

Town of Limon, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2017 and 2016

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July 25, 2018

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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Independent Auditor's Report

Honorable Mayor and the Board of Trustees
Town of Limon, 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 the Town of Limon, Colorado, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Town of Limon, Colorado'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.

Auditor's 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 auditor's judgment, 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.



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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 of Limon, Colorado, as of December 31, 2017 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

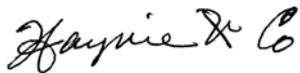
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of pension contributions and schedule of changes in net pension liability and related ratios, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Limon, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and special reports are presented for purposes of additional analysis and are not a required part of the basic financials.

The combining and individual nonmajor fund financial statements and schedules and special reports, as listed in the table of contents, are the responsibility of management and were derived from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and special reports are fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 17, 2018

Town of Limon, Colorado
Management's Discussion and Analysis
December 31, 2017

In compliance with this reporting requirement, we present this report titled Management's Discussion and Analysis, or MD&A. Please read the MD&A in conjunction with the financial statements and notes to the financial statements, which begin on page 14. The GASB 34 statements are listed and described below with additional information in the accompanying text:

- Statements of Net Position, the balance sheet that combines all funds on a Town-wide basis.
- Statement of Activities, the income statement that combines all funds on a Town-wide basis.
- Statements for Governmental funds, which combines Governmental funds such as the General, Conservation Trust, Cemetery Perpetual Care, Head Start and other funds.
- Statements for Business-type funds, the label for the Town's Proprietary funds such as Utility, Golf Course, Ambulance and Airport Fuel.

As stated above, the purpose of the MD&A is to provide an explanation of the effect on the Town's financial position of factors such as local economic and business factors, and to explain the reasons for changes in the financial position of the Town. It will closely resemble the MD&A produced for decades by private industry and publicly traded companies. This discussion starts with a summary of the economic factors affecting the Town during this past year, and then moves on to a more detailed discussion of fund statements and funds.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$108,965 or 0.69% during the year. The governmental net position increased by \$4,410 or 0.06%, and the business-type net position increased by \$104,555, or 1.21%.
- The governmental activities revenue changed from \$3,314,976 in 2016 to \$3,386,049 in 2017 for an increase of \$71,073 or 2.1%. This increase is due primarily to decreases in grants and tax income.
- The governmental activities expenditures changed from \$3,569,736 in 2016 to \$3,381,639 in 2017, a decrease of \$188,097 or 5.74%. The decrease is due primarily to an decrease in general, airport and public safety expenditures.
- The business-type activities revenue changed from \$1,833,705 in 2016 to \$1,772,280 in 2017, a decrease of \$79,119 or 4.46%. This decrease is due primarily to decreased grants and contributions.
- The business-type activities expenditures changed from \$1,994,327 in 2016 to \$1,770,548 in 2017, a decrease of \$223,779 or 12.64%. This decrease is due primarily to decreased sewer expenditures.

- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports an increase of \$201,373 or 19.8% in fund balance. This increase is due primarily to capital outlays and operating transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management’s discussion and analysis, the basic financial statements, required supplementary information, and a section that presents combining statements for nonmajor governmental funds.

Basic financial statements - include two kinds of statements that present different views of the Town.

- **Government-wide financial statements** provide both long-term and short-term information about the Town’s overall financial status. The required financial statements include statement of net position, and statement of activities. The measurement focus is on economic resources and accrual accounting is used. Assets and liabilities include both financial and capital and are reported as short and long term. Revenues and expenses are included regardless of when cash is received or paid.
- **Fund Financial Statements** focus on the individual parts of the Town reporting in more detail the Town’s operations.
 1. **Governmental Funds** show how general government services like public safety, public works, recreation, and general government administration were financed in the short term and what remains for future spending. The required financial statements are a balance sheet and statement of revenues, expenditures and changes in fund balance. Only assets expected to be used and liabilities that come due during the year or soon thereafter are included. Capital assets are not included as assets. The measurement focus is on current financial resources and modified accrual accounting is used to report revenues and expenses that are received during the year or soon thereafter.
 2. **Proprietary Funds** include activities, such as the water, water treatment and sewer systems, the Golf Course, Airport Fuel, and Ambulance Service, are operated similar to private business with an economic resource focus and accrual accounting. The required financial statements include Statement of Net Position, Statement of Revenues, expenses, and changes in Net Position, and Statement of cash flows. All assets and liabilities, both financial and capital, long and short-term are provided and all revenues and expenses are included regardless of when cash is received or paid.
 3. **Fiduciary Funds** include the Employee’s Pension Fund. The Town is responsible for the assets in this fund and for reporting. The above fund is reported in separate statements of Fiduciary Net Position and Change in Fiduciary Net Position. It has been excluded from the Town’s government-wide financial statements because the Town cannot use this fund to service its operations.

Notes to the basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and major special revenue funds.

Other Supplementary Information includes combining statements for nonmajor governmental funds and budget comparison schedules for all nonmajor special revenue funds, capital project funds, and proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position-the difference between the Town's assets and liabilities is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional non-financial factors need to be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

Governmental Activities – Most of the Town's basic services are included here, such as police, streets, parks and recreation departments, and general administration. Sales taxes, property taxes, franchise taxes, and charges for services finance most of these activities.

Business-type Activities – The Town charges fees to customers to recover most of the costs of certain activities. The Town's water system is included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's most significant funds – not the Town as a whole. Funds are accounting devices that a Town uses to account for specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants, such as the Conservation Trust Fund.

The Town has two kinds of funds:

- **Governmental Funds** – Most of the Town's basic services are included in the governmental funds, which focus on the flow of cash in and out and how balances remaining at the end of the year are available for spending. Consequently, the governmental funds statements provide

a detailed short-term view that helps determine the change in financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page that explains the differences between them.

- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Town's Utility, Golf Course, Airport Fuel, and Ambulance Service Funds are proprietary funds, accounting for its water distribution and sewage collection, golfing, airplane fuel sales, and ambulance service activities, respectively.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting to comply with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Town's financing requirements. For example, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

A summary of the Town's net position for the year is as follows:

	Governmental Activities		Business-Type Activities		Total	
ASSETS	2017	2016	2017	2016	2017	2016
Current assets	\$ 1,133,409	\$ 992,085	\$ 1,192,786	\$ 1,107,892	\$ 2,326,195	\$ 2,099,977
Restricted assets	501,933	395,340	970,156	837,544	1,472,089	1,232,884
Other non-current assets	151,259	169,615	226,431	264,834	377,690	434,449
Capital assets, net	6,753,182	6,989,800	9,181,163	9,544,511	15,934,345	16,534,311
Total assets	<u>8,539,783</u>	<u>8,546,840</u>	<u>11,570,536</u>	<u>11,754,781</u>	<u>20,110,319</u>	<u>20,301,621</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflows - pension	216,557	117,905	-	-	216,557	117,905
Total deferred outflow of resources	<u>216,557</u>	<u>117,905</u>	<u>-</u>	<u>-</u>	<u>216,557</u>	<u>117,905</u>
LIABILITIES						
Current liabilities	273,889	232,820	394,429	390,678	668,318	623,498
Non-current liabilities	782,571	871,074	2,544,398	2,836,949	3,326,969	3,708,023
Total liabilities	<u>1,056,460</u>	<u>1,103,894</u>	<u>2,938,827</u>	<u>3,227,627</u>	<u>3,995,287</u>	<u>4,331,521</u>
DEFERRED INFLOW OF RESOURCES						
Deferred grant revenue	-	7,216	-	-	-	7,216
Deferred inflows - pension	166,433	31,085	-	-	166,433	31,085
Deferred property taxes	336,488	329,364	-	-	336,488	329,364
Total deferred inflow of resources	<u>502,921</u>	<u>367,665</u>	<u>-</u>	<u>-</u>	<u>502,921</u>	<u>367,665</u>
NET POSITION	<u>\$ 7,196,959</u>	<u>\$ 7,193,186</u>	<u>\$ 8,631,709</u>	<u>\$ 8,527,154</u>	<u>\$ 15,828,668</u>	<u>\$ 15,720,340</u>
Net Position consist of:						
Invested in capital assets	\$ 6,269,629	\$ 6,456,018	\$ 6,698,808	\$ 6,793,918	\$ 12,968,437	\$ 13,249,936
Restricted net position	501,933	395,340	377,349	377,041	879,282	772,381
Unrestricted net position	425,397	341,828	1,555,552	1,356,195	1,980,949	1,698,023
Total net position	<u>\$ 7,196,959</u>	<u>\$ 7,193,186</u>	<u>\$ 8,631,709</u>	<u>\$ 8,527,154</u>	<u>\$ 15,828,668</u>	<u>\$ 15,720,340</u>

The net position of the Town's governmental activities as of December 31, 2017 were \$7,196,959 of which \$425,397 was unrestricted and is available for spending at the government's discretion. The remainder is net investment in capital assets of \$6,269,629, reserved for Emergency Reserve of \$84,906 and Capital Replacement Reserve of \$272,126.

The General Fund is the main operating fund of the Town. As of December 31, 2017, the General Fund balance was \$1,019,440, of which \$102,424 was unassigned. Unassigned fund balance represents 4.3% of 2017 General Fund expenditures.

A summary of the Town's change in net position for the year is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Operating grants and contributions	\$ 1,077,542	\$ 926,309	\$ 145,715	\$ 315,667	\$ 1,223,257	\$ 1,241,976
Capital grants and contributions	16,380	159,657	66,268	36,353	82,648	196,010
Charges for services	602,861	602,012	1,543,649	1,463,979	2,146,510	2,065,991
Total program revenue	1,696,783	1,687,978	1,755,632	1,815,999	3,452,415	3,503,977
General revenues:						
Taxes	1,648,176	1,556,984	-	-	1,648,176	1,556,984
Investment earnings	4,725	5,050	12,146	11,214	16,871	16,264
Insurance proceeds	8,963	16,818	4,502	6,492	13,465	23,310
Other	27,402	48,146	-	-	27,402	48,146
Total general revenue	1,689,266	1,626,998	16,648	17,706	1,705,914	1,644,704
Total Revenue	\$ 3,386,049	\$ 3,314,976	\$ 1,772,280	\$ 1,833,705	\$ 5,158,329	\$ 5,148,681
Expenses						
General government	\$ 882,365	\$ 835,748	\$ -	\$ -	\$ 882,365	\$ 835,748
Airport	44,021	199,762	-	-	44,021	199,762
Public safety	422,268	443,427	-	-	422,268	443,427
Highways and streets	487,938	645,876	-	-	487,938	645,876
Public works - sanitation	217,353	201,138	-	-	217,353	201,138
Public health - cemetery	113,266	98,433	-	-	113,266	98,433
Culture and recreation	419,215	377,405	-	-	419,215	377,405
Head Start Program	673,360	660,458	-	-	673,360	660,458
Water	-	-	510,489	508,020	510,489	508,020
Water treatment plant	-	-	246,838	217,962	246,838	217,962
Sewer	-	-	342,387	552,841	342,387	552,841
Municipal recreation area	-	-	198,528	206,356	198,528	206,356
Airport fuel fund	-	-	25,160	33,536	25,160	33,536
Ambulance service fund	-	-	447,146	475,612	447,146	475,612
Interest and fiscal charges	19,667	22,360	-	-	19,667	22,360
Total expenses	3,279,453	3,484,607	1,770,548	1,994,327	5,050,001	5,478,934
Changes in net position before transfers and special items	106,596	(169,631)	1,732	(160,622)	108,328	(330,253)
Transfers	(102,823)	(85,129)	102,823	85,129	-	-
Change in net position	3,773	(254,760)	104,555	(75,493)	108,328	(330,253)
Beginning net position (restated)	7,193,186	7,447,946	8,527,154	8,602,647	15,720,340	16,050,593
Ending net position	7,196,959	7,193,186	8,631,709	8,527,154	15,828,668	15,720,340

Governmental Activities revenues in the amount of \$3,386,049 were more than expenses and transfers of \$3,379,453 by \$3,773. Business-type activities revenues and transfers in the amount of \$1,875,103 were more than expenses of \$1,770,548 by \$104,555.

BUDGETARY HIGHLIGHTS

The budget was amended on December 19, 2017 to include the following increases for expenditures not anticipated at the time of adoption of the original budget on December 1, 2016. The additional expenditures were funded by unanticipated revenue and/or the prior year's fund balance. Funds with appropriation increases:

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Increase</u>
Head Start Fund	\$ 660,458	\$ 696,960	\$ 36,502
Employee Pension Trust	17,009	77,009	<u>60,000</u>
			<u>\$ 96,502</u>

- Changes in the Head Start Fund Budget were due to increased salaries and personnel expenses. The increase was funded by unexpected revenue.
- Changes in the Employee Pension Fund were due primarily to benefit payments. The increase was funded by carryover of 2016 unappropriated fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of December 31, 2017, Limon's investment in capital assets for its governmental and business type activities, net of accumulated depreciation, was \$15,934,983. This included infrastructure assets acquired since January 1, 2004. Capital assets including land, buildings, streets, utility systems and equipment are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,223,226	\$ 1,223,226	\$ 241,797	\$ 241,797	\$ 1,465,023	\$ 1,465,023
Buildings and water and sewer systems	2,885,780	2,851,542	13,745,101	13,944,260	16,630,881	16,795,802
Equipment	2,938,111	2,880,303	1,959,182	1,662,479	4,897,293	4,542,782
Other capital assets	-	-	1,048,995	1,048,995	1,048,995	1,048,995
Construction in progress	-	-	13,240	-	13,240	-
Infrastructure	5,022,645	4,972,380	-	-	5,022,645	4,972,380
Total	<u>\$ 12,069,762</u>	<u>\$ 11,927,451</u>	<u>\$ 17,008,315</u>	<u>\$ 16,897,531</u>	<u>\$ 29,078,077</u>	<u>\$ 28,824,982</u>
Accumulated depreciation	<u>(5,315,942)</u>	<u>(4,937,651)</u>	<u>(7,827,152)</u>	<u>(7,353,020)</u>	<u>(13,143,094)</u>	<u>(12,290,671)</u>
Capital assets, net	<u>\$ 6,753,820</u>	<u>\$ 6,989,800</u>	<u>\$ 9,181,163</u>	<u>\$ 9,544,511</u>	<u>\$ 15,934,983</u>	<u>\$ 16,534,311</u>

This year's major capital asset additions include:

- Vehicle purchases - \$84,965
- Street repair and other improvements improvements - \$98,561

Long-term Debt – As of December 31, 2017 the Town had \$3,297,762 in outstanding debt as follows.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Special assessment bonds	\$ 93,000	\$ 121,000	\$ -	\$ -	\$ 93,000	\$ 121,000
Bonds payable:						
2000 Water Revenue	-	-	287,077	373,744	287,077	373,744
2012 Water Revenue	-	-	2,180,000	2,340,000	2,180,000	2,340,000
2012 Bond Premium	-	-	41,848	47,135	41,848	47,135
Loans payable:						
Lease-Purchase	390,554	412,782	288,214	304,617	678,768	717,399
Colorado maintenance fee	-	-	17,069	19,105	17,069	19,105
Total	<u>\$ 483,554</u>	<u>\$ 533,782</u>	<u>\$ 2,814,208</u>	<u>\$ 3,084,601</u>	<u>\$ 3,297,762</u>	<u>\$ 3,618,383</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Sales tax revenues budgeted for 2018 is \$1,100,839, which is \$63,221 less than 2017 actual.
- The property tax revenue budgeted for 2018 is \$336,488, which is \$1,978 more than 2017 actual.
- Governmental funds revenues were budgeted at \$4,247,731 in 2018, which is an increase of 20% from the 2017 actual revenues. Governmental revenue and expenditures included direct pass-through grants to other entities. The 2018 budgeted direct pass-through amounts are \$936,960, which is a \$263,600 increase from the 2017 actual amount. The 2018 budgeted expenditures for governmental activities are projected to be \$2,627,220, which is a 4.6% decrease from the 2017 actual.
- Proprietary funds revenues were budgeted at \$2,023,081 for 2018, which is an increase of 12.0% from the 2017 actual revenues. 2018 budgeted expenditures of \$2,343,424 represent an increase from 2017 actual expenditures of 35.0%.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, customers and investors and creditors of the Town of Limon, Colorado a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about this report or need additional financial information, contact the Town of Limon, Town Clerk, P.O. Box 9, Limon, Colorado 80828.

Basic Financial Statements

Town of Limon, Colorado

Statement of Net Position

December 31, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 518,987	\$ 883,134	\$ 1,402,121
Current Portion Note Receivable	-	20,247	20,247
Accounts Receivable	58,635	241,449	300,084
Allowance for Doubtful Accounts	(6,236)	(78,992)	(85,228)
Intergovernmental Receivable	156,182	57,238	213,420
Prepaid expenses	-	4,295	4,295
Accrued Interest Receivable	-	1,167	1,167
Special Assessment Receivable, Current Portion	16,861	-	16,861
Property Taxes Receivable	336,488	-	336,488
Inventory and Supplies	52,492	64,248	116,740
Total Current Assets	1,133,409	1,192,786	2,326,195
Restricted Assets:			
Emergency Reserve	84,906	-	84,906
Debt Reserves	-	52,403	52,403
Water Plant Reserve	-	220,664	220,664
Water Revenue Bonds	-	307,349	307,349
Sewer Line Maint. Reserve	-	17,069	17,069
Equipment Reserve	272,126	372,671	644,797
Recreation Reserve	89,952	-	89,952
Library Reserve	38,432	-	38,432
Economic Development Reserve	16,517	-	16,517
Total Restricted Assets	501,933	970,156	1,472,089
Non-Current Assets:			
Special Assessment Receivable, Net of Current Portion	151,259	-	151,259
Notes Receivable, Net of Current Portion	-	119,007	119,007
Loss on Bond Refunding	-	204,257	204,257
Accumulated Amortization	-	(96,833)	(96,833)
Capital Assets			
Land	1,223,226	241,797	1,465,023
Buildings and Water and Sewer Systems	2,885,780	13,745,101	16,630,881
Equipment	2,988,376	1,959,182	4,947,558
Infrastructure	4,972,380	-	4,972,380
Other Capital Assets	-	1,048,995	1,048,995
Construction in Progress	-	13,240	13,240
Accumulation Depreciation	(5,316,580)	(7,827,152)	(13,143,732)
Total Non-Current Assets	6,904,441	9,407,594	16,312,035
TOTAL ASSETS	8,539,783	11,570,536	20,110,319
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pension	216,557	-	216,557
TOTAL DEFERRED OUTFLOW OF RESOURCES	216,557	-	216,557
LIABILITIES			
Current Liabilities:			
Pooled Cash Overdraft	54,968	-	54,968
Current Portion of Long Term Debt	43,534	273,590	317,124
Accounts Payable	165,950	57,643	223,593
Accrued Interest Payable	-	18,291	18,291
Compensated Absences	9,437	2,519	11,956
Contingent Construction	-	46,164	46,164
Total Current Liabilities	273,889	398,207	672,096
Non-Current Liabilities:			
Net Pension Liability	342,552	-	342,552
Long Term Debt	440,019	2,540,620	2,980,639
Total Non-Current Liabilities	782,571	2,540,620	3,323,191
TOTAL LIABILITIES	1,056,460	2,938,827	3,995,287
DEFERRED INFLOW OF RESOURCES			
Deferred Grant Revenue	-	-	-
Deferred Inflows Related to Pension	166,433	-	166,433
Deferred Revenue - Property Taxes	336,488	-	336,488
TOTAL DEFERRED INFLOW OF RESOURCES	502,921	-	502,921
NET POSITION			
Net Investment in Capital Assets	6,269,629	6,698,808	12,968,437
Restricted for:			
Economic Development	16,517	-	16,517
Emergency Reserve	84,906	52,403	137,309
Recreation Reserve	89,952	-	89,952
Library Reserve	38,432	-	38,432
Bond Reserve	-	307,349	307,349
Capital Replacement	272,126	-	272,126
Unrestricted:	425,397	1,573,149	1,998,546
TOTAL NET POSITION	\$ 7,196,959	\$ 8,631,709	\$ 15,828,668

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

Town of Limon, Colorado

Statement of Activities

For the Year Ended December 31, 2017

FUNCTIONS / PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General Government	\$ 882,365	\$ 204,410	\$ 2,500	\$ -
Airport	44,021	5,687	-	10,200
Public Works -Streets	487,938	41,914	354,301	6,180
Public Works - Sanitation	217,353	272,702	-	-
Public Safety - Police	422,268	550	225	-
Public Health - Cemetery	113,266	5,650	1,190	-
Culture and Recreation	419,215	71,948	45,966	-
Head Start Program	673,360	-	673,360	-
Interest and Related Costs	19,667	-	-	-
Total Governmental Activities	3,279,453	602,861	1,077,542	16,380
Business-Type Activities:				
Water	510,489	695,836	-	66,268
Water Treatment Plant	246,838	250,067	6,143	-
Sewer	342,387	219,036	-	-
Ambulance Service Fund	447,146	224,950	136,988	-
Golf and Airport Fuel Funds	223,688	153,760	2,584	-
Total Business-Type Activities	1,770,548	1,543,649	145,715	66,268
Total Primary Government	\$ 5,050,001	\$ 2,146,510	\$ 1,223,257	\$ 82,648

Property Taxes
 Franchise Taxes
 Sales Taxes
 Motor Vehicle
 Severance Tax
 Cigarette Tax
 Use Tax
 Interest Income
 Insurance Proceeds
 Transfers
 Other
 Total General Revenues
 Change in Net Position
Net Position Beginning
Net Position Ending

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (675,455)	\$ -	\$ (675,455)
(28,134)	-	(28,134)
(85,543)	-	(85,543)
55,349	-	55,349
(421,493)	-	(421,493)
(106,426)	-	(106,426)
(301,301)	-	(301,301)
-	-	-
(19,667)	-	(19,667)
<u>(1,582,670)</u>	<u>-</u>	<u>(1,582,670)</u>
-	251,615	251,615
-	9,372	9,372
-	(123,351)	(123,351)
-	(85,208)	(85,208)
-	<u>(67,344)</u>	<u>(67,344)</u>
-	<u>(14,916)</u>	<u>(14,916)</u>
<u>\$ (1,582,670)</u>	<u>\$ (14,916)</u>	<u>\$ (1,597,586)</u>
\$ 334,510	\$ -	\$ 334,510
94,818	-	94,818
1,164,060	-	1,164,060
39,321	-	39,321
2,778	-	2,778
6,719	-	6,719
5,970	-	5,970
4,725	12,146	16,871
8,963	4,502	13,465
(102,823)	102,823	-
27,402	-	27,402
<u>1,586,443</u>	<u>119,471</u>	<u>1,705,914</u>
<u>3,773</u>	<u>104,555</u>	<u>108,328</u>
<u>7,193,186</u>	<u>8,527,154</u>	<u>15,720,340</u>
<u>\$ 7,196,959</u>	<u>\$ 8,631,709</u>	<u>\$ 15,828,668</u>

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

Town of Limon, Colorado

Balance Sheet Governmental Funds December 31, 2017

	GENERAL	HEAD START FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
ASSETS				
Cash	\$ 472,318	\$ -	\$ 46,669	\$ 518,987
Accounts Receivable	58,635	-	-	58,635
Allowance for Doubtful Accounts	(1,202)	-	-	(1,202)
Intergovernmental Receivable	94,814	61,368	-	156,182
Special Assessment Receivable	163,086	-	-	163,086
Property Tax Receivable	336,488	-	-	336,488
Inventories	52,492	-	-	52,492
Restricted Cash:				
Economic Development	16,517	-	-	16,517
Capital Replacement Reserve	272,126	-	-	272,126
Recreation Reserve	89,952	-	-	89,952
Library Reserve	38,432	-	-	38,432
Emergency Reserve	84,906	-	-	84,906
Total Assets	\$ 1,678,564	\$ 61,368	\$ 46,669	\$ 1,786,601
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Pooled Cash Overdraft	\$ -	\$ 54,968	\$ -	\$ 54,968
Accounts Payable	159,550	6,400	-	165,950
Total Liabilities	159,550	61,368	-	220,918
DEFERRED INFLOW OF RESOURCES				
Deferred Revenue Special Assessment	163,086	-	-	163,086
Deferred Grant Revenue	-	-	-	-
Deferred Revenues Taxes	336,488	-	-	336,488
Total Deferred Inflow of Resources	499,574	-	-	499,574
FUND BALANCES				
Nonspendable:				
Inventories	\$ 52,492	\$ -	\$ -	\$ 52,492
Restricted:				
Economic Development Reserve	16,517	-	-	16,517
Emergency Reserve	84,906	-	-	84,906
Recreation Reserve	89,952	-	-	89,952
Library Reserve	38,432	-	-	38,432
Conservation Trust Funds	-	-	21,624	21,624
Committed:				
Equipment Replacement	272,126	-	-	272,126
Assigned-Designated for Subsequent Year:				
General Fund	362,591	-	-	362,591
Special Revenue Funds	-	-	25,045	25,045
Unassigned:				
General Fund	102,424	-	-	102,424
Total Fund Balances	1,019,440	-	46,669	1,066,109
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 1,678,564	\$ 61,368	\$ 46,669	\$ 1,786,601

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

Town of Limon, Colorado

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2017

Total Fund Balances - Total Governmental Funds	\$ 1,066,109
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The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.

Governmental Capital assets	12,069,762
Accumulated Depreciation	(5,316,580)
Deferred Outflows Related to Pension	216,557

Long term liabilities and deferrals are not due and payable in the current period and therefore are not reported in governmental funds. Long term liabilities was adjusted as follows:

Special Assessment Bonds	(93,000)
Sale-Leaseback Payable	(390,553)
Net Pension Liability	(342,552)
Deferred Inflows Related to Pension	(166,433)
Compensated Absences	(9,437)

Other long-term assets not available to pay for current period expenditures and therefore are deferred in the governmental funds.

Special Assessment Receivable	168,120
Special Assessment - Allowance for Doubtful Accounts	<u>(5,034)</u>

Net Position of Governmental Activities	<u>\$ 7,196,959</u>
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Town of Limon, Colorado
Governmental Funds
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2017

	<u>GENERAL</u>	<u>HEAD START FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
REVENUES:				
Taxes	\$ 1,648,176	\$ -	\$ -	\$ 1,648,176
Fines, Licenses and Permits	73,639	-	-	73,639
Intergovernmental:				
Local	235,995	-	19,663	255,658
Federal	6,180	673,360	9,663	689,203
Charges for Services	537,960	-	1,400	539,360
Interest	4,722	-	3	4,725
Donations and Grants	153,541	-	1,190	154,731
Insurance Claims	8,963	-	-	8,963
Miscellaneous	27,402	-	-	27,402
TOTAL REVENUES	<u>2,696,578</u>	<u>673,360</u>	<u>31,919</u>	<u>3,401,857</u>
EXPENDITURES:				
Current:				
Administration	655,675	-	-	655,675
Airport	12,054	-	10,738	22,792
Public Works - Streets	436,658	-	-	436,658
Public Works - Sanitation	195,634	-	-	195,634
Public Safety - Police	399,814	-	-	399,814
Public Health - Cemetery	109,867	-	-	109,867
Recreation	342,360	-	-	342,360
Head Start Program	-	673,360	-	673,360
Capital Outlay	178,624	-	4,902	183,526
Debt Service:				
Principal - Bonded Debt	50,229	-	-	50,229
Interest	19,667	-	-	19,667
TOTAL EXPENDITURES	<u>2,400,582</u>	<u>673,360</u>	<u>15,640</u>	<u>3,089,582</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	295,996	-	16,279	312,275
OTHER FINANCING SOURCES (USES)				
Operating Transfer In (Out)	<u>(94,623)</u>	<u>-</u>	<u>(8,200)</u>	<u>(102,823)</u>
NET CHANGE IN FUND BALANCE	201,373	-	8,079	209,452
FUND BALANCES, BEGINNING	<u>818,067</u>	<u>-</u>	<u>38,590</u>	<u>856,657</u>
FUND BALANCES, ENDING	<u>\$ 1,019,440</u>	<u>\$ -</u>	<u>\$ 46,669</u>	<u>\$ 1,066,109</u>

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

Town of Limon, Colorado
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, 2017

Net change in fund balances - total governmental funds	\$ 209,452
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays of \$183,526 were less than depreciation of \$420,144 in the current year.	(236,618)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	50,229
This is the current-period increase in the liability for compensated absences	(2,060)
Special assessment revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities.	(15,808)
Pension expense does not use current financial resources and is not included in fund financial statements. Current-year pension contributions are reported as deferred outflows.	(57,938) 56,516
Change in net position of governmental activities	<u>\$ 3,773</u>

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

Town of Limon, Colorado

Proprietary Funds Statement of Net Position December 31, 2017

ASSETS	UTILITY	AMBULANCE	NON-MAJOR	
	FUND	SERVICE	PROPRIETARY	TOTALS
Current Assets:				
Cash	\$ 712,890	\$ 147,143	\$ 23,101	\$ 883,134
Current Portion of Note Receivable	20,247	-	-	20,247
Accounts Receivable	75,433	162,800	3,216	241,449
Allowances For Doubtful Accounts	(3,906)	(75,086)	-	(78,992)
Intergovernmental Receivable	-	57,238	-	57,238
Prepaid Expenses	-	2,438	1,857	4,295
Accrued Interest Receivable	1,167	-	-	1,167
Inventories	49,453	-	14,795	64,248
Total Current Assets	<u>855,284</u>	<u>294,533</u>	<u>42,969</u>	<u>1,192,786</u>
Restricted Assets:				
Water Plant Reserve	220,664	-	-	220,664
Water Revenue Bonds	307,349	-	-	307,349
Sewer Line Maint. Reserve	17,069	-	-	17,069
Bond & Emergency Reserve Funds	52,403	-	-	52,403
Equipment Reserve	255,215	117,456	-	372,671
Total Restricted Assets	<u>852,700</u>	<u>117,456</u>	<u>-</u>	<u>970,156</u>
Non-Current Assets:				
Notes Receivable, Net of Current Portion	119,007	-	-	119,007
Loss on Bond Refunding	204,257	-	-	204,257
Accumulated Amortization	(96,833)	-	-	(96,833)
Capital Assets:				
Water System	8,784,997	-	-	8,784,997
Sewer System and Plant	4,355,911	-	-	4,355,911
Water Rights	1,048,995	-	-	1,048,995
Land	187,444	45,032	9,321	241,797
Buildings	-	292,669	-	292,669
Recreation Area Facilities	-	-	311,524	311,524
Equipment	830,175	1,007,390	121,617	1,959,182
Construction in Progress	13,240	-	-	13,240
Accumulated Depreciation	(6,790,548)	(731,662)	(304,942)	(7,827,152)
Total Non-Current Assets	<u>8,656,645</u>	<u>613,429</u>	<u>137,520</u>	<u>9,407,594</u>
TOTAL ASSETS	<u>10,364,629</u>	<u>1,025,418</u>	<u>180,489</u>	<u>11,570,536</u>
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	272,496	635	459	273,590
Accounts Payable	38,359	14,317	4,967	57,643
Accrued Interest Payable	18,291	-	-	18,291
Compensated Absences	818	1,289	412	2,519
Contingent Construction	46,164	-	-	46,164
Total Current Liabilities	<u>376,128</u>	<u>16,241</u>	<u>5,838</u>	<u>398,207</u>
Non-Current Liabilities:				
Deposit - State of Colo. For				
Sewer Line Maintenance	17,069	-	-	17,069
Long-Term Debt - Net of Current Portion	2,506,843	9,730	6,978	2,523,551
Total Non-Current Liabilities	<u>2,523,912</u>	<u>9,730</u>	<u>6,978</u>	<u>2,540,620</u>
TOTAL LIABILITIES	<u>2,900,040</u>	<u>25,971</u>	<u>12,816</u>	<u>2,938,827</u>
NET POSITION				
Net investment in capital assets	5,958,224	603,064	137,520	6,698,808
Restricted for Emergency Reserve	52,403	-	-	52,403
Restricted for Bond Reserve	307,349	-	-	307,349
Unrestricted	1,146,613	396,383	30,153	1,573,149
TOTAL NET POSITION	<u>\$ 7,464,589</u>	<u>\$ 999,447</u>	<u>\$ 167,673</u>	<u>\$ 8,631,709</u>

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

Town of Limon, Colorado

Proprietary Funds

Statement of Revenues, Expenditures and Changes in Fund Net Position

For the Year Ended December 31, 2017

	UTILITY FUND			
	WATER DEPARTMENT	WATER TREATMENT	SEWER DEPARTMENT	TOTAL
OPERATING REVENUES				
Sales	\$ 688,417	\$ 250,067	\$ 215,364	\$ 1,153,848
Less, Contractual Adjustments and Bad Debts	-	-	-	-
Net Sales	688,417	250,067	215,364	1,153,848
Other User Charges	6,737	-	1,863	8,600
Miscellaneous	682	-	1,809	2,491
Total Operating Revenues	<u>695,836</u>	<u>250,067</u>	<u>219,036</u>	<u>1,164,939</u>
OPERATING EXPENSES				
Cost of Resale Items	-	-	-	-
Maintenance	14,967	8,009	26,652	49,628
Insurance	9,440	7,780	6,608	23,828
Utilities	50,348	30,727	58,287	139,362
Testing	1,193	-	13,846	15,039
Salaries and Benefits	127,470	39,851	118,491	285,812
Other Expenses	22,231	30,551	5,566	58,348
Administration	22,262	2,000	9,219	33,481
Depreciation	177,795	97,008	102,015	376,818
Total Operating Expenses	<u>425,706</u>	<u>215,926</u>	<u>340,684</u>	<u>982,316</u>
Income (Loss) From Operations	<u>270,130</u>	<u>34,141</u>	<u>(121,648)</u>	<u>182,623</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Revenue	8,456	1,608	-	10,064
Tap Fees	16,384	-	49,884	66,268
Donations	-	-	-	-
Intergovernmental - Local	-	-	-	-
Intergovernmental - Federal	-	6,143	-	6,143
Insurance Proceeds	-	-	4,502	4,502
Interest Expense	(84,783)	(30,912)	(1,703)	(117,398)
Total Non-Operating Revenues (Expenses)	<u>(59,943)</u>	<u>(23,161)</u>	<u>52,683</u>	<u>(30,421)</u>
Net Income Before Contributions and Transfers	210,187	10,980	(68,965)	152,202
Transfers In (Out)	-	-	-	-
CHANGE IN NET POSITION	<u>\$ 210,187</u>	<u>\$ 10,980</u>	<u>\$ (68,965)</u>	<u>152,202</u>
NET POSITION, BEGINNING OF YEAR				<u>7,312,387</u>
NET POSITION, END OF YEAR				<u>\$ 7,464,589</u>

AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
\$ 586,955	\$ 144,707	\$ 1,885,510
<u>366,525</u>	<u>-</u>	<u>366,525</u>
220,430	144,707	1,518,985
-	4,750	13,350
<u>4,520</u>	<u>4,303</u>	<u>11,314</u>
<u>224,950</u>	<u>153,760</u>	<u>1,543,649</u>
-	36,913	36,913
16,188	8,920	74,736
6,448	3,461	33,737
8,825	22,695	170,882
-	413	15,452
233,050	116,660	635,522
99,371	19,138	176,857
-	-	33,481
<u>82,952</u>	<u>15,262</u>	<u>475,032</u>
<u>446,834</u>	<u>223,462</u>	<u>1,652,612</u>
<u>(221,884)</u>	<u>(69,702)</u>	<u>(108,963)</u>
83	1,999	12,146
-	-	66,268
62,468	2,584	65,052
74,520	-	74,520
-	-	6,143
-	-	4,502
<u>(312)</u>	<u>(226)</u>	<u>(117,936)</u>
<u>136,759</u>	<u>4,357</u>	<u>110,695</u>
(85,125)	(65,345)	1,732
<u>27,534</u>	<u>75,289</u>	<u>102,823</u>
<u>(57,591)</u>	<u>9,944</u>	<u>104,555</u>
<u>1,057,038</u>	<u>157,729</u>	<u>8,527,154</u>
<u>\$ 999,447</u>	<u>\$ 167,673</u>	<u>\$ 8,631,709</u>

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

Town of Limon, Colorado

Proprietary Funds Statement of Cash Flows For the Year Ended December 31, 2017

	UTILITY FUND	AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts From Customers	\$ 1,154,804	\$ 183,063	\$ 150,630	\$ 1,488,497
Payments to Suppliers for Goods and Services	(310,298)	(133,181)	(98,216)	(541,695)
Payments to Employees	(285,802)	(232,393)	(117,807)	(636,002)
Net Cash From Operating Activities	558,704	(182,511)	(65,393)	310,800
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Donations	-	62,468	2,584	65,052
Intergovernmental Grants	6,143	74,520	-	80,663
Insurance proceeds	4,502	-	-	4,502
Transfer From Other Fund	-	27,534	75,289	102,823
Net Cash From Non-Capital Financing Activities	10,645	164,522	77,873	253,040
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:				
State of Colorado - Sewer Line Maintenance	(2,036)	-	-	(2,036)
Tap Fees	66,268	-	-	66,268
Transfer From (To) Restricted Assets	(86,110)	(46,502)	-	(132,612)
Purchase of Capital Assets	(40,062)	(63,422)	(8,200)	(111,684)
Interest Paid	(119,617)	(312)	(226)	(120,155)
Debt Principal Payments	(267,343)	(587)	(425)	(268,355)
Note - Frazier Farms	19,202	-	-	19,202
Net Cash From Capital and Financing Activities	(429,698)	(110,823)	(8,851)	(549,372)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	10,135	83	1,999	12,217
Net Cash From Investing Activities	10,135	83	1,999	12,217
Net Change in Cash and Cash Equivalents	149,786	(128,729)	5,628	26,685
CASH AND CASH EQUIVALENTS				
Beginning of Year	563,104	275,872	17,473	856,449
End of Year	\$ 712,890	\$ 147,143	\$ 23,101	\$ 883,134
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Net Operating Income (Loss)	\$ 182,623	\$ (221,884)	\$ (69,702)	\$ (108,963)
Depreciation	376,818	82,952	15,262	475,032
Amortization	18,156	-	-	18,156
(Increase) Decrease in Accounts Receivable, Net	(10,135)	(41,887)	(3,130)	(55,152)
(Increase) Decrease in Prepaid Expenses	-	786	(1,857)	(1,071)
(Increase) Decrease in Inventory	2,527	-	(3,539)	(1,012)
Increase (Decrease) in Accounts Payable	(11,295)	(3,135)	(1,280)	(15,710)
Increase (Decrease) in Compensated Absences	10	657	(1,147)	(480)
Net Cash From Operating Activities	\$ 558,704	\$ (182,511)	\$ (65,393)	\$ 310,800
Noncash Capital Financing Activities:				
Interest subsidy	\$ 6,143			\$ 6,143

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

Town of Limon, Colorado

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2017

	EMPLOYEES' PENSION TRUST
ASSETS:	
Cash	\$ 73,997
Investments - Stocks, Bonds and Mutual Funds - At Fair Market Value:	
Domestic Stocks	589,321
International Stocks	6,982
Mutual Funds	1,441,602
Money Markets and Other	<u>132,548</u>
TOTAL ASSETS	<u>2,244,450</u>
 LIABILITIES AND NET POSITION	
LIABILITIES:	
Accrued Expenses	<u>-</u>
 TOTAL LIABILITIES	<u>-</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 2,244,450</u></u>

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

Town of Limon, Colorado
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2017

	EMPLOYEES' PENSION PLAN
ADDITIONS:	
Employee Contribution	\$ 52,431
Employer Contribution	56,516
Interest Income	80
Investment Income (Loss), Net of Expenses	<u>288,937</u>
Total Additions	<u>397,964</u>
 DEDUCTIONS:	
Benefit Payments	60,833
Administrative Expenses	<u>6,570</u>
Total Deductions	<u>67,403</u>
 CHANGE IN PLAN NET POSITION	 330,561
 PLAN NET POSITION, BEGINNING OF YEAR	 <u>1,913,889</u>
 PLAN NET POSITION, END OF YEAR	 <u><u>\$ 2,244,450</u></u>

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

Town of Limon, Colorado

Notes to Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies

The Town of Limon operates under a council-mayor form of government and maintains accounting policies to conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Town has no component units using the criteria as set forth in generally accepted accounting principles. The determination to include separate governmental entities is based on the criteria of Governmental Accounting Standards Board (GASB) Statement 14. GASB Statement 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either A) the primary government must be able to impose its will, or B) the primary government may potentially benefit financially or be financially responsible for the component unit.

Related Organizations

The Town's Board of Trustees is responsible for appointing the members of the board of the Limon Housing Authority, but the Town's financial responsibility for this organization does not extend beyond making the appointments. Therefore, it is not included in these financial statements.

The financial statements of the Authority may be obtained from: Director, Limon Housing Authority, 1880 Circle Lane, Limon, CO 80828.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town reports the following major governmental funds:

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

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Head Start Fund – This fund accounts for a Federal Head Start grant, which is passed through to the local child-care center.

Proprietary Funds – Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town of Limon operates the Water and Sewer Utilities, the Golf Course Fund, the Airport Fuel Fund (for the sale of fuel to airplane operators) and the Ambulance Service Fund on this basis.

Fiduciary Fund – Employees' Pension Plan, as more fully described in Note 6.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, 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 a given function or activity 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 as general revenues.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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. Grants and similar items are recognized as revenue 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 collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be recognizable when received. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales tax collected and held by vendors at year end on behalf of the Town is also recognized as revenue if collected within 30 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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 ongoing operations. The principal operating revenues of the Proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources for their intended purposes first, then unrestricted resources as they are needed.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's policy to use the most restrictive classification first when the restriction requirements for use are met.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed fixed assets are recorded at their estimated fair value on the date received.

As a Phase 3 government, as defined in GASB 34, the Town has elected to not report major general infrastructure retroactively; therefore, the government-wide financial statements do not reflect infrastructure assets completed prior to January 1, 2004.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of buildings, plants, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Streets, sidewalk, curb, & gutter	25 to 30 years
Buildings and Improvements	20 to 40 years
Water and Sewer Systems	50 years
Water and Sewer Plants	20 to 50 years
Golf Course Improvements	20 to 25 years
Equipment	5 to 15 years
Water Wells	20 years

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

On or prior to October 15, the Town Manager 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 taxpayer comments.

Prior to January 1, the budget is legally enacted through the passage of an ordinance. Amendments can be made until year end. On December 19, 2017, the Board approved a resolutions appropriating additional sums of money for the year 2017. The original and amended appropriation amounts are presented in the budgetary data in the financial statements.

Budgets for governmental and pension funds are adopted on a basis consistent with generally accepted accounting principles. Budgets for the Proprietary funds are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, loans and reimbursements received, note receivable principal, capital expenditures and bond principal payments, but does not provide for depreciation and amortization. For 2017 the Board of Trustees budgeted all funds and appropriated spending limits by fund. Therefore, the comparisons of actual and budget amounts relating to legal requirements shown in the financial statements is based on “total expenditures” plus “operating transfers to other funds” in the various fund types. All appropriations lapse at year end.

Encumbrances

The Town does not employ the method of encumbrance accounting that reserves specific appropriations for purchase orders and other commitments. Encumbrances outstanding at year end, when material, are reported as a reservation of fund balance since they do not constitute expenditures or liabilities.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Cash and Investments

Cash includes interest-bearing demand deposits (checking and money-market accounts), as well as short-term investments with a maturity date within three months of the date acquired.

Investments are stated at cost, except for marketable debt and equity security investments of the pension trust, which are valued at market. State statutes authorize the allowable type of investments, which are detailed in Note 2.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified to the County by December 15 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the Town.

The Town recognizes a receivable for property tax levies upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year. They are recognized as revenue when collected in the following year.

Property taxes are computed using mills, where one mill is equal to \$1 on \$1,000 of assessed value. The mill levy for 2017 was 17.686.

Inventory and Supplies

Inventories of items in the following funds were valued at cost:

General Fund - Dumpsters and polycarts held for resale and street supplies	\$ 52,492
Utility - Treatment supplies, meters and parts	49,453
Golf Course Fund - Merchandise & Concessions	2,782
Airport Fuel Fund - Airplane fuel	<u>12,013</u>
Total Inventories	<u>\$ 116,740</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

By ordinance, the Town's policy regarding vacation time is to not let it accumulate beyond one year, although some exceptions are made upon approval of management. Any unused vacation time is paid upon termination. Also by ordinance, any employee accumulating sick leave beyond 60 days shall continue to accrue sick leave at the rate of one-half day per month and shall have the additional leave added to vacation leave for the following year. The liability for vacation pay included in these financial statements includes such sick leave accrued to December 31, 2017.

Compliance with Colorado Contraband Forfeiture Act

Contraband funds collected and related disbursements are included in the financial statements.

Bond Discounts and Issuance Costs

Bond discounts and premiums are being amortized over the term of the bonds on the straight-line method. Bond issuance and loan acquisition costs are expensed as incurred.

2. Cash and Investments

For the purpose of the statement of cash flows, the Town considers all highly liquid investments (excluding restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2017, none of the Town's deposits are deemed to be exposed to custodial credit risk.

Town of Limon, Colorado

Notes to Financial Statements (continued)

December 31, 2017

2. Cash and Investments (continued)

The Town's cash deposits at December 31, 2017 was \$2,893,747 which include cash, investments, and restricted assets in the primary government Statement of Net Position and cash in the Employee's Pension Plan in the Statement of Fiduciary Net Position. Cash on hand was \$508 and the remaining \$2,893,239 is explained below:

Cash balances and certificates of deposit:

	Bank Balance	Carrying Balance
Insured (FDIC)	\$ 1,000,000	\$ 1,000,000
Collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name	<u>1,731,294</u>	<u>1,893,239</u>
Total cash and certificates of deposit	<u>\$ 2,731,294</u>	<u>\$ 2,893,239</u>

The difference between the bank balance and carrying balance is \$161,945, which were outstanding items that had not cleared the banks as of December 31, 2017.

Investments - Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;
9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "Colotrust" and "CSAFE".

Town of Limon, Colorado

Notes to Financial Statements (continued)

December 31, 2017

2. Cash and Investments (continued)

Other than in the Employees' Pension Plan the Town's only investments are in bank savings, money market accounts and certificates of deposit, which are included in cash and cash equivalents.

Colorado statutes also specify in which instruments a municipal retirement board may participate in the following types of retirement plans:

1. A plan administered by a qualified insurance company;
2. Establish a trust with a bank or trust company;
3. Belong to Colorado's Public Employees Retirement Association (PERA);
4. Invest in the same manner as PERA is authorized. It is authorized to make a broad range of investments, with these limitations on common or preferred stock:
 - A. The aggregate amount of moneys invested in corporate stocks or corporate bonds, notes, or debentures which are convertible into corporate stock or in investment trust shares shall not exceed 65% of the then book value of the fund.
 - B. No investment of the fund in common or preferred stock, or both, of any single corporation shall be of an amount which exceeds 5% of the then book value of the fund, nor shall the fund acquire more than 12% of the outstanding stock or bonds of any single corporation.

The Employees' Pension Plan investments at December 31, 2017 are reported at fair market value. The Employees' Pension Plan investments are shown below:

	Fair Market Value	Maturity	Credit Rating	Rating Agency
Stocks, bonds and mutual funds:				
Domestic Stocks	\$ 589,321	n/a	Not Rated	n/a
International Stocks	6,982	n/a	Not Rated	n/a
Mutual Funds	1,441,602	n/a	3-4 Stars	Morningstar
Money Market and Other	<u>132,548</u>	n/a	Not Rated	n/a
Total Investments	<u>\$ 2,170,453</u>			

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

2. Cash and Investments (continued)

Interest Rate Risk – The Town and the Employees’ Pension Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates.

Credit Risk – The Town does not have a formal investment policy that would further limit its investment choices beyond those listed above which are approved by Colorado Statutes.

A reconciliation of the Town’s deposits and investments to the financial statements is as follows:

Cash and Cash Equivalents	\$ 1,402,121
Pooled Cash Overdraft	(54,968)
Restricted Cash	1,472,089
Fiduciary Funds – Cash	73,997
Fiduciary Funds – Investments	<u>2,170,453</u>
Total	<u>\$ 5,063,692</u>

Fair Value Measurement and Application – 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; and Level 3 inputs are significant unobservable inputs. All of the Town’s investments are measured at fair value using Level 1 inputs.

3. Restricted Assets

Restricted assets are for the following purposes:

General Fund – Emergency reserve under Article X, Section 20 of the Colorado Constitution. Accumulation at December 31, 2017 of \$84,906 is 3% of the Town’s annual expenditures in the governmental fund types. Reserve is held in a bank certificate of deposit.

General Fund – equipment replacement reserves. Accumulation at December 31, 2017 is \$272,126. Reserves are held in bank savings accounts.

General Fund – economic development reserve. Accumulation at December 31, 2017 is \$16,517. Reserves are held in a bank savings account.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

3. Restricted Assets (continued)

General Fund – recreation reserve. Accumulation at December 31, 2017 is \$89,952. Reserve is held in a bank savings account.

General Fund – library reserve. Accumulation at December 31, 2017 is \$38,432. Reserve is held in a certificate of deposit.

Utility Fund – reserve of \$220,664 for operation and maintenance of the water treatment plant. \$35,434 of the \$220,664 is required by the 2000 water revenue bonds and is held in a bank savings account. The remaining \$185,230 is not required by a bond issue and is held in bank certificates of deposit.

Utility Fund – funds held as required reserve for 2012 water revenue bonds. Amount held in a bank savings account totals \$307,349 at December 31, 2017.

Utility Fund – reserve for Emergency Reserve and repayment of revenue bonds. Reserves in the amount of \$52,403, as of December 31, 2017 are held in a bank savings account and certificates of deposit.

Utility Fund – accumulation of monthly fee from State of Colorado for maintenance of the sewer system serving the Limon Correctional Facility. This fee will be discontinued as of 2031. The amount accumulated of \$17,069, as of December 31, 2017, is in a bank savings account.

Utility Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2017 is \$255,215. Reserve is held in a bank savings account.

Ambulance Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2017 is \$117,456. Reserve is held in a bank savings account.

4. Note Receivable and Special Assessment Receivable

The note receivable from Frasier Farms resulted from the sale of the Dickens ranch land in 2004, with the Town retaining the water rights. Payments including principal and interest, at a rate of 5.369%, are due each year in the amount of \$27,455, until the year 2023.

The special assessment receivable resulted from 2004 and 2005 street and sidewalk improvements. Payments on the 2004 assessment including principal and interest, at a rate of 6.65% are due from affected residents from 2009 to 2024 in the amount of \$9,078 each year.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

4. Note Receivable and Special Assessment Receivable (continued)

Residents are permitted to pay their accounts in full at any time, which would also decrease total future annual payment requirements.

Payments on the 2005 assessment including principal and interest, at a rate of 7% are due from 2009 to 2025 in the amount of \$19,050 each year. Residents are permitted to pay their accounts in full any time, which would also decrease total future annual payment requirements.

5. Capital Assets

Capital asset activity for the year was as follows:

	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Governmental activities:				
Non-depreciable assets:				
Land	\$ 1,223,226	\$ -	\$ -	\$ 1,223,226
Depreciable assets:				
Buildings	2,851,542	34,238	-	2,885,780
Equipment	2,880,303	149,288	(41,215)	2,988,376
Infrastructure	4,972,380	-	-	4,972,380
Total depreciable assets	<u>10,704,225</u>	<u>183,526</u>	<u>(41,215)</u>	<u>10,846,536</u>
Total capital assets	<u>11,639,523</u>	<u>183,526</u>	<u>(41,215)</u>	<u>12,069,762</u>
Less accumulated depreciation for:				
Buildings	(1,584,942)	(87,100)	-	(1,672,043)
Equipment	(1,721,899)	(152,167)	41,215	(1,832,851)
Infrastructure	<u>(1,630,809)</u>	<u>(180,877)</u>	<u>-</u>	<u>(1,811,686)</u>
Total accumulated depreciation	<u>(4,937,651)</u>	<u>(420,144)</u>	<u>41,215</u>	<u>(5,316,580)</u>
Depreciable assets, net	<u>5,766,574</u>	<u>(236,618)</u>	<u>-</u>	<u>5,529,956</u>
Governmental activities assets, net	<u>\$ 6,989,800</u>	<u>\$ (236,618)</u>	<u>\$ -</u>	<u>\$ 6,753,182</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

5. Capital Assets (continued)

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

General government	\$ 42,331
Airport	21,229
Public safety - police	22,454
Highways and streets	51,280
Public works - sanitation	21,719
Public health - cemetery	3,399
Culture and recreation	76,855
Infrastructure	<u>180,877</u>
Total governmental activities depreciation expense	<u>\$ 420,144</u>

	Balance December 31, 2016	Additions	Conveyances or Retirements	Balance December 31, 2017
Business-type activities:				
Non-depreciable assets:				
Water rights	\$ 1,048,995	\$ -	\$ -	\$ 1,048,995
Land	241,797	-	-	241,797
Construction in progress	<u>-</u>	<u>13,240</u>	<u>-</u>	<u>13,240</u>
Total non-depreciable assets	<u>1,290,792</u>	<u>13,240</u>	<u>-</u>	<u>1,304,032</u>
Depreciable assets:				
Water system, plant & equipment	9,515,339	26,821	-	9,542,162
Sewer system, plant & equipment	4,428,921	-	-	4,428,921
Golf facilities & equipment	425,843	8,200	(900)	433,141
Ambulance building & equipment	<u>1,274,300</u>	<u>25,759</u>	<u>-</u>	<u>1,300,059</u>
	<u>15,606,739</u>	<u>60,326</u>	<u>(900)</u>	<u>15,704,283</u>
Total capital assets	<u>16,897,531</u>	<u>74,020</u>	<u>(900)</u>	<u>17,008,315</u>
Less Accumulated depreciation for:				
Water system, plant & equipment	(4,401,448)	(274,803)	-	(4,676,251)
Sewer system, plant & equipment	(2,012,282)	(102,015)	-	(2,114,297)
Golf facilities & equipment	(290,580)	(15,262)	900	(304,942)
Ambulance building & equipment	<u>(648,710)</u>	<u>(82,952)</u>	<u>-</u>	<u>(731,662)</u>
Total accumulated depreciation	<u>(7,353,020)</u>	<u>(475,032)</u>	<u>900</u>	<u>(7,827,152)</u>
Depreciable assets, net	<u>8,253,719</u>	<u>(414,252)</u>	<u>-</u>	<u>7,877,131</u>
Business-type activities assets, net	<u>\$ 9,544,511</u>	<u>\$ (401,012)</u>	<u>\$ -</u>	<u>\$ 9,181,163</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

5. Capital Assets (continued)

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

Water	\$ 274,803
Sewer	102,015
Golf Course	15,262
Ambulance	<u>82,952</u>
Total business-type activities depreciation expense	<u>\$ 475,032</u>

6. Retirement Plan

The Town maintains a single-employer defined benefit pension plan which covers all eligible Town employees, including police officers.

Employees' Pension Plan:

Plan Description. The Town of Limon Employees' Pension Plan (the Plan) is a single-employer defined benefit pension plan administered by the Town of Limon. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Town Board of Trustees has the authority to establish and amend benefit provisions. The Plan does not issue a publicly available financial report.

Full-time and special part-time employees that are at 21 years old are eligible to participate after one year of service. There is no provision for cost-of-living increases after benefits begin, and benefits vest as follows:

Years of Service	Vested Percentage
0-9	0%
10	50%
11	60%
12	70%
13	80%
14	90%
15	100%

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Retirement Plan (continued)

Membership in the Plan consisted of the following at January 1, 2017, the date of the latest actuarial valuation:

Terminated plan members entitled to, but not yet receiving benefits	4
Active Plan Members	<u>22</u>
Total	26

Plan members are required to contribute 4% of compensation not exceeding \$550 per month and 6% of compensation in excess of \$550. The Town is required to contribute at an actuarially determined rate. Actual employer contributions for the year ended December 31, 2017, were \$56,516 and covered payroll was \$958,901.

Direct administrative fees are paid from plan income. Indirect expenses (portions of Town administrative salaries) are not allocated to the Plan.

The Town's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Entry Age	Normal
Investment Return	7.0 percent pre-retirement and 4.0% post-retirement
Salary Scale	2.50 percent

Mortality rates were based on the GATT Blended Table for expenses, and the RP2000 Combined Mortality Table for Males or Females for obligations, using scale MP-2015.

The long-term expected rate of return on Plan investments was determined using a best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Retirement Plan (continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	60%	8.0%-10.0%
Fixed income	35%	4.75%-5.75%
Cash	<u>5%</u>	1.0%-1.5%
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in Town's Net Pension Liability

Changes in the Town's net pension liability for the year ended December 31, 2017 was calculated as follows:

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Retirement Plan (continued)

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a] – [b]
Balance, December 31, 2016	\$ 2,259,014	\$ 1,881,188	\$ 377,826
Changes for the year:			
Service cost	70,102	-	70,102
Interest	156,002	-	156,002
Difference between expected and actual experience	31,136	-	31,136
Changes in assumptions	93,407	-	93,407
Net investment income (loss)	-	283,544	(283,544)
Contributions – employees	-	52,431	(52,431)
Contributions – employer	-	56,516	(56,516)
Benefit payments	(60,833)	(60,833)	-
Administrative expense	-	(6,570)	6,570
Net changes	289,814	325,088	(35,274)
Balance, December 31, 2017	\$ 2,548,828	\$ 2,206,276	\$ 342,552

Plan Fiduciary Net Position differs slightly from the presentation on page 13 due to accrued expenses not reflected above.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	Discount rate	Net pension liability
1% decrease	6.0%	\$ 746,133
Current discount rate	7.0%	\$ 342,553
1% increase	8.0%	\$ 6,746

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

6. Retirement Plan (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended December 31, 2017, the Town recognized pension expense of \$57,938. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,256	\$ (34,816)
Changes of assumptions	112,984	(11,291)
Net difference between projected and actual earnings on Plan investments	68,317	(120,326)
Total	<u>\$ 216,557</u>	<u>\$ (166,433)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31,	
2018	\$ 10,832
2019	10,832
2020	(18,708)
2021	(21,787)
2022	8,294
Thereafter	8,294

7. Contingency—Constitutional Amendment

In November 1992, the Colorado voters passed a constitutional amendment (TABOR Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 3% in 1995 and thereafter.

The Town has reserved \$84,906 within the General Fund and \$52,403 within the Utility Fund for the emergency reserve under the TABOR amendment.

Town of Limon, Colorado

Notes to Financial Statements (continued)

December 31, 2017

7. Contingency—Constitutional Amendment (continued)

On April 7, 1998, the voters of the Town approved a referendum allowing the Town to collect, retain and expend the full proceeds of the Town's sales and property tax, state grants, fees and other revenues received from December 31, 1997 and thereafter.

The Town believes that it is in compliance with the provisions of the TABOR amendment. However, many provisions of the TABOR Amendment are complex and subject to further interpretation and will require judicial interpretation.

8. Long-Term Debt

Revenue Bonds – The Town issues bonds where the government pledges income derived from the acquired or constructed assets or from a specific revenue source to pay debt service. Revenue bonds at December 31, 2017 are as follows:

2012 Water Revenue Refunding and Improvement Bonds – These bonds are payable from Utility Fund Water revenues, together with interest from 2% to 3%.

During 2017 a principal payment of \$160,000 was made. Additionally, interest payments totaling \$68,600 were made, which are included as a direct expense under Water in the Statement of Activities.

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 155,000	\$ 65,400	\$ 220,400
2019	170,000	60,750	230,750
2020	170,000	55,650	225,650
2021	240,000	50,550	290,550
2022	250,000	43,350	293,350
2023-2025	<u>1,195,000</u>	<u>81,300</u>	<u>1,276,300</u>
	<u>\$ 2,180,000</u>	<u>\$ 357,000</u>	<u>\$ 2,537,000</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

8. Long-Term Debt (continued)

2000 Water Revenue Bonds – These bonds were payable from Utility Fund Water revenues, together with interest from 5.83% to 8.91%. This bond has a federal interest subsidy, which is shown as a revenue item in the financial statements. After the subsidy, the interest rate on the bonds is from 4.19% to 7.26%.

During 2017 principal payments of \$86,665 and interest payments of \$29,970 were made in addition to the federal subsidy interest amount of \$6,142 for a total of \$36,112 which is included as a direct expense under Water Treatment Plant in the Statement of Activities.

Annual debt service requirements are as follows:

	Principal	Interest Before Federal Subsidy	Total	Federal Interest Subsidy	Net After Federal Subsidy
2018	\$ 92,082	\$ 25,570	\$ 117,652	\$ 4,718	\$ 112,934
2019	92,082	14,448	106,530	3,205	103,325
2020	<u>102,915</u>	<u>6,014</u>	<u>108,929</u>	<u>1,691</u>	<u>107,238</u>
	<u>\$ 287,079</u>	<u>\$ 46,032</u>	<u>\$ 333,111</u>	<u>\$ 9,614</u>	<u>\$ 323,497</u>

Special Assessment Bond – During 2004 the Town formed Special Assessment District Number 2004-1, in order to issue special assessment bonds for certain street and sidewalk improvements. Bonds are to be repaid from monies collected annually from levies against the affected property owners together with interest at 5.9%. Monies are collected and bonds paid from the General Fund.

During 2017 a principal payment of \$7,000 was made. An interest payment of \$2,183 was made which is included under governmental activities in the Statement of Activities.

Scheduled annual debt service requirements to maturity are as follows. However, the actual principal payments will be higher if additional principal is collected from the property owners, which would also affect future principal and interest requirements.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

8. Long-Term Debt (continued)

Annual debt service requirements on the bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,000	\$ 1,770	\$ 7,770
2019	6,000	1,416	7,416
2020	7,000	1,062	8,062
2021	7,000	649	7,649
2022	<u>4,000</u>	<u>236</u>	<u>4,236</u>
	<u>\$ 30,000</u>	<u>\$ 5,133</u>	<u>\$ 35,133</u>

Special Assessment Bond – During 2005 the Town formed Special Assessment District Number 2005-2, in order to issue special assessment bonds for certain street and sidewalk improvements. Bonds are to be repaid from monies collected annually from levies against the affected property owners together with interest at 6.2%. Monies will be collected and bonds paid from the General Fund.

During 2017, a principal payment of \$21,000 was made. Additionally, interest payments of \$5,208 were made, which are included under governmental activities in the Statement of Activities.

Scheduled annual debt service requirements to maturity are as follows. However, the actual principal payments will be higher if additional principal is collected from the property owners, which would also affect future principal and interest requirements.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 17,000	\$ 3,906	\$ 20,906
2019	18,000	2,852	20,852
2020	20,000	1,736	21,736
2021	<u>8,000</u>	<u>496</u>	<u>8,496</u>
	<u>\$ 63,000</u>	<u>\$ 8,990</u>	<u>\$ 71,990</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

8. Long-Term Debt (continued)

Lease-Purchase Loan – During 2013 the Town entered into a lease with option to purchase agreement, in order to fund various energy conservation improvements. Payments, including interest at 2.9%, are due in semi-annual installments.

During 2017, total principal payments of \$38,631. Additionally, total interest payments of \$20,526 were made.

Scheduled annual debt service requirements to maturity are as follows.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 41,756	\$ 19,384	\$ 61,140
2019	45,071	18,149	66,220
2020	48,588	16,816	65,404
2021	52,317	15,381	67,698
2022	56,269	13,835	70,104
2023-2027	349,354	41,668	391,022
2028	<u>85,413</u>	<u>1,863</u>	<u>87,276</u>
	<u>\$ 678,768</u>	<u>\$ 127,096</u>	<u>\$ 805,864</u>

Colorado Maintenance Fee – This amount represents the accumulation of a monthly fee from the State of Colorado for maintenance of the sewer system serving the Limon Correctional Facility and is payable from Utility Fund Restricted Cash. This fee will be discontinued as of 2031.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

8. Long-Term Debt (continued)

Total changes in Long-Term Liabilities during 2017 are as follows:

	Balance December 31, 2016	Additions	Payments	Balance December 31, 2017	Due Within One Year
Governmental activities:					
Special assessment bonds	\$ 121,000	\$ -	\$ (28,000)	\$ 93,000	\$ 23,000
Lease-Purchase	412,782	-	(22,229)	390,553	24,026
	<u>\$ 533,782</u>	<u>\$ -</u>	<u>\$ (50,229)</u>	<u>\$ 483,553</u>	<u>\$ 47,026</u>
Business-type activities:					
Bonds payable:					
2012 Water Revenue	\$ 2,340,000	\$ -	\$ (160,000)	\$ 2,180,000	\$ 155,000
2012 Bond Premium	47,135	-	(5,286)	41,849	5,286
2000 Water Revenue	373,744	-	(86,665)	287,079	92,082
Loans payable:					
Lease-Purchase	304,617	-	(16,402)	288,215	17,730
Colorado Maintenance Fee	19,105	2,578	(4,616)	17,067	-
	<u>3,084,601</u>	<u>2,578</u>	<u>(272,969)</u>	<u>2,814,210</u>	<u>270,098</u>
Total long-term liabilities	<u>\$ 3,618,383</u>	<u>\$ 2,578</u>	<u>\$ (323,198)</u>	<u>\$ 3,297,763</u>	<u>\$ 317,124</u>

Legal Debt Limit - The legal debt limit as defined by Colorado State Statutes, for General Obligation Bonds issued by the Town is as follows at December 31, 2017:

Actual Property Value (taxable)	\$ 118,828,663
	<u>x 3%</u>
	3,564,860
General Obligation Bonds issued, other than for Water & Sewer purposes, which are specifically exempted for the limitation	<u>-</u>
Available Debt Margin	<u>\$ 3,564,860</u>

The issues have certain early redemption provisions that could be utilized in future years at the option of the Board of Trustees.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

9. Risk Management

The Town is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

The Town carries commercial insurance for risks described below and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Property, Casualty, Errors and Omissions and Liability Insurance

The Town is exposed to various risks of loss related to property, casualty, errors and omissions and liability losses. In 1986 due to the excessive cost of this insurance, the Town joined together with other cities and towns in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual contribution to CIRSA for its insurance coverage. The member agreement provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for member's claims in excess of a specified self insurance retention, which is determined each policy year.

During 2017 the Town paid \$79,677 for insurance coverage to the pool which is included in the operating expense of the general and enterprise funds.

Workers' Compensation Insurance

The Town is exposed to various risks of loss related to injuries of employees while on the job. In 2013 the Town renewed its membership in the Colorado Intergovernmental Risk Sharing Agency, Workers Compensation Pool (CIRSA).

During 2017 the Town paid \$74,988 for workers compensation coverage, which is included in the operating expense of the general and enterprise funds.

10. Interfund Transactions

Interfund receivable and payable are included within the balance sheet as they are current obligation and receivable of the appropriate fund. No eliminations have been made for interfund transactions in the fund financial statements.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

10. Interfund Transactions (continued)

The Town had the following interfund transactions during 2017:

Transfer from General Fund to Ambulance Fund for general operations.	\$ (27,534)
Transfer from General Fund to Golf Course Fund for general operations	(67,089)
Transfer from Conservation Trust Fund to Golf Course Fund for general purposes.	<u>(8,200)</u>
Total General Fund transfers, net	<u>\$ (102,823)</u>

11. Contingent Construction Payable

During the year 2000, the Town obtained two acres of land for a water treatment plant, in exchange for providing certain street, water and sewer improvements for seller's adjacent property. The agreed-upon value was \$114,000. The Town's obligation in this trade consists of two elements: (1) an obligation to complete certain improvements with an estimated cost of \$41,622, which were completed by the Town in 2001, and (2) a contingent liability to pay the seller's obligation of \$72,378 for improvements in the event the seller develops the adjacent land within 20 years. During 2017, the Town paid \$11,054 for those improvements resulting in a remaining contingent payable of \$46,164.

12. Employment Agreements

During 2003, the Town entered into employment agreements with four members of management. The agreements cover a variety of matters, including lump sum payment of three months' salary and three months' benefits, in the event the Board does not reappoint the employee after a regular municipal election, and he or she is willing and able to perform his or her duties. As of December 31, 2017, three of these individuals were employed, by appointment, by the Town. The fourth individual is now an at-will employee.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2017

13. Water Rights Lease

In June 2004, the Town purchased land, improvements, and water rights for \$689,454. The Town resold the real property to Frasier Farms. As a condition of the sale, the Town entered into a lease agreement to lease the water rights to Frasier Farms for 10 years at no charge. The lease contains a provision to temporarily terminate if the Town has an emergency shortage, then extend the lease to its original 10 year term and compensate Frasier Farms for any crop losses.

In May 2014, the original agreement was assigned to River Bend Ranch, LLC and amended to extend the lease for a 5 year term, with an option for an additional 5 year term. The amendment also requires lease payments of \$7,332 per year, adjusted annually in accordance with the Denver/Boulder/Greeley consumer price index. Half of the total annual payment is due on June 1st and the remaining half is due on December 1st of each year.

Town of Limon, Colorado

Required Supplementary Information

Town of Limon, Colorado
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 1,518,642	\$ 1,518,642	\$ 1,648,176	\$ 129,534
Fines, Licenses and Permits	65,060	65,060	73,639	8,579
Intergovernmental - Local	227,098	227,098	235,995	8,897
Intergovernmental - Federal	6,180	6,180	6,180	-
Charges for Services	572,885	572,885	537,960	(34,925)
Interest	5,375	5,375	4,722	(653)
Donations and Grants	61,523	61,523	153,541	92,018
Insurance Claims	1,000	1,000	8,963	7,963
Miscellaneous	27,500	27,500	27,402	(98)
TOTAL REVENUES	2,485,263	2,485,263	2,696,578	211,315
EXPENDITURES				
Current:				
General Government	693,605	693,605	655,675	37,930
Airport	12,959	12,959	12,054	905
Public Works - Streets	556,781	556,781	436,658	120,123
Public Works - Sanitation	212,777	212,777	195,634	17,143
Public Safety	443,116	443,116	399,814	43,302
Public Health - Cemetery	92,705	92,705	109,867	(17,162)
Culture and Recreation	319,101	319,101	342,360	(23,259)
Capital Outlay	139,155	139,155	178,624	(39,469)
Debt Service:				
Principal	44,229	44,229	50,229	(6,000)
Interest	19,202	19,202	19,667	(465)
TOTAL EXPENDITURES	2,533,630	2,533,630	2,400,582	133,048
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,367)	(48,367)	295,996	344,363
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(93,590)	(93,590)	(94,623)	(1,033)
NET CHANGE IN FUND BALANCE	(141,957)	(141,957)	201,373	343,330
FUND BALANCES, BEGINNING OF YEAR	791,926	791,926	818,067	26,141
FUND BALANCES, END OF YEAR	\$ 649,969	\$ 649,969	\$ 1,019,440	\$ 369,471

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

Town of Limon, Colorado

Schedule of Contributions - Pension

Last 10 Years

For the Year Ended December 31, 2017

Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Actual Contribution as % of Covered Payroll
2015	94,774	107,431	12,657	954,434	11.26%
2016	89,000	111,525	22,525	821,334	13.58%
2017	55,000	108,947	53,947	958,901	11.36%

Note: This schedule is intended to show information for 10 years. Additional years will be added prospectively.

Town of Limon, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years
For the Year Ended December 31, 2017

Year ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service Cost	70,102	60,605	71,522
Interest	156,002	147,499	134,358
Difference between Expected and Actual Experience	31,136	(41,684)	8,370
Benefit Payments	(60,833)	(2,009)	(119,679)
Other Changes	<u>93,407</u>	<u>(13,519)</u>	<u>34,314</u>
Net Change in Total Pension Liability	289,814	150,892	128,885
Total Pension Liability - Beginning	2,259,014	2,108,122	1,979,237
Total Pension Liability - Ending (a)	2,548,828	2,259,014	2,108,122
Plan Fiduciary Net Position			
Employer Contributions	56,516	60,646	55,125
Employee Contributions	52,431	50,879	52,306
Net Investment Income	283,544	105,379	(27,819)
Benefit Payments	(60,833)	(2,009)	(119,679)
Administrative Expenses	<u>(6,570)</u>	<u>(8,630)</u>	<u>(250)</u>
Net Change in Plan Fiduciary Net Position	325,088	206,265	(40,317)
Plan Fiduciary Net Position - Beginning	1,881,188	1,674,923	1,715,240
Plan Fiduciary Net Position - Ending (b)	2,206,276	1,881,188	1,674,923
Net Pension Liability - Ending (a) - (b)	<u>342,552</u>	<u>377,826</u>	<u>433,199</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.6%	83.3%	79.5%
Covered Employee Payroll	958,901	821,334	954,434
Net Pension Liability as a Percentage of Covered Employee Payroll	35.7%	46.0%	45.4%

Note: This schedule is intended to show information for 10 years. Additional years will be added prospectively.

Town of Limon, Colorado

Other Supplementary Information

Town of Limon, Colorado
Head Start Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Intergovernmental - Federal	\$ 660,458	\$ 660,458	\$ 673,360	\$ 12,902
Supplemental Appropriation	-	36,502	-	(36,502)
Total Revenues	<u>660,458</u>	<u>696,960</u>	<u>673,360</u>	<u>(23,600)</u>
EXPENDITURES:				
Head Start Program	660,458	660,458	673,360	(12,902)
Supplemental Appropriation	-	36,502	-	36,502
Total Expenditures	<u>660,458</u>	<u>696,960</u>	<u>673,360</u>	<u>23,600</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Town of Limon, Colorado

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

	CAPITAL CONSTRUCTION FUND	CONSER- VATION TRUST FUND	CEMETERY PERPET- UAL CARE	TOTALS
ASSETS:				
Cash	\$ 15,209	\$ 21,624	\$ 9,836	\$ 46,669
TOTAL ASSETS	<u>\$ 15,209</u>	<u>\$ 21,624</u>	<u>\$ 9,836</u>	<u>\$ 46,669</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES				
Restricted	-	21,624	-	21,624
Assigned-Designated for Subsequent Year	<u>15,209</u>	<u>-</u>	<u>9,836</u>	<u>25,045</u>
TOTAL FUND BALANCES	<u>15,209</u>	<u>21,624</u>	<u>9,836</u>	<u>46,669</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,209</u>	<u>\$ 21,624</u>	<u>\$ 9,836</u>	<u>\$ 46,669</u>

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

Town of Limon, Colorado
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2017

	CAPITAL CONSTRUCTION FUND	CONSER- VATION TRUST FUND	CEMETERY PERPET- UAL CARE	TOTALS
REVENUES:				
Interest	\$ -	\$ 3	\$ -	\$ 3
Intergovernmental - Local	537	19,126	-	19,663
Intergovernmental - Federal	9,663	-	-	9,663
Donations	-	-	1,190	1,190
Perpetual Care	-	-	1,400	1,400
	<u>10,200</u>	<u>19,129</u>	<u>2,590</u>	<u>31,919</u>
TOTAL REVENUES	<u>10,200</u>	<u>19,129</u>	<u>2,590</u>	<u>31,919</u>
EXPENDITURES:				
Perpetual Care Refund	-	-	-	-
Airport Master Plan	10,738	-	-	10,738
Recreation	-	-	-	-
Capital Outlay	-	4,902	-	4,902
	<u>10,738</u>	<u>4,902</u>	<u>-</u>	<u>15,640</u>
TOTAL EXPENDITURES	<u>10,738</u>	<u>4,902</u>	<u>-</u>	<u>15,640</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(538)	14,227	2,590	16,279
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	(8,200)	-	(8,200)
NET CHANGE IN FUND BALANCE	(538)	6,027	2,590	8,079
FUND BALANCE, BEGINNING OF YEAR	<u>15,747</u>	<u>15,597</u>	<u>7,246</u>	<u>38,590</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,209</u>	<u>\$ 21,624</u>	<u>\$ 9,836</u>	<u>\$ 46,669</u>

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

Town of Limon, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Intergovernmental - State	\$ 19,000	\$ 19,000	\$ 19,126	\$ 126
Interest	<u>4</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Total Revenues	<u>19,004</u>	<u>19,004</u>	<u>19,129</u>	<u>125</u>
EXPENDITURES:				
Improvements	2,000	2,000	-	2,000
Recreation	<u>14,747</u>	<u>14,747</u>	<u>4,902</u>	<u>9,845</u>
Total Expenditures	<u>16,747</u>	<u>16,747</u>	<u>4,902</u>	<u>11,845</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,257	2,257	14,227	11,970
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(8,200)</u>	<u>(1,200)</u>
NET CHANGE IN FUND BALANCE	(4,743)	(4,743)	6,027	10,770
FUND BALANCE, BEGINNING OF YEAR	<u>12,418</u>	<u>12,418</u>	<u>15,597</u>	<u>3,179</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,675</u>	<u>\$ 7,675</u>	<u>\$ 21,624</u>	<u>\$ 13,949</u>

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

Town of Limon, Colorado
Cemetery Perpetual Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Perpetual Care	\$ 1,000	\$ 1,000	\$ 1,400	\$ 400
Donations	<u>3,000</u>	<u>3,000</u>	<u>1,190</u>	<u>(1,810)</u>
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>2,590</u>	<u>(1,410)</u>
EXPENDITURES:				
Improvements	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	(6,000)	(6,000)	2,590	8,590
FUND BALANCE, BEGINNING OF YEAR	<u>7,047</u>	<u>7,047</u>	<u>7,246</u>	<u>199</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,047</u>	<u>\$ 1,047</u>	<u>\$ 9,836</u>	<u>\$ 8,789</u>

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

Town of Limon, Colorado
Capital Projects Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Intergovernmental - Federal	\$ -	\$ -	\$ 9,663	\$ 9,663
Intergovernmental - Local	-	-	537	537
Signage	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
TOTAL REVENUES	<u>7,500</u>	<u>7,500</u>	<u>10,200</u>	<u>2,700</u>
EXPENDITURES				
Signage	15,000	15,000	-	15,000
Airport Master Plan	<u>-</u>	<u>-</u>	<u>10,738</u>	<u>(10,738)</u>
TOTAL EXPENDITURES	<u>15,000</u>	<u>15,000</u>	<u>10,738</u>	<u>4,262</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,500)	(7,500)	(538)	6,962
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(7,500)	(7,500)	(538)	6,962
FUND BALANCE, BEGINNING OF YEAR	<u>15,210</u>	<u>15,210</u>	<u>15,747</u>	<u>537</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,710</u>	<u>\$ 7,710</u>	<u>\$ 15,209</u>	<u>\$ 7,499</u>

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

Town of Limon, Colorado
Utility Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales, Net Contractual Adjustments and Bad Debts	\$ 1,118,609	\$ 1,118,609	\$1,153,848	\$ 35,239
Other User Charges	9,400	9,400	8,600	(800)
Miscellaneous	100	100	2,491	2,391
Interest	10,228	10,228	10,064	(164)
Insurance Proceeds	-	-	4,502	4,502
Note Principal - Frasier	19,202	19,202	19,202	-
DOC Maintenance	2,553	2,553	2,553	-
DOC Maintenance Expenses from Restricted Account	500	500	4,614	4,114
Tap Fees	14,840	14,840	66,268	51,428
Intergovernmental-Federal	6,143	6,143	6,143	-
Intergovernmental-Local	110,531	110,531	-	(110,531)
Total Revenues	<u>1,292,106</u>	<u>1,292,106</u>	<u>1,278,285</u>	<u>(13,821)</u>
EXPENDITURES:				
Operating Expenses (other than depreciation and amortization)	640,379	640,379	605,498	34,881
Interest Expense	107,609	107,609	117,398	(9,789)
Debt Principal	262,057	262,057	267,343	(5,286)
Capital Expenditures	264,102	264,102	40,062	224,040
Payment on year 2000 Land Trade liability		-	11,054	(11,054)
DOC Maintenance Revenue to Restricted Account	2,553	2,553	2,553	-
System Maintenance Paid from Colorado Reserve Account	500	500	4,614	(4,114)
Total Expenditures	<u>1,277,200</u>	<u>1,277,200</u>	<u>1,048,522</u>	<u>228,678</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 14,906</u>	<u>\$ 14,906</u>	229,763	<u>\$ 214,857</u>
RECONCILIATION TO GAAP BASIS				
Payment on year 2000 Land Trade liability			11,054	
Add budgetary items shown as Expenditures:				
Principal Portion of Debt Service			267,343	
Capital Expenditures			40,062	
Less Budgetary Items Shown as Revenue:				
Principal Portion of Note Receivable			(19,202)	
Less: Depreciation and Amortization			(376,818)	
Change in Net Position GAAP			<u>\$ 152,202</u>	

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

Town of Limon, Colorado
Ambulance Service Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:	ORIGINAL	FINAL	ACTUAL	
Sales, Net Contractual Adjustments and Bad Debts	\$ 323,922	\$ 323,922	\$ 220,430	\$ (103,492)
Interest	75	75	83	8
Donations and Grants	650	650	62,468	61,818
Intergovernmental - Local	166,600	166,600	74,520	(92,080)
Miscellaneous	1,242	1,242	4,520	3,278
Transfer From Other Funds	26,501	26,501	27,534	1,033
Total Revenues	<u>518,990</u>	<u>518,990</u>	<u>389,555</u>	<u>(129,435)</u>
EXPENDITURES:				
Operating				
Salaries and Benefits	295,111	295,111	233,050	62,061
Maintenance	20,650	20,650	16,188	4,462
Insurance	6,340	6,340	6,448	(108)
Utilities	9,485	9,485	8,825	660
Other Expenses	123,423	123,423	99,371	24,052
Principal Payment	587	587	587	-
Interest Expense	312	312	312	-
Capital Outlay	121,000	121,000	63,422	57,578
Total Expenditures	<u>576,908</u>	<u>576,908</u>	<u>428,203</u>	<u>148,705</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (57,918)</u>	<u>\$ (57,918)</u>	(38,648)	<u>\$ 19,270</u>
RECONCILIATION TO GAAP BASIS				
Add: Principal Portion of Debt Service			587	
Add: Capital Outlay			63,422	
Less: Depreciation			<u>(82,952)</u>	
Change In Net Position GAAP			<u>\$ (57,591)</u>	

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

Town of Limon, Colorado

Combining Balance Sheet Nonmajor Proprietary Funds December 31, 2017

	GOLF COURSE FUND	AIRPORT FUEL FUND	TOTALS
ASSETS			
Current assets:			
Cash	\$ 19,361	\$ 3,740	\$ 23,101
Inventories	2,782	12,013	14,795
Prepaid Expenses	-	1,857	1,857
Accounts Receivable	-	3,216	3,216
Total Current Assets	<u>22,143</u>	<u>20,826</u>	<u>42,969</u>
Non-Current Assets:			
Capital Assets:			
Land	9,321	-	9,321
Recreation Area Facilities	311,524	-	311,524
Equipment	121,617	-	121,617
Accumulated Depreciation	<u>(304,942)</u>	<u>-</u>	<u>(304,942)</u>
Total Non-Current Assets	<u>137,520</u>	<u>-</u>	<u>137,520</u>
TOTAL ASSETS	<u>159,663</u>	<u>20,826</u>	<u>180,489</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Current Liabilities:			
Current Portion of Long-Term Debt	459	-	459
Accounts Payable	2,385	2,582	4,967
Compensated Absences	<u>412</u>	<u>-</u>	<u>412</u>
Total Current Liabilities	<u>3,256</u>	<u>2,582</u>	<u>5,838</u>
Non-Current Liabilities:			
Long-Term Debt - Net of Current Portion	<u>6,978</u>	<u>-</u>	<u>6,978</u>
Total Non-Current Liabilities	<u>6,978</u>	<u>-</u>	<u>6,978</u>
TOTAL LIABILITIES	<u>10,234</u>	<u>2,582</u>	<u>12,816</u>
NET POSITION			
Net Investment in Capital Assets	137,520	-	137,520
Unrestricted	<u>11,909</u>	<u>18,244</u>	<u>30,153</u>
TOTAL NET POSITION	<u>149,429</u>	<u>18,244</u>	<u>167,673</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 159,663</u></u>	<u><u>\$ 20,826</u></u>	<u><u>\$ 180,489</u></u>

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

Town of Limon, Colorado
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2017

	GOLF COURSE FUND	AIRPORT FUEL FUND	TOTALS
OPERATING REVENUES			
Sales	\$ 117,930	\$ 26,777	\$ 144,707
Other User Charges	4,750	-	4,750
Miscellaneous	2,868	1,435	4,303
Total Operating Revenues	<u>125,548</u>	<u>28,212</u>	<u>153,760</u>
OPERATING EXPENSES			
Cost of Resale Items	13,584	23,329	36,913
Maintenance	8,333	587	8,920
Insurance	3,461	-	3,461
Utilities	22,695	-	22,695
Testing	-	413	413
Salaries and Benefits	116,660	-	116,660
Other Expenses	18,307	831	19,138
Depreciation	15,262	-	15,262
Total Operating Expenses	<u>198,302</u>	<u>25,160</u>	<u>223,462</u>
Income (Loss) From Operations	<u>(72,754)</u>	<u>3,052</u>	<u>(69,702)</u>
NON-OPERATING REVENUES (EXPENSES)			
Gain on Disposal	1,999	-	1,999
Donations	2,584	-	2,584
Interest Expense	(226)	-	(226)
Total Non-Operating Revenues (Expenses)	<u>4,357</u>	<u>-</u>	<u>4,357</u>
Net Income Before Contributions and Transfers	(68,397)	3,052	(65,345)
Transfers In (Out)	75,289	-	75,289
CHANGE IN NET POSITION	<u>6,892</u>	<u>3,052</u>	<u>9,944</u>
NET POSITION, BEGINNING OF YEAR	<u>142,537</u>	<u>15,192</u>	<u>157,729</u>
NET POSITION, END OF YEAR	<u><u>\$ 149,429</u></u>	<u><u>\$ 18,244</u></u>	<u><u>\$ 167,673</u></u>

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

Town of Limon, Colorado
Airport Fuel Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales	\$ 36,000	\$ 36,000	\$ 26,777	\$ (9,223)
Donations	25	25	-	(25)
Miscellaneous	<u>50</u>	<u>50</u>	<u>1,435</u>	<u>1,385</u>
Total Revenues	<u>36,075</u>	<u>36,075</u>	<u>28,212</u>	<u>(7,863)</u>
EXPENDITURES:				
Operating Expenses	<u>34,460</u>	<u>34,460</u>	<u>25,160</u>	<u>9,300</u>
Total Expenditures	<u>34,460</u>	<u>34,460</u>	<u>25,160</u>	<u>9,300</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>\$ 1,615</u>	<u>\$ 1,615</u>	<u>\$ 3,052</u>	<u>\$ 1,437</u>

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

Town of Limon, Colorado
Municipal Golf Course Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales	\$ 122,737	\$ 122,737	\$ 117,930	\$ (4,807)
Other User Charges	5,040	5,040	4,750	(290)
Interest	1	1	1,999	1,998
Donations	10,000	10,000	2,584	(7,416)
Miscellaneous	1,800	1,800	2,868	1,068
Transfers from Other Funds	<u>74,089</u>	<u>74,089</u>	<u>75,289</u>	<u>1,200</u>
Total Revenues	<u>213,667</u>	<u>213,667</u>	<u>205,420</u>	<u>(8,247)</u>
EXPENDITURES:				
Salaries and Benefits	127,368	127,368	116,660	10,708
Cost of Resale Items	14,000	14,000	13,584	416
Maintenance	9,700	9,700	8,333	1,367
Insurance	3,461	3,461	3,461	-
Utilities	22,412	22,412	22,695	(283)
Other Expenses	23,318	23,318	18,307	5,011
Capital Expenditures	12,100	12,100	-	12,100
Principal Payments	425	425	425	-
Interest Expense	<u>226</u>	<u>226</u>	<u>226</u>	<u>-</u>
Total Expenditures	<u>213,010</u>	<u>213,010</u>	<u>183,691</u>	<u>29,319</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 657</u>	<u>\$ 657</u>	21,729	<u>\$ 21,072</u>
RECONCILIATION TO GAAP BASIS				
Principal payments			425	
Add budgetary items shown as Expenditures:				
Capital Expenditures			-	
Less: Depreciation and Amortization			<u>(15,262)</u>	
Change In Net Position GAAP			<u>\$ 6,892</u>	

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

Town of Limon, Colorado
Employees' Pension Fund
Schedule of Revenues, Expenditures
And Changes in Net Position—Budget and Actual
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Employee Contribution	\$ 55,615	\$ 55,615	\$ 52,431	\$ (3,184)
Employer Contribution	57,067	57,067	56,516	(551)
Interest Income	25	25	80	55
Investment Income				
Net of Expenses	<u>15,000</u>	<u>15,000</u>	<u>288,937</u>	<u>273,937</u>
Total Revenues	<u>127,707</u>	<u>127,707</u>	<u>397,964</u>	<u>270,257</u>
EXPENDITURES:				
Benefit Payments	12,009	12,009	60,833	(48,824)
Administrative Expenses	5,000	5,000	6,570	(1,570)
Supplemental Appropriations	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Expenditures	<u>17,009</u>	<u>77,009</u>	<u>67,403</u>	<u>9,606</u>
CHANGE IN NET POSITION	110,698	50,698	330,561	279,863
NET POSITION, BEGINNING OF YEAR	<u>1,898,307</u>	<u>1,898,307</u>	<u>1,913,889</u>	<u>15,582</u>
NET POSITION, END OF YEAR	<u><u>\$2,009,005</u></u>	<u><u>\$ 1,949,005</u></u>	<u><u>\$ 2,244,450</u></u>	<u><u>\$ 295,445</u></u>

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: LIMON
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of _): TOWN OF LIMON	Prepared By:	David Copsey, CPA For Town of Limon 303-734-4800

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	183,908
3. Other local imposts (from page 2)	338,649
4. Miscellaneous local receipts (from page 2)	140,450
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	663,007
B. Private Contributions	40,764
C. Receipts from State government (from page 2)	85,435
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	789,206

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	44,616
2. Maintenance:	376,741
3. Road and street services:	
a. Traffic control operations	20,881
b. Snow and ice removal	9,946
c. Other	51,735
d. Total (a. through c.)	82,562
4. General administration & miscellaneous	21,994
5. Highway law enforcement and safety	220,989
6. Total (1 through 5)	746,902
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	7,856
b. Redemption	28,000
c. Total (a. + b.)	35,856
2. Notes:	
a. Interest	2,237
b. Redemption	4,211
c. Total (a. + b.)	6,448
3. Total (1.c + 2.c)	42,304
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	789,206

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	121,000		28,000	93,000
1. Bonds (Refunding Portion)				
B. Notes (Total)	78,196		4,211	73,985

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	789,206	789,206	0	0

Notes and Comments:

Other Road and Street Services is Street Lighting (Other than for traffic light) of \$51,735.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
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	95,994	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	37,081
1. Sales Taxes	70,491	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	172,164	g. Other Misc Gravel Sales	8,551
6. Total (1. through 5.)	242,655	h. Other Franchise fees	94,818
c. Total (a. + b.)	338,649	i. Total (a. through h.)	140,450
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	77,178	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	8,257	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	8,257	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	85,435	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	0		0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	0	44,616	44,616
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	44,616	44,616
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	44,616	44,616
			(Carry forward to page 1)
Notes and Comments:			