(37,711)</u>	<u>(56,734)</u>
OTHER FINANCING SOURCES			
Transfers in	175,000	175,000	0
Total other financing sources	<u>175,000</u>	<u>175,000</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 194,023</u>	137,289	<u>\$ (56,734)</u>
FUND BALANCE - BEGINNING OF YEAR		<u>743,376</u>	
FUND BALANCE - END OF YEAR		<u>\$ 880,665</u>	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GAAP BUDGET BASIS –
STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR END DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Sales and use tax	\$ 128,542	\$ 118,455	\$ (10,087)
Public improvement fees	18,164	18,771	607
Licenses and permits	7,125	12,686	5,561
Intergovernmental	84,914	117,002	32,088
Net investment income	3,025	13,529	10,504
Total revenues	241,770	280,443	38,673
EXPENDITURES			
Public works	346,177	254,030	92,147
Total expenditures	346,177	254,030	92,147
NET CHANGE IN FUND BALANCE	\$ (104,407)	26,413	\$ 130,820
FUND BALANCE - BEGINNING OF YEAR		831,786	
FUND BALANCE - END OF YEAR		\$ 858,199	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GAAP BUDGET BASIS –
STREET CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND
FOR THE YEAR END DECEMBER 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes			
Sales and use tax	\$ 934,595	\$ 1,156,275	\$ 221,680
Net investment income	13,263	97,130	83,867
Total revenues	<u>947,858</u>	<u>1,253,405</u>	<u>305,547</u>
EXPENDITURES			
Public works	900	600	300
Capital outlay	180,000	79,429	100,571
Debt service			
Principal	380,000	380,000	0
Interest and fiscal charges	108,158	108,157	1
Total expenditures	<u>669,058</u>	<u>568,186</u>	<u>100,872</u>
NET CHANGE IN FUND BALANCES	<u>\$ 278,800</u>	685,219	<u>\$ 406,419</u>
FUND BALANCE - BEGINNING OF YEAR		<u>4,177,698</u>	
FUND BALANCE - END OF YEAR		<u>\$ 4,862,917</u>	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GAAP BUDGET BASIS –
CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND
FOR THE YEAR END DECEMBER 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes			
Sales and use tax	\$ 1,038,438	\$ 946,426	\$ (92,012)
Intergovernmental	869,644	81,981	(787,663)
Net investment income	18,000	83,819	65,819
Miscellaneous	113,592	104,183	(9,409)
Total revenues	<u>2,039,674</u>	<u>1,216,409</u>	<u>(823,265)</u>
EXPENDITURES			
Capital outlay	2,132,968	309,105	1,823,863
Total expenditures	<u>2,132,968</u>	<u>309,105</u>	<u>1,823,863</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(93,294)</u>	<u>907,304</u>	<u>1,000,598</u>
OTHER FINANCING SOURCES			
Transfers in	45,000	0	(45,000)
Transfers out	(345,000)	(172,573)	172,427
Total other financing sources	<u>(300,000)</u>	<u>(172,573)</u>	<u>127,427</u>
NET CHANGE IN FUND BALANCE	<u>\$ (393,294)</u>	734,731	<u>\$ 1,128,025</u>
FUND BALANCE - BEGINNING OF YEAR		<u>3,881,370</u>	
FUND BALANCE - END OF YEAR		<u>\$ 4,616,101</u>	

See the accompanying Independent Auditors' Report

TOWN OF ELIZABETH, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR END DECEMBER 31, 2019

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

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

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

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

General fund expenditures exceeded budgeted amounts, which may constitute a violation of State statute.

SUPPLEMENTARY INFORMATION

TOWN OF ELIZABETH, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – NON-GAAP BUDGET BASIS –
WATER AND WASTEWATER FUND
FOR THE YEAR END DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES			
Charges for services	\$ 1,111,933	\$ 1,127,692	\$ 15,759
Tap fees	1,296,000	1,124,350	(171,650)
Miscellaneous	127,725	126,104	(1,621)
Net investment income	12,700	76,467	63,767
Total revenues	<u>2,548,358</u>	<u>2,454,613</u>	<u>(93,745)</u>
EXPENDITURES			
System operations	824,775	741,950	82,825
Capital outlay	80,000	14,885	65,115
Debt service			
Principal	293,601	293,602	(1)
Interest and fiscal charges	125,981	122,783	3,198
Total expenditures	<u>1,324,357</u>	<u>1,173,220</u>	<u>151,137</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,224,001</u>	<u>1,281,393</u>	<u>57,392</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	345,000	172,573	(172,427)
Transfers out	(175,000)	(175,000)	0
Total other financing sources	<u>170,000</u>	<u>(2,427)</u>	<u>(172,427)</u>
CHANGE IN NET POSITION, Budgetary basis	<u>\$ 1,394,001</u>	1,278,966	<u>\$ (115,035)</u>
Reconciliation to GAAP basis			
Capital outlay		14,885	
Depreciation		(424,334)	
Debt principal payments		<u>293,602</u>	
CHANGE IN NET POSITION, GAAP basis		<u>\$ 1,163,119</u>	

See the accompanying Independent Auditors' Report

COMPLIANCE SECTION

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Elizabeth
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of _ Town of Elizabeth	Prepared By: Phone:	Gina Karapetyan, Contract Accountant 303-793-1401

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	1,099,323
4. Miscellaneous local receipts (from page 2)	523,734
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	
7. Total (1 through 6)	1,623,057
B. Private Contributions	
C. Receipts from State government (from page 2)	88,741
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,711,798

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	
2. Maintenance:	204,456
3. Road and street services:	
a. Traffic control operations	4,281
b. Snow and ice removal	603
c. Other	
d. Total (a. through c.)	4,884
4. General administration & miscellaneous	24,820
5. Highway law enforcement and safety	20,473
6. Total (1 through 5)	254,633
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	108,157
b. Redemption	380,000
c. Total (a. + b.)	488,157
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	
3. Total (1.c + 2.c)	488,157
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	742,790

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,915,000		380,000	3,535,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,009,674	1,711,798	742,790	5,978,682	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
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	110,659
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	978,658	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	18,771	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	101,894	g. Other Misc. Receipts	296,073
6. Total (1. through 5.)	1,099,323	h. Other County Road & Bridge	117,002
c. Total (a. + b.)	1,099,323	i. Total (a. through h.)	523,734
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	76,055	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	12,686	d. Federal Transit Admin	
d. Other (Specify) - CDOT Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	12,686	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	88,741	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)		0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	0
			(Carry forward to page 1)
Notes and Comments:			