

Town of Limon, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2022 and 2021



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Honorable Mayor and the Board of Trustees
Town of Limon, Colorado

Report on the Audit of the Financial Statements

Opinions

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 (the "Town") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, 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.

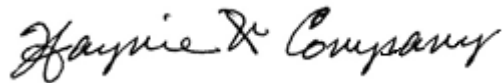
Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost of Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
November 8, 2023

Town of Limon, Colorado
Management's Discussion and Analysis
December 31, 2022

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 \$1,238,010 or 6.10% during the year. The governmental net position increased by \$1,213,337 or 11.40%, and the business-type net position increased by \$24,673, or 0.26%.
- The governmental activities revenue changed from \$5,122,581 in 2021 to \$5,462,462 in 2022 for an increase of \$339,881 or 6.22%. This increase is due primarily to increases in grants and tax income.
- The governmental activities expenditures changed from \$4,472,557 in 2021 to \$4,249,125 in 2022, a decrease of \$223,432 or -5.41%. The decrease is due primarily to an decrease in general, airport and public safety expenditures.
- The business-type activities revenue changed from \$2,134,045 in 2021 to \$2,009,287 in 2022, a decrease of \$124,758 or -6.60%. This decrease is due primarily to decreased grants and contributions.
- The business-type activities expenditures changed from \$1,917,599 in 2021 to \$1,984,614 in 2022, an increase of 24,673 or 0.26%. This increase is due primarily to increased water and sewer service expenses.

- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports an decrease of \$3,952,023 or 81.8% in fund balance. This decrease is due primarily to issuance of new bonds in the prior year.

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	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 4,315,518	\$ 8,529,166	\$ 1,851,994	\$ 1,822,227	\$ 6,167,512	\$ 10,351,393
Restricted assets	2,591,811	1,801,572	1,581,418	1,370,907	4,173,229	3,172,479
Other non-current assets	26,797	50,267	16,644	61,188	43,441	111,455
Capital assets, net	12,652,797	7,539,989	7,695,587	8,122,790	20,348,384	15,662,779
Total assets	<u>19,586,923</u>	<u>17,920,994</u>	<u>11,145,643</u>	<u>11,377,112</u>	<u>30,732,566</u>	<u>29,298,106</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflows - pension	625,719	390,258	-	-	625,719	390,258
Total deferred outflow of resources	<u>625,719</u>	<u>390,258</u>	<u>-</u>	<u>-</u>	<u>625,719</u>	<u>390,258</u>
LIABILITIES						
Current liabilities	1,257,330	889,869	410,389	347,048	1,667,719	1,236,917
Non-current liabilities	7,173,485	7,108,328	1,096,378	1,415,861	8,269,863	8,524,189
Total liabilities	<u>8,430,815</u>	<u>7,998,197</u>	<u>1,506,767</u>	<u>1,762,909</u>	<u>9,937,582</u>	<u>9,761,106</u>
DEFERRED INFLOW OF RESOURCES						
Deferred inflows - pension	191,005	177,314	-	-	191,005	177,314
Deferred property taxes	492,025	458,133	-	-	492,025	458,133
Deferred revenue	453,169	245,317	-	-	453,169	245,317
Total deferred inflow of resources	<u>1,136,199</u>	<u>880,764</u>	<u>-</u>	<u>-</u>	<u>1,136,199</u>	<u>880,764</u>
NET POSITION	<u>\$ 10,645,628</u>	<u>\$ 9,432,291</u>	<u>\$ 9,638,876</u>	<u>\$ 9,614,203</u>	<u>\$ 20,284,504</u>	<u>\$ 19,046,494</u>
Net Position consist of:						
Net investment in capital assets	\$ 6,026,723	\$ 722,750	\$ 6,614,201	\$ 6,762,536	\$ 12,640,924	\$ 7,485,286
Restricted net position	940,807	896,402	791,334	625,449	1,732,141	1,521,851
Unrestricted net position	3,678,098	7,813,139	2,233,341	2,226,218	5,911,439	10,039,357
Total net position	<u>\$ 10,645,628</u>	<u>\$ 9,432,291</u>	<u>\$ 9,638,876</u>	<u>\$ 9,614,203</u>	<u>\$ 20,284,504</u>	<u>\$ 19,046,494</u>

The net position of the Town's governmental activities as of December 31, 2022 were \$10,645,628 of which \$3,678,098 was unrestricted and is available for spending at the government's discretion. The remainder is net investment in capital assets of \$6,026,723, reserved for Emergency Reserve of \$88,680, reserved for Economic Development of \$16,588, reserved for Recreation of \$436,805, Library Reserve of \$189,168 and Capital Replacement Reserve of \$209,566.

The General Fund is the main operating fund of the Town. As of December 31, 2022, the General Fund balance was \$4,829,141, of which \$2,139,221 was unassigned. Unassigned fund balance represents 27.1% of 2022 General Fund expenditures.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Operating grants and contributions	\$ 1,261,240	\$ 1,729,380	\$ 153,044	\$ 158,071	\$ 1,414,284	\$ 1,887,451
Capital grants and contributions	624,879	124,707	41,516	18,840	666,395	143,547
Charges for services	471,862	490,888	1,678,274	1,848,630	2,150,136	2,339,518
Total program revenue	<u>2,357,981</u>	<u>2,344,975</u>	<u>1,872,834</u>	<u>2,025,541</u>	<u>4,230,815</u>	<u>4,370,516</u>
General revenues:						
Taxes	3,013,575	2,677,113	-	-	3,013,575	2,677,113
Investment earnings	43,120	23,116	5,895	6,718	49,015	29,834
Insurance proceeds	16,968	18,029	11,079	-	28,047	18,029
Other	30,818	59,348	-	-	30,818	59,348
Total general revenue	<u>3,104,481</u>	<u>2,777,606</u>	<u>16,974</u>	<u>6,718</u>	<u>3,121,455</u>	<u>2,784,324</u>
Total Revenue	<u>\$ 5,462,462</u>	<u>\$ 5,122,581</u>	<u>\$ 1,889,808</u>	<u>\$ 2,032,259</u>	<u>\$ 7,352,270</u>	<u>\$ 7,154,840</u>
Expenses						
General government	\$ 915,943	\$ 874,565	\$ -	\$ -	\$ 915,943	\$ 874,565
Airport	32,978	31,309	-	-	32,978	31,309
Public safety	671,810	534,212	-	-	671,810	534,212
Highways and streets	537,532	628,594	-	-	537,532	628,594
Public works - sanitation	336,536	305,032	-	-	336,536	305,032
Public health - cemetery	94,286	81,519	-	-	94,286	81,519
Culture and recreation	516,556	663,145	-	-	516,556	663,145
Head Start Program	791,820	1,243,249	-	-	791,820	1,243,249
Water	-	-	572,159	521,240	572,159	521,240
Water treatment plant	-	-	225,889	200,001	225,889	200,001
Sewer	-	-	406,216	369,507	406,216	369,507
Municipal recreation area	-	-	257,924	241,218	257,924	241,218
Airport fuel fund	-	-	60,657	35,485	60,657	35,485
Ambulance service fund	-	-	461,769	550,148	461,769	550,148
Interest and fiscal charges	232,185	9,146	-	-	232,185	9,146
Total expenses	<u>4,129,646</u>	<u>4,370,771</u>	<u>1,984,614</u>	<u>1,917,599</u>	<u>6,114,260</u>	<u>6,288,370</u>
Changes in net position before transfers and special items	1,332,816	751,810	(94,806)	114,660	1,238,010	866,470
Transfers	(119,479)	(101,786)	119,479	101,786	-	-
Change in net position	<u>1,213,337</u>	<u>650,024</u>	<u>24,673</u>	<u>216,446</u>	<u>1,238,010</u>	<u>866,470</u>
Beginning net position	<u>9,432,291</u>	<u>8,782,267</u>	<u>9,614,203</u>	<u>9,397,757</u>	<u>19,046,494</u>	<u>18,180,024</u>
Ending net position	<u>10,645,628</u>	<u>9,432,291</u>	<u>9,638,876</u>	<u>9,614,203</u>	<u>20,284,504</u>	<u>19,046,494</u>

Governmental Activities revenues in the amount of \$5,462,462 were more than expenses and transfers of \$4,249,125 by \$1,213,337. Business-type activities revenues and transfers in the amount of \$2,009,287 were more than expenses of \$1,984,614 by \$24,673.

BUDGETARY HIGHLIGHTS

The budget was amended on December 28, 2022 to include the following increases for expenditures not anticipated at the time of adoption of the original budget on October 15, 2022. The additional expenditures were funded by unanticipated revenue and/or the prior year's fund balance. Funds with appropriation increases:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Increase</u>
Golf Fund	\$ 218,737	\$ 248,737	\$ 30,000
Head Start Fund	753,634	796,267	42,633
Airport Fuel Fund	36,552	66,552	30,000
Employees Pension Trust	<u>17,000</u>	<u>177,000</u>	160,000
			<u>\$ 262,633</u>

- Changes in the Head Start Fund Budget and Golf Fund Budget were due to increased salaries and personnel expenses. The increase was funded by unexpected revenue.
- Changes in Airport Fuel Fund was due primarily to the increase in demand of fuel. The increase was funded by the increase in sales.
- Changes in the Employee Pension Fund were due primarily to benefit payments. The increase was funded by unexpected revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of December 31, 2022, Limon's investment in capital assets for its governmental and business type activities, net of accumulated depreciation, was \$20,348,384. This included infrastructure assets acquired since January 1, 2004. Capital assets including land, buildings, streets, utility systems and equipment are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,248,511	\$ 1,248,511	\$ 241,797	\$ 241,797	\$ 1,490,308	\$ 1,490,308
Buildings and water and sewer systems	7,394,688	3,003,009	14,365,666	14,365,666	21,760,354	17,368,675
Equipment	4,262,447	3,183,159	1,912,177	1,993,252	6,174,624	5,176,411
Other capital assets	-	-	1,048,995	1,048,995	1,048,995	1,048,995
Construction in progress	-	735,756	-	-	-	735,756
Infrastructure	<u>6,905,951</u>	<u>6,226,758</u>	<u>-</u>	<u>-</u>	<u>6,905,951</u>	<u>6,226,758</u>
Total	\$ 19,811,597	\$ 14,397,193	\$ 17,568,635	\$ 17,649,710	\$ 37,380,232	\$ 32,046,903
Accumulated depreciation	<u>(7,158,800)</u>	<u>(6,857,204)</u>	<u>(9,873,048)</u>	<u>(9,526,920)</u>	<u>(17,031,848)</u>	<u>(16,384,124)</u>
Capital assets, net	<u>\$ 12,652,797</u>	<u>\$ 7,539,989</u>	<u>\$ 7,695,587</u>	<u>\$ 8,122,790</u>	<u>\$ 20,348,384</u>	<u>\$ 15,662,779</u>

This year's major capital asset additions include:

- Pool construction in progress - \$4,566,679
- Airport Construction - \$656,650
- John Deere Loader - \$209,870

Long-term Debt – As of December 31, 2022 the Town had \$8,038,122 in outstanding debt as follows.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds payable:						
2012 Water Revenue	\$ -	\$ -	\$ 1,195,000	\$ 1,445,000	\$ 1,195,000	\$ 1,445,000
2012 Bond Premium	-	-	15,418	20,704	15,418	20,704
2021 Sales Tax Bond	5,445,000	5,565,000	-	-	5,445,000	5,565,000
2021 Bond Premium	930,918	969,706	-	-	930,918	969,706
Loans payable:						
Lease-Purchase	250,156	282,533	184,611	195,620	434,767	478,153
Colorado maintenance fee	-	-	17,019	15,651	17,019	15,651
Total	<u>\$ 6,626,074</u>	<u>\$ 6,817,239</u>	<u>\$ 1,412,048</u>	<u>\$ 1,676,975</u>	<u>\$ 8,038,122</u>	<u>\$ 8,494,214</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Sales tax revenues budgeted for 2023 is \$1,692,970, which is \$21,679 less than 2022 actual.
- The property tax revenue budgeted for 2023 is \$467,184, which is \$1,004 more than 2022 actual.
- Governmental funds revenues were budgeted at \$8,450,720 in 2023, which is an increase of 53% from the 2022 actual revenues. Governmental revenue and expenditures included direct pass-through grants to other entities. The 2023 budgeted direct pass-through amounts are \$770,320, which is the \$21,500 less than the 2022 actual amount. The 2023 budgeted expenditures for governmental activities are projected to be \$8,854,887, which is a 7% decrease from the 2022 actual.
- Proprietary funds revenues were budgeted at \$2,572,789 for 2023, which is an increase of 35% from the 2022 actual revenues. 2023 budgeted expenditures of \$2,791,179 represents an increase from 2022 actual expenditures of 31%.

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, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,893,870	\$ 1,553,093	\$ 4,446,963
Current Portion Note Receivable	-	26,388	26,388
Accounts Receivable	72,049	265,852	337,901
Allowance for Doubtful Accounts	(1,777)	(109,284)	(111,061)
Intergovernmental Receivable	845,208	27,094	872,302
Accrued Interest Receivable	-	1,680	1,680
Special Assessment Receivable, Current Portion	33,284	-	33,284
Property Taxes Receivable	453,169	-	453,169
Inventory and Supplies	19,715	87,171	106,886
Total Current Assets	<u>4,315,518</u>	<u>1,851,994</u>	<u>6,167,512</u>
Restricted Assets:			
Emergency Reserve	88,680	-	88,680
Debt Reserves	-	482,444	482,444
Water Plant Reserve	-	96,731	96,731
Water Revenue Bonds	-	308,890	308,890
Sewer Line Maint. Reserve	-	17,019	17,019
Capital Replacement Reserve	209,566	676,334	885,900
Equipment Reserve	321,339	-	321,339
Recreation Reserve	436,805	-	436,805
Library Reserve	189,168	-	189,168
American Recovery Reserve	489,666	-	489,666
Recreation Tax Reserve	839,999	-	839,999
Economic Development Reserve	16,588	-	16,588
Total Restricted Assets	<u>2,591,811</u>	<u>1,581,418</u>	<u>4,173,229</u>
Non-Current Assets:			
Special Assessment Receivable, Net of Current Portion	26,797	-	26,797
Loss on Bond Refunding, net	-	16,644	16,644
Capital Assets			
Land	1,248,511	241,797	1,490,308
Buildings and Water and Sewer Systems	7,394,688	14,365,666	21,760,354
Equipment	4,262,447	1,912,177	6,174,624
Infrastructure	6,905,951	-	6,905,951
Other Capital Assets	-	1,048,995	1,048,995
Construction in Progress	-	-	-
Accumulation Depreciation	(7,158,800)	(9,873,048)	(17,031,848)
Total Non-Current Assets	<u>12,679,594</u>	<u>7,712,231</u>	<u>20,391,825</u>
TOTAL ASSETS	<u>19,586,923</u>	<u>11,145,643</u>	<u>30,732,566</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pension	625,719	-	625,719
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>625,719</u>	<u>-</u>	<u>625,719</u>
LIABILITIES			
Current Liabilities:			
Pooled Cash Overdraft	689,009	-	689,009
Current Portion of Long Term Debt	223,575	315,670	539,245
Accounts Payable	334,105	87,599	421,704
Accrued Interest Payable	-	4,391	4,391
Compensated Absences	10,641	2,729	13,370
Total Current Liabilities	<u>1,257,330</u>	<u>410,389</u>	<u>1,667,719</u>
Non-Current Liabilities:			
Net Pension Liability	770,986	-	770,986
Long Term Debt, net	6,402,499	1,096,378	7,498,877
Total Non-Current Liabilities	<u>7,173,485</u>	<u>1,096,378</u>	<u>8,269,863</u>
TOTAL LIABILITIES	<u>8,430,815</u>	<u>1,506,767</u>	<u>9,937,582</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pension	191,005	-	191,005
Deferred Revenue - ARPA funds	492,025	-	492,025
Deferred Revenue - Property Taxes	453,169	-	453,169
TOTAL DEFERRED INFLOW OF RESOURCES	<u>1,136,199</u>	<u>-</u>	<u>1,136,199</u>
NET POSITION			
Net Investment in Capital Assets	6,026,723	6,614,201	12,640,924
Restricted for:			
Economic Development	16,588	-	16,588
Emergency Reserve	88,680	482,444	571,124
Recreation Reserve	436,805	-	436,805
Library Reserve	189,168	-	189,168
Bond Reserve	-	308,890	308,890
Capital Replacement	209,566	-	209,566
Unrestricted:	3,678,098	2,233,341	5,911,439
TOTAL NET POSITION	<u>\$ 10,645,628</u>	<u>\$ 9,638,876</u>	<u>\$ 20,284,504</u>

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

Town of Limon, Colorado

Statement of Activities

For the Year Ended December 31, 2022

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT:				
Governmental activities:				
General Government	\$ 915,943	\$ 70,828	\$ 13,973	\$ 15,779
Airport	32,978	6,770	-	591,665
Public Works -Streets	537,532	43,130	296,430	17,435
Public Works - Sanitation	336,536	327,909	-	-
Public Safety - Police	671,810	-	37,982	-
Public Health - Cemetery	94,286	5,325	-	-
Culture and Recreation	516,556	17,900	121,035	-
Head Start Program	791,820	-	791,820	-
Interest and Related Costs	232,185	-	-	-
Total Governmental Activities	4,129,646	471,862	1,261,240	624,879
Business-Type Activities:				
Water	572,159	754,011	-	41,516
Water Treatment Plant	225,889	188,847	-	-
Sewer	406,216	249,496	-	-
Ambulance Service Fund	461,769	274,219	134,161	-
Golf and Airport Fuel Funds	318,581	211,701	18,883	-
Total Business-Type Activities	1,984,614	1,678,274	153,044	41,516
Total Primary Government	\$ 6,114,260	\$ 2,150,136	\$ 1,414,284	\$ 666,395

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
\$ (815,363)	\$ -	\$ (815,363)
565,457	-	565,457
(180,537)	-	(180,537)
(8,627)	-	(8,627)
(633,828)	-	(633,828)
(88,961)	-	(88,961)
(377,621)	-	(377,621)
-	-	-
(232,185)	-	(232,185)
<u>(1,771,665)</u>	<u>-</u>	<u>(1,771,665)</u>
-	223,368	223,368
-	(37,042)	(37,042)
-	(156,720)	(156,720)
-	(53,389)	(53,389)
-	(87,997)	(87,997)
-	(111,780)	(111,780)
<u>\$ (1,771,665)</u>	<u>\$ (111,780)</u>	<u>\$ (1,883,445)</u>
\$ 466,180	\$ -	\$ 466,180
125,449	-	125,449
2,357,918	-	2,357,918
51,402	-	51,402
6,085	-	6,085
5,158	-	5,158
1,383	-	1,383
43,120	5,895	49,015
16,968	11,079	28,047
(119,479)	119,479	-
30,818	-	30,818
<u>2,985,002</u>	<u>136,453</u>	<u>3,121,455</u>
<u>1,213,337</u>	<u>24,673</u>	<u>1,238,010</u>
<u>9,432,291</u>	<u>9,614,203</u>	<u>19,046,494</u>
<u>\$ 10,645,628</u>	<u>\$ 9,638,876</u>	<u>\$ 20,284,504</u>

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

Town of Limon, Colorado

Balance Sheet

Governmental Funds

December 31, 2022

	GENERAL	HEAD START FUND	CAPITAL CONSTRUCTION FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
ASSETS					
Cash	\$ 2,795,788	\$ -	\$ -	\$ 98,082	\$ 2,893,870
Accounts Receivable	67,601	4,448	-	-	72,049
Allowance for Doubtful Accounts	(1,777)	-	-	-	(1,777)
Intergovernmental Receivable	182,133	138,360	524,715	-	845,208
Special Assessment Receivable	60,081	-	-	-	60,081
Property Tax Receivable	453,169	-	-	-	453,169
Inventories	19,715	-	-	-	19,715
Restricted Cash:					
Economic Development	16,588	-	-	-	16,588
Capital Replacement Reserve	209,566	-	-	-	209,566
Equipment Reserve	321,339	-	-	-	321,339
Recreation Reserve	436,805	-	-	-	436,805
Library Reserve	189,168	-	-	-	189,168
Emergency Reserve	88,680	-	-	-	88,680
American Recovery Reserve	489,666	-	-	-	489,666
Recreation Tax Reserve	839,999	-	-	-	839,999
Total Assets	<u>\$ 6,168,521</u>	<u>\$ 142,808</u>	<u>\$ 524,715</u>	<u>\$ 98,082</u>	<u>\$ 6,934,126</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Pooled Cash Overdraft	\$ -	\$ 142,808	\$ 546,201	\$ -	\$ 689,009
Accounts Payable	334,105	-	-	-	334,105
Total Liabilities	<u>334,105</u>	<u>142,808</u>	<u>546,201</u>	<u>-</u>	<u>1,023,114</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Revenue Special Assessment	60,081	-	-	-	60,081
Deferred Revenues ARPA Funds	492,025	-	-	-	492,025
Deferred Revenues Taxes	453,169	-	-	-	453,169
Total Deferred Inflow of Resources	<u>1,005,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005,275</u>
FUND BALANCES					
Nonspendable:					
Inventories	\$ 19,715	\$ -	\$ -	\$ -	\$ 19,715
Restricted:					
Economic Development Reserve	16,588	-	-	-	16,588
Emergency Reserve	88,680	-	-	-	88,680
Recreation Reserve	436,805	-	-	-	436,805
Equipment Reserve	321,339	-	-	-	321,339
Library Reserve	189,168	-	-	-	189,168
American Recovery Reserve	489,666	-	-	-	489,666
Recreation Tax Reserve	839,999	-	-	-	839,999
Conservation Trust Funds	-	-	-	80,819	80,819
Committed:					
Equipment Replacement	209,566	-	-	-	209,566
Assigned-Designated for Subsequent Year:					
General Fund	78,394	-	-	-	78,394
Other Funds	-	-	(21,486)	17,263	(4,223)
Unassigned:					
General Fund	2,139,221	-	-	-	2,139,221
Total Fund Balances	<u>4,829,141</u>	<u>-</u>	<u>(21,486)</u>	<u>98,082</u>	<u>4,905,737</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 6,168,521</u>	<u>\$ 142,808</u>	<u>\$ 524,715</u>	<u>\$ 98,082</u>	<u>\$ 6,934,126</u>

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, 2022

Total Fund Balances - Total Governmental Funds	\$ 4,905,737
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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	19,811,597
Accumulated Depreciation	(7,158,800)
Deferred Outflows Related to Pension	625,719

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:

Bond Payable	(5,445,000)
Bond Premiums (net of amortization)	(930,918)
Sale-Leaseback Payable	(250,156)
Net Pension Liability	(770,986)
Deferred Inflows Related to Pension	(191,005)
Compensated Absences	(10,641)

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

Special Assessment Receivable	65,115
Special Assessment - Allowance for Doubtful Accounts	<u>(5,034)</u>

Net Position of Governmental Activities	<u>\$ 10,645,628</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, 2022

	<u>GENERAL</u>	<u>HEAD START FUND</u>	<u>CAPITAL CONSTRUCTION FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
REVENUES:					
Taxes	\$ 3,013,575	\$ -	\$ -	\$ -	\$ 3,013,575
Fines, Licenses and Permits	63,153	-	-	-	63,153
Intergovernmental:					
Local	275,667	-	31,140	57,116	363,923
Federal	16,076	791,820	560,525	-	1,368,421
Charges for Services	436,901	-	-	1,200	438,101
Interest	43,115	-	-	5	43,120
Donations and Grants	176,840	-	-	-	176,840
Insurance Claims	16,968	-	-	-	16,968
Miscellaneous	30,818	-	-	-	30,818
TOTAL REVENUES	<u>4,073,113</u>	<u>791,820</u>	<u>591,665</u>	<u>58,321</u>	<u>5,514,919</u>
EXPENDITURES:					
Current:					
Administration	607,201	-	147	-	607,348
Airport	19,156	-	-	-	19,156
Public Works - Streets	485,981	-	-	-	485,981
Public Works - Sanitation	321,606	-	-	-	321,606
Public Safety - Police	640,028	-	-	-	640,028
Public Health - Cemetery	89,124	-	-	-	89,124
Recreation	438,999	-	-	-	438,999
Head Start Program	-	791,820	-	-	791,820
Capital Outlay	4,907,049	-	656,650	25,705	5,589,404
Debt Service:					
Principal - Bonded Debt	152,376	-	-	-	152,376
Interest	232,185	-	-	-	232,185
TOTAL EXPENDITURES	<u>7,893,705</u>	<u>791,820</u>	<u>656,797</u>	<u>25,705</u>	<u>9,368,027</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,820,592)	-	(65,132)	32,616	(3,853,108)
OTHER FINANCING SOURCES (USES)					
Operating Transfer In (Out)	<u>(131,431)</u>	<u>-</u>	<u>23,467</u>	<u>(11,515)</u>	<u>(119,479)</u>
NET CHANGE IN FUND BALANCE	(3,952,023)	-	(41,665)	21,101	(3,972,587)
FUND BALANCES, BEGINNING	<u>8,781,164</u>	<u>-</u>	<u>20,179</u>	<u>108,121</u>	<u>8,909,464</u>
FUND BALANCES, ENDING	<u>\$ 4,829,141</u>	<u>\$ -</u>	<u>\$ (21,486)</u>	<u>\$ 129,222</u>	<u>\$ 4,936,877</u>

31,140 31,140

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, 2022

Net change in fund balances - total governmental funds	\$ (3,972,587)
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 \$5,589,404 were more than depreciation of \$476,596 in the current year.	5,112,808
	-
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	152,376
This is the current-period increase in the liability for compensated absences	1,393
Certain revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities.	
Special assessment revenue	(21,317)
Bond proceeds and premiums	38,788
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.	(166,984)
	<u>100,000</u>
Change in net position of governmental activities	<u>\$ 1,244,477</u>

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

Town of Limon, Colorado

Proprietary Funds Statement of Net Position December 31, 2022

ASSETS	UTILITY	AMBULANCE	NON-MAJOR	
	FUND	SERVICE	PROPRIETARY	TOTALS
Current Assets:				
Cash	\$ 1,085,053	\$ 451,239	\$ 16,801	\$ 1,553,093
Current Portion of Note Receivable	26,388	-	-	26,388
Accounts Receivable	89,196	175,967	689	265,852
Allowances For Doubtful Accounts	(4,460)	(104,824)	-	(109,284)
Intergovernmental Receivable	-	27,094	-	27,094
Prepaid Expenses	-	-	-	-
Accrued Interest Receivable	1,680	-	-	1,680
Inventories	49,005	-	38,166	87,171
Total Current Assets	1,246,862	549,476	55,656	1,851,994
Restricted Assets:				
Water Plant Reserve	96,731	-	-	96,731
Water Revenue Bonds	308,890	-	-	308,890
Sewer Line Maint. Reserve	17,019	-	-	17,019
Bond & Emergency Reserve Funds	482,444	-	-	482,444
Equipment Reserve	504,843	171,491	-	676,334
Total Restricted Assets	1,409,927	171,491	-	1,581,418
Non-Current Assets:				
Notes Receivable, Net of Current Portion	-	-	-	-
Loss on Bond Refunding, net	16,644	-	-	16,644
Capital Assets:				
Water System	8,976,555	-	-	8,976,555
Sewer System and Plant	4,781,534	-	-	4,781,534
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	-	-	314,908	314,908
Equipment	917,016	866,183	128,978	1,912,177
Accumulated Depreciation	(8,654,046)	(869,261)	(349,741)	(9,873,048)
Total Non-Current Assets	7,274,142	334,623	103,466	7,712,231
TOTAL ASSETS	9,930,931	1,055,590	159,122	11,145,643
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	314,086	919	665	315,670
Accounts Payable	58,629	25,082	3,888	87,599
Accrued Interest Payable	4,391	-	-	4,391
Compensated Absences	2,729	-	-	2,729
Total Current Liabilities	379,835	26,001	4,553	410,389
Non-Current Liabilities:				
Deposit - State of Colo. For				
Sewer Line Maintenance	17,019	-	-	17,019
Long-Term Debt - Net of Current Portion	1,069,535	5,736	4,088	1,079,359
Total Non-Current Liabilities	1,086,554	5,736	4,088	1,096,378
TOTAL LIABILITIES	1,466,389	31,737	8,641	1,506,767
NET POSITION				
Net investment in capital assets	6,182,767	327,968	103,466	6,614,201
Restricted for Emergency Reserve	482,444	-	-	482,444
Restricted for Bond Reserve	308,890	-	-	308,890
Unrestricted	1,490,441	695,885	47,015	2,233,341
TOTAL NET POSITION	\$ 8,464,542	\$ 1,023,853	\$ 150,481	\$ 9,638,876

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, 2022

	UTILITY FUND			
	WATER DEPARTMENT	WATER TREATMENT	SEWER DEPARTMENT	TOTAL
OPERATING REVENUES				
Sales	\$ 745,951	\$ 188,847	\$ 246,576	\$ 1,181,374
Less, Contractual Adjustments and Bad Debts	252	-	-	252
Net Sales	745,699	188,847	246,576	1,181,122
Other User Charges	7,787	-	2,920	10,707
Miscellaneous	525	-	-	525
Total Operating Revenues	<u>754,011</u>	<u>188,847</u>	<u>249,496</u>	<u>1,192,354</u>
OPERATING EXPENSES				
Cost of Resale Items	-	-	-	-
Maintenance	51,401	11,733	48,284	111,418
Insurance	10,830	9,050	9,000	28,880
Utilities	49,628	33,238	81,003	163,869
Testing	2,696	-	13,758	16,454
Salaries and Benefits	154,484	46,344	125,144	325,972
Other Expenses	32,944	39,609	7,840	80,393
Administration	37,122	2,000	11,465	50,587
Depreciation	175,097	82,079	108,594	365,770
Total Operating Expenses	<u>514,202</u>	<u>224,053</u>	<u>405,088</u>	<u>1,143,343</u>
Income (Loss) From Operations	<u>239,809</u>	<u>(35,206)</u>	<u>(155,592)</u>	<u>49,011</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Revenue	2,317	3,442	-	5,759
Tap Fees	25,400	-	16,116	41,516
Donations	-	-	-	-
Intergovernmental - Local	-	-	-	-
Intergovernmental - Federal	-	-	-	-
Insurance Proceeds	-	-	11,079	11,079
Interest Expense	(57,957)	(1,836)	(1,128)	(60,921)
Total Non-Operating Revenues (Expenses)	<u>(30,240)</u>	<u>1,606</u>	<u>26,067</u>	<u>(2,567)</u>
Net Income Before Contributions and Transfers	209,569	(33,600)	(129,525)	46,444
Transfers In (Out)	-	-	-	-
CHANGE IN NET POSITION	<u>\$ 209,569</u>	<u>\$ (33,600)</u>	<u>\$ (129,525)</u>	<u>46,444</u>
NET POSITION, BEGINNING OF YEAR				<u>8,418,098</u>
NET POSITION, END OF YEAR				<u>\$ 8,464,542</u>

AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
\$ 734,511	\$ 208,002	\$ 2,123,887
<u>460,597</u>	<u>-</u>	<u>460,849</u>
273,914	208,002	1,663,038
-	1,540	12,247
<u>305</u>	<u>2,159</u>	<u>2,989</u>
<u>274,219</u>	<u>211,701</u>	<u>1,678,274</u>
-	69,049	69,049
9,602	39,939	160,959
9,100	6,622	44,602
6,072	22,020	191,961
-	-	16,454
230,144	130,365	686,481
107,525	37,031	224,949
-	-	50,587
<u>99,116</u>	<u>13,403</u>	<u>478,289</u>
<u>461,559</u>	<u>318,429</u>	<u>1,923,331</u>
<u>(187,340)</u>	<u>(106,728)</u>	<u>(245,057)</u>
136	-	5,895
-	-	41,516
37,704	18,883	56,587
96,457	-	96,457
-	-	-
-	-	11,079
<u>(210)</u>	<u>(152)</u>	<u>(61,283)</u>
<u>134,087</u>	<u>18,731</u>	<u>150,251</u>
(53,253)	(87,997)	(94,806)
<u>40,054</u>	<u>79,425</u>	<u>119,479</u>
<u>(13,199)</u>	<u>(8,572)</u>	<u>24,673</u>
<u>1,037,052</u>	<u>159,053</u>	<u>9,614,203</u>
<u>\$ 1,023,853</u>	<u>\$ 150,481</u>	<u>\$ 9,638,876</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, 2022

	UTILITY FUND	AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts From Customers	\$ 1,174,204	\$ 292,806	\$ 211,161	\$ 1,678,171
Payments to Suppliers for Goods and Services	(426,214)	(131,735)	(192,792)	(750,741)
Payments to Employees	(324,429)	(231,911)	(130,365)	(686,705)
Net Cash From Operating Activities	<u>423,561</u>	<u>(70,840)</u>	<u>(111,996)</u>	<u>240,725</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Donations	-	37,704	18,883	56,587
Intergovernmental Grants	-	96,457	-	96,457
Insurance proceeds	11,079	-	-	11,079
Transfer From Other Fund	-	40,054	79,425	119,479
Net Cash From Non-Capital Financing Activities	<u>11,079</u>	<u>174,215</u>	<u>98,308</u>	<u>283,602</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:				
State of Colorado - Sewer Line Maintenance	1,368	-	-	1,368
Tap Fees	41,516	-	-	41,516
Transfer From (To) Restricted Assets	(211,856)	(129)	-	(211,985)
Purchase of Capital Assets	(57,506)	6,420	-	(51,086)
Interest Paid	(47,389)	(210)	(152)	(47,751)
Debt Principal Payments	(272,417)	(856)	(619)	(273,892)
Note - Frasier Farms	25,026	-	-	25,026
Net Cash From Capital and Financing Activities	<u>(521,258)</u>	<u>5,225</u>	<u>(771)</u>	<u>(516,804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	4,978	136	-	5,114
Net Cash From Investing Activities	<u>4,978</u>	<u>136</u>	<u>-</u>	<u>5,114</u>
Net Change in Cash and Cash Equivalents	(81,640)	108,736	(14,459)	12,637
CASH AND CASH EQUIVALENTS				
Beginning of Year	<u>1,166,693</u>	<u>342,503</u>	<u>31,260</u>	<u>1,540,456</u>
End of Year	<u>\$ 1,085,053</u>	<u>\$ 451,239</u>	<u>\$ 16,801</u>	<u>\$ 1,553,093</u>
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Net Operating Income (Loss)	\$ 49,011	\$ (187,340)	\$ (106,728)	\$ (245,057)
Depreciation	365,770	99,116	13,403	478,289
(Increase) Decrease in Accounts Receivable, Net	(18,150)	18,587	(540)	(103)
(Increase) Decrease in Prepaid Expenses	-	4,629	-	4,629
(Increase) Decrease in Inventory	(167)	-	(19,346)	(19,513)
Increase (Decrease) in Accounts Payable	25,554	(4,065)	1,215	22,704
Increase (Decrease) in Compensated Absences	1,543	(1,767)	-	(224)
Net Cash From Operating Activities	<u>\$ 423,561</u>	<u>\$ (70,840)</u>	<u>\$ (111,996)</u>	<u>\$ 240,725</u>
Noncash Capital Financing Activities:				
Interest subsidy	\$ -			\$ -

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

Town of Limon, Colorado

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	EMPLOYEES' PENSION TRUST
ASSETS:	
Cash	\$ 20,151
Investments - Stocks, Bonds and Mutual Funds - At Fair Market Value:	
Domestic Stocks	334,594
International Stocks	25,974
Mutual Funds	1,274,512
Money Markets and Other	<u>101,078</u>
TOTAL ASSETS	<u>1,756,309</u>
 LIABILITIES AND NET POSITION	
LIABILITIES:	
Accrued Expenses	<u>-</u>
 TOTAL LIABILITIES	<u>-</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 1,756,309</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, 2022

	EMPLOYEES' PENSION PLAN
ADDITIONS:	
Employee Contribution	\$ 56,540
Employer Contribution	100,000
Interest Income	159
Investment Income (Loss), Net of Expenses	<u>(271,180)</u>
Total Additions	<u>(114,481)</u>
 DEDUCTIONS:	
Benefit Payments	161,246
Administrative Expenses	<u>7,638</u>
Total Deductions	<u>168,884</u>
 CHANGE IN PLAN NET POSITION	 (283,365)
 PLAN NET POSITION, BEGINNING OF YEAR	 <u>2,039,674</u>
PLAN NET POSITION, END OF YEAR	<u><u>\$ 1,756,309</u></u>

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

Town of Limon, Colorado

Notes to Financial Statements

December 31, 2022

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, as amended. GASB Statement 14, as amended, 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, 2022

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.

Capital Construction Fund – This fund is to improve the infrastructure of the town. It is used for all large construction projects.

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, 2022

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.

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.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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.
- *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.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

- *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.

As of December 31, 2022, the Capital Construction fund balance was in a deficit position of \$22,486. This is anticipated to be remedied through additional revenues received in 2023

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, 2022

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. The original 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 2022 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.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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.

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 2022 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	\$ 19,715
Utility - Treatment supplies, meters and parts	49,005
Airport Fuel Fund - Airplane fuel	<u>38,166</u>
Total Inventories	<u>\$ 106,886</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

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, 2022.

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, 2022, 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, 2022

2. Cash and Investments (continued)

The Town's cash deposits at December 31, 2022 was \$8,640,343 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 \$500 and the remaining \$8,640,343 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>8,627,363</u>	<u>7,640,343</u>
Total cash and certificates of deposit	<u>\$ 9,627,363</u>	<u>\$ 8,640,343</u>

The difference between the bank balance and carrying balance is \$987,020, which were outstanding items that had not cleared the banks as of December 31, 2022.

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, 2022

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, 2022 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	\$ 334,594	n/a	Not Rated	n/a
International Stocks	25,974	n/a	Not Rated	n/a
Mutual Funds	1,274,512	n/a	3-4 Stars	Morningstar
Money Market and Other	<u>101,078</u>	n/a	Not Rated	n/a
Total Investments	<u>\$ 1,736,158</u>			

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

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	\$ 4,446,963
Restricted Cash	4,173,227
Fiduciary Funds - Cash	20,151
Fiduciary Funds - Investments	<u>1,736,158</u>
Total	<u>\$ 10,376,499</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, 2022 of \$88,680 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 reserves. Accumulation at December 31, 2022 is \$321,339. Reserves are held in a bank certificate of deposit.

General Fund – economic development reserve. Accumulation at December 31, 2022 is \$16,588. Reserves are held in a bank savings account.

General Fund – capital replacement reserve. Accumulation at December 31, 2022 is \$209,566. Reserve is held in bank savings accounts.

General Fund – recreation reserve. Accumulation at December 31, 2022 is \$436,805. Reserve is held in a bank savings account.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

3. Restricted Assets (continued)

General Fund – library reserve. Accumulation at December 31, 2022 is \$189,168. Reserve is held in a bank certificate of deposit.

General Fund – american recovery reserve. Accumulation at December 31, 2022 is \$489,666. Reserve is held in bank certificates of deposit.

General Fund – recreation tax reserve. Accumulation at December 31, 2022 is \$839,999. Reserve is held in a bank savings account and bank certificates of deposit.

Utility Fund – reserve of \$96,731 for operation and maintenance of the water treatment plant. Reserve is held in a bank certificate of deposit.

Utility Fund – funds held as required reserve for 2012 water revenue bonds. Amount held in a bank savings account totals \$308,890 at December 31, 2022.

Utility Fund – reserve for Emergency Reserve and repayment of revenue bonds. Reserves in the amount of \$482,444, as of December 31, 2022 are held in a bank checking account and a certificate 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 \$17,019, as of December 31, 2022, is in a bank savings account.

Utility Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2022 is \$504,843. Reserve is held in a bank savings account and certificate of deposit.

Ambulance Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2022 is \$171,491. 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.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

4. Note Receivable and Special Assessment Receivable (continued)

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 \$7,500 each year.

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 \$18,162 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, 2021	Additions	Conveyances or Retirements	Balance December 31, 2022
Governmental activities:				
Non-depreciable assets:				
Land	\$ 1,248,511	\$ -	\$ -	\$ 1,248,511
Construction in Progress	735,756	-	(735,756)	-
Total non- depreciable assets	<u>1,984,267</u>	<u>-</u>	<u>(735,756)</u>	<u>1,248,511</u>
Depreciable assets:				
Buildings	3,003,009	5,302,435	(175,000)	8,130,444
Equipment	3,183,159	343,532	-	3,526,691
Infrastructure	6,226,758	679,193	-	6,905,951
Total depreciable assets	<u>12,412,926</u>	<u>6,325,160</u>	<u>(175,000)</u>	<u>18,563,086</u>
Total capital assets	<u>14,397,193</u>	<u>6,325,160</u>	<u>(910,756)</u>	<u>19,811,597</u>
Less accumulated depreciation for:				
Buildings	(2,033,751)	(91,050)	175,000	(1,949,801)
Equipment	(2,186,222)	(146,770)	-	(2,332,992)
Infrastructure	(2,637,231)	(238,776)	-	(2,876,007)
Total accumulated depreciation	<u>(6,857,204)</u>	<u>(476,596)</u>	<u>175,000</u>	<u>(7,158,800)</u>
Depreciable assets, net	<u>5,555,722</u>	<u>5,848,564</u>	<u>-</u>	<u>11,404,286</u>
Governmental activities assets, net	<u>\$ 7,539,989</u>	<u>\$ 5,848,564</u>	<u>\$ (735,756)</u>	<u>\$ 12,652,797</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Capital Assets (continued)

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

General government	\$ 43,016
Airport	13,822
Public safety - police	31,782
Highways and streets	51,551
Public works - sanitation	14,930
Public health - cemetery	5,162
Culture and recreation	77,557
Infrastructure	<u>238,776</u>
Total governmental activities depreciation expense	<u>\$ 476,596</u>

	Balance December 31, 2021	Additions	Conveyances or Retirements	Balance December 31, 2022
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>-</u>	<u>-</u>	<u>-</u>
Total non-depreciable assets	<u>1,290,792</u>	<u>-</u>	<u>-</u>	<u>1,290,792</u>
Depreciable assets:				
Water system, plant & equipment	9,760,891	57,507	-	9,818,398
Sewer system, plant & equipment	4,856,707	-	-	4,856,707
Golf area facilities & equipment	443,886	-	-	443,886
Ambulance building & equipment	<u>1,297,433</u>	<u>-</u>	<u>(138,581)</u>	<u>1,158,852</u>
Total depreciable assets	<u>16,358,917</u>	<u>57,507</u>	<u>(138,581)</u>	<u>16,277,843</u>
Total capital assets	<u>17,649,709</u>	<u>57,507</u>	<u>(138,581)</u>	<u>17,568,635</u>
Less accumulated depreciation for:				
Water system, plant & equipment	(5,744,913)	(257,176)	-	(6,002,089)
Sewer system, plant & equipment	(2,543,363)	(108,594)	-	(2,651,957)
Golf area facilities & equipment	(336,338)	(13,403)	-	(349,741)
Ambulance building & equipment	<u>(902,306)</u>	<u>(99,116)</u>	<u>132,161</u>	<u>(869,261)</u>
Total accumulated depreciation	<u>(9,526,920)</u>	<u>(478,289)</u>	<u>132,161</u>	<u>(9,873,048)</u>
Depreciable assets, net	<u>6,831,997</u>	<u>(420,782)</u>	<u>(6,420)</u>	<u>6,404,795</u>
Business-type activities assets, net	<u>\$ 8,122,789</u>	<u>\$ (420,782)</u>	<u>\$ (6,420)</u>	<u>\$ 7,695,587</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

5. Capital Assets (continued)

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

Water	\$ 257,176
Sewer	108,594
Golf Course	13,403
Ambulance	<u>99,116</u>
Total business-type activities depreciation expense	<u>\$ 478,289</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, 2022

6. Retirement Plan (continued)

Membership in the Plan consisted of the following at January 1, 2021, the date of the latest actuarial valuation:

Terminated plan members entitled to, but not yet receiving benefits	3
Active Plan Members	<u>27</u>
Total	30

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, 2022, were \$100,000 and covered payroll was \$1,022,748.

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The total pension liability in the January 1, 2022 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 3.5% 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, 2022

6. Retirement Plan (continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	60%	9.0%-11.0%
Fixed income	35%	3.5%-4.5%
Cash	<u>5%</u>	0.5%-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, 2022 was calculated as follows:

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

6. Retirement Plan (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	[a]	[b]	[a] – [b]
Balance, December 31, 2021	\$ 2,460,028	\$ 1,977,796	\$ 482,232
Changes for the year:			
Service cost	88,990	-	88,990
Interest	166,558	-	166,558
Difference between expected and actual experience	(77,590)	-	(77,590)
Net investment income (loss)	-	(259,699)	259,699
Contributions – employees	-	56,540	(56,540)
Contributions – employer	-	100,000	(100,000)
Benefit payments	(161,246)	(161,246)	-
Administrative expense	-	(7,637)	7,637
Net changes	16,712	(272,042)	288,754
Balance, December 31, 2022	\$ 2,476,740	\$ 1,705,754	\$ 770,986

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%	\$ 1,141,635
Current discount rate	7.0%	\$ 770,986
1% increase	8.0%	\$ 461,121

Town of Limon, Colorado

Notes to Financial Statements (continued)

December 31, 2022

6. Retirement Plan (continued)

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

For the year ended December 31, 2022, the Town recognized pension expense of \$166,984. At December 31, 2022, 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	\$ 171,426	\$ (101,512)
Changes of assumptions	136,123	(5,721)
Net difference between projected and actual earnings on Plan investments	318,170	(83,772)
Total	<u>\$ 625,719</u>	<u>\$ (191,005)</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,	
2023	\$ 55,217
2024	84,355
2025	92,932
2026	105,423
2027	25,880
Thereafter	70,907

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 \$88,680 within the General Fund and \$482,444 within the Utility Fund for the emergency reserve under the TABOR amendment.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

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, 2022 are as follows:

2021 Sales and Use Tax Bonds – These bonds are payable from Sales and Use Tax revenues, together with interest rates of 4%.

These Town closed on these Bonds on November 23, 2021. During 2022 a principal payment of \$120,000 was made. Additionally, interest payments totaling \$224,224 were made.

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 140,000	\$ 214,550	\$ 354,550
2024	150,000	208,950	358,950
2025	155,000	202,950	357,950
2026	160,000	196,750	356,750
2027	165,000	191,950	356,950
2028-2032	920,000	864,400	1,784,400
2033-2037	1,115,000	665,200	1,780,200
2038-2042	1,350,000	424,000	1,774,000
2043-2046	1,290,000	131,400	1,421,400
	<u>\$ 5,445,000</u>	<u>\$3,100,150</u>	<u>\$ 8,545,150</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

8. Long-Term Debt (continued)

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

During 2022 a principal payment of \$250,000 was made. Additionally, interest payments totaling \$43,350 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>
2023	\$ 290,000	\$ 35,850	\$ 325,850
2024	295,000	27,150	322,150
2025	<u>610,000</u>	<u>18,300</u>	<u>628,300</u>
	<u>\$ 1,195,000</u>	<u>\$ 81,300</u>	<u>\$ 1,276,300</u>

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 2022, total principal payments of \$56,268. Additionally, total interest payments of \$13,835 were made.

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 60,457	\$ 12,173	\$ 72,630
2024	64,895	10,387	75,282
2025	69,593	8,473	78,066
2026	74,570	6,418	80,988
2027	79,839	4,217	84,056
2028	<u>85,413</u>	<u>1,863</u>	<u>87,276</u>
	<u>\$ 434,767</u>	<u>\$ 43,531</u>	<u>\$ 478,298</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

8. Long-Term Debt (continued)

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.

Total changes in Long-Term Liabilities during 2022 are as follows:

	Balance December 31, 2021	Additions	Payments	Balance December 31, 2022	Due Within One Year
Governmental activities:					
Bonds payable:					
2021 Sales Tax Bond	\$ 5,565,000	\$ -	\$ (120,000)	\$ 5,445,000	\$ 150,000
2021 Bond Premium	969,706	-	(38,788)	930,918	38,788
	6,534,706	-	(158,788)	6,375,918	188,788
Loans payable:					
Lease-Purchase	282,533	-	(32,377)	250,156	34,787
	282,533	-	(32,377)	250,156	34,787
Business-type activities:					
Bonds payable:					
2012 Water Revenue	1,445,000	-	(250,000)	1,195,000	290,000
2012 Bond Premium	20,704	-	(5,286)	15,418	5,286
	1,465,704	-	(255,286)	1,210,418	295,286
Loans payable:					
Lease-Purchase	208,502	-	(23,891)	184,611	25,670
Colorado Maintenance Fee	15,651	1,368	-	17,019	-
	224,153	1,368	(23,891)	201,630	25,670
Total long-term liabilities	<u>\$ 8,507,096</u>	<u>\$ 1,368</u>	<u>\$ (470,342)</u>	<u>\$ 8,038,122</u>	<u>\$ 544,531</u>

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

8. Long-Term Debt (continued)

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, 2022:

Actual Property Value (taxable)	\$ 206,018,153
	<u>x 3%</u>
	6,180,545
General Obligation Bonds issued, other than for Water & Sewer purposes, which are specifically exempted for the limitation	<u>-</u>
Available Debt Margin	<u>\$ 6,180,545</u>

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

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 2022 the Town paid \$104,038 for insurance coverage to the pool which is included in the operating expense of the general and enterprise funds.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

9. Risk Management (continued)

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 2022 the Town paid \$80,488 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.

Transfer from General Fund to Ambulance Fund for general operations.	\$ (40,054)
Transfer from General Fund to Golf Course Fund for general purposes.	(67,910)
Transfer from General Fund to Capital Projects Fund for general purposes.	(23,467)
Transfer to Capital Projects Fund from General Fund for general purposes.	23,467
Transfer from Conservation Trust Fund to Golf Course Fund for general operations.	<u>(11,515)</u>
Total Interfund transfers, net	<u>\$ (119,479)</u>

11. 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, 2022, two of these individuals are no longer employed by the Town.

Town of Limon, Colorado
Notes to Financial Statements (continued)
December 31, 2022

12. 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. Half of the total annual payment is due on June 1st and the remaining half is due on December 1st of each year.

In June 2019, the lease was amended to extend the lease for a 5-year term with the option for an additional 5-year term. The amendment requires lease payments of \$4,000 per year. 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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 2,631,602	\$ 2,631,602	\$ 3,013,575	\$ 381,973
Fines, Licenses and Permits	70,100	70,100	63,153	(6,947)
Intergovernmental - Local	220,378	220,378	275,667	55,289
Intergovernmental - Federal	6,180	6,180	16,076	9,896
Charges for Services	705,017	705,017	436,901	(268,116)
Interest	20,035	20,035	43,115	23,080
Donations and Grants	144,695	144,695	176,840	32,145
Insurance Claims	1,000	1,000	16,968	15,968
Miscellaneous	40,000	40,000	30,818	(9,182)
Supplemental Appropriation	-	-	-	-
TOTAL REVENUES	3,839,007	3,839,007	4,073,113	234,106
EXPENDITURES				
Current:				
General Government	398,926	398,926	607,201	(208,275)
Airport	3,843	3,843	19,156	(15,313)
Public Works - Streets	689,951	689,951	485,981	203,970
Public Works - Sanitation	325,411	325,411	321,606	3,805
Public Safety	615,414	615,414	640,028	(24,614)
Public Health - Cemetery	126,709	126,709	89,124	37,585
Culture and Recreation	422,123	422,123	438,999	(16,876)
Capital Outlay	5,503,100	5,503,100	4,907,049	596,051
Debt Service:				
Principal	152,355	152,355	152,376	(21)
Interest	231,625	231,625	232,185	(560)
Supplemental Appropriation	-	-	-	-
TOTAL EXPENDITURES	8,469,457	8,469,457	7,893,705	575,752
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,630,450)	(4,630,450)	(3,820,592)	809,858
OTHER FINANCIAL SOURCES (USES)				
Bond proceeds and premiums	-	-	-	-
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(204,631)	(204,631)	(131,431)	73,200
NET CHANGE IN FUND BALANCE	(4,835,081)	(4,835,081)	(3,952,023)	883,058
FUND BALANCES, BEGINNING OF YEAR	1,793,644	1,793,644	8,781,164	6,987,520
FUND BALANCES, END OF YEAR	\$ (3,041,437)	\$ (3,041,437)	\$ 4,829,141	\$ 7,870,578

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, 2022

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%
2018	65,000	119,092	54,092	931,032	12.79%
2019	100,000	151,630	51,630	849,627	17.85%
2020	95,000	150,880	55,880	948,015	15.92%
2021	100,000	161,839	61,839	1,061,341	15.25%
2022	\$100,000	\$156,540	\$61,839	\$1,022,748	15.31%

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, 2022

Year ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$88,990	\$93,084	\$77,664	\$70,599	\$66,538	\$70,102	\$60,605	\$71,522
Interest	166,558	152,289	144,553	153,466	160,742	156,002	147,499	134,358
Difference between Expected and Actual Experience	(77,590)	43,969	110,237	46,305	(23,335)	31,136	(41,684)	8,370
Benefit Payments	(161,246)	(9,745)	(434,158)	(361,216)	(505,016)	(60,833)	(2,009)	(119,679)
Other Changes	-	-	-	-	125,224	93,407	(13,519)	34,314
Net Change in Total Pension Liability	\$16,712	\$279,597	(\$101,704)	(\$90,846)	(\$175,847)	\$289,814	\$150,892	\$128,885
Total Pension Liability - Beginning	2,460,028	2,180,431	2,282,135	2,372,981	2,548,828	2,259,014	2,108,122	1,979,237
Total Pension Liability - Ending (a)	2,476,740	2,460,028	2,180,431	2,282,135	2,372,981	2,548,828	2,259,014	2,108,122
Plan Fiduciary Net Position								
Employer Contributions	\$100,000	\$100,000	\$95,000	\$100,000	\$64,898	\$56,516	\$60,646	\$55,125
Employee Contributions	56,540	61,839	55,880	51,630	54,194	52,431	50,879	52,306
Net Investment Income	(259,699)	183,002	157,450	259,783	(75,017)	283,544	105,379	(27,819)
Benefit Payments	(161,246)	(9,745)	(434,158)	(361,216)	(505,016)	(60,833)	(2,009)	(119,679)
Administrative Expenses	(7,637)	(6,536)	(6,450)	(6,557)	(7,460)	(6,570)	(8,630)	(250)
Net Change in Plan Fiduciary Net Position	(\$272,042)	\$328,560	(\$132,278)	\$43,640	(\$468,401)	\$325,088	\$206,265	(\$40,317)
Plan Fiduciary Net Position - Beginning	1,977,797	1,649,237	1,781,515	1,737,875	2,206,276	1,881,188	1,674,923	1,715,240
Plan Fiduciary Net Position - Ending (b)	1,705,755	1,977,797	1,649,237	1,781,515	1,737,875	2,206,276	1,881,188	1,674,923
Net Pension Liability - Ending (a) - (b)	770,985	482,231	531,194	500,620	635,106	342,552	377,826	433,199
Plan Fiduciary Net Position as a Percentage of Total Pension Liability								
Covered Payroll	68.9%	80.4%	75.6%	78.1%	73.2%	86.6%	83.3%	79.5%
Net Pension Liability as a Percentage of Covered Payroll	1,022,748	1,061,341	948,015	849,627	931,032	958,901	821,334	954,434
Covered Payroll	75.4%	45.4%	56.0%	58.9%	68.2%	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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Intergovernmental - Federal	\$ 753,634	\$ 753,634	\$ 791,820	\$ 38,186
Supplemental Appropriation	-	42,633	-	(42,633)
Total Revenues	<u>753,634</u>	<u>796,267</u>	<u>791,820</u>	<u>(4,447)</u>
EXPENDITURES:				
Head Start Program	753,634	753,634	791,820	(38,186)
Supplemental Appropriation	-	42,633	-	42,633
Total Expenditures	<u>753,634</u>	<u>796,267</u>	<u>791,820</u>	<u>4,447</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, 2022

	CONSERVATION TRUST FUND	CEMETERY PERPETUAL CARE	TOTALS
ASSETS:			
Cash	\$ 80,819	\$ 17,263	\$ 98,082
Accounts Receivable	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 80,819</u></u>	<u><u>\$ 17,263</u></u>	<u><u>\$ 98,082</u></u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES			
Restricted	80,819	-	80,819
Assigned-Designated for Subsequent Year	<u>-</u>	<u>17,263</u>	<u>17,263</u>
TOTAL FUND BALANCES	<u>80,819</u>	<u>17,263</u>	<u>98,082</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 80,819</u></u>	<u><u>\$ 17,263</u></u>	<u><u>\$ 98,082</u></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, 2022

	CONSERVATION TRUST FUND	CEMETERY PERPETUAL CARE	TOTALS
REVENUES:			
Interest	\$ 5	\$ -	\$ 5
Intergovernmental - Local	25,976	-	57,116
Intergovernmental - Federal	-	-	-
Grants	-	-	-
Donations	-	-	-
Perpetual Care	-	1,200	1,200
TOTAL REVENUES	25,981	1,200	58,321
EXPENDITURES:			
Capital Outlay	-	-	-
TOTAL EXPENDITURES	25,705	-	25,705
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	276	1,200	32,616
OTHER FINANCING SOURCES (USES):			
Operating Transfers In (Out)	(11,515)	-	(11,515)
NET CHANGE IN FUND BALANCE	(11,239)	1,200	21,101
FUND BALANCE, BEGINNING OF YEAR	92,058	16,063	108,121
FUND BALANCE, END OF YEAR	\$ 80,819	\$ 17,263	\$ 129,222

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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Intergovernmental - State	\$ 20,000	\$ 20,000	\$ 25,976	\$ 5,976
Interest	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total Revenues	<u>20,005</u>	<u>20,005</u>	<u>25,981</u>	<u>5,976</u>
EXPENDITURES:				
Recreation Improvements	<u>25,000</u>	<u>25,000</u>	<u>25,705</u>	<u>(705)</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,705</u>	<u>(705)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,995)	(4,995)	276	5,271
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	<u>(18,060)</u>	<u>(18,060)</u>	<u>(11,515)</u>	<u>6,545</u>
NET CHANGE IN FUND BALANCE	(23,055)	(23,055)	(11,239)	11,816
FUND BALANCE, BEGINNING OF YEAR	<u>61,322</u>	<u>61,322</u>	<u>92,058</u>	<u>30,736</u>
FUND BALANCE, END OF YEAR	<u>\$ 38,267</u>	<u>\$ 38,267</u>	<u>\$ 80,819</u>	<u>\$ 42,552</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Perpetual Care	\$ 1,000	\$ 1,000	\$ 1,200	\$ 200
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,200</u>	<u>200</u>
EXPENDITURES:				
Perpetual Care Improvements	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
NET CHANGE IN FUND BALANCE	500	500	1,200	700
FUND BALANCE, BEGINNING OF YEAR	<u>10,258</u>	<u>10,258</u>	<u>16,063</u>	<u>5,805</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,758</u>	<u>\$ 10,758</u>	<u>\$ 17,263</u>	<u>\$ 6,505</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Intergovernmental - Federal	\$ 300,000	\$ 300,000	\$ 560,525	\$ 260,525
Intergovernmental - Local	336,667	336,667	31,140	(305,527)
Supplemental Appropriation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>636,667</u>	<u>636,667</u>	<u>591,665</u>	<u>(45,002)</u>
EXPENDITURES				
Airport	333,334	333,334	656,650	(323,316)
Sidewalk Project	400,000	400,000	147	399,853
Supplemental Appropriation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>733,334</u>	<u>733,334</u>	<u>656,797</u>	<u>76,537</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(96,667)	(96,667)	(65,132)	31,535
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>96,667</u>	<u>96,667</u>	<u>23,467</u>	<u>(73,200)</u>
NET CHANGE IN FUND BALANCE	-	-	(41,665)	(41,665)
FUND BALANCE, BEGINNING OF YEAR	<u>65,852</u>	<u>65,852</u>	<u>20,179</u>	<u>(45,673)</u>
FUND BALANCE, END OF YEAR	<u>\$ 65,852</u>	<u>\$ 65,852</u>	<u>\$ (21,486)</u>	<u>\$ (87,338)</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales, Net Contractual Adjustments and Bad Debts	\$ 1,279,471	\$ 1,279,471	\$ 1,181,122	\$ (98,349)
Other User Charges	7,900	7,900	10,707	2,807
Miscellaneous	4,000	4,000	525	(3,475)
Interest	9,406	9,406	5,759	(3,647)
Insurance Proceeds	-	-	11,079	11,079
Note Principal - Frasier	25,026	25,026	25,026	-
DOC Maintenance	1,332	1,332	1,368	36
DOC Maintenance Expenses from Restricted Account	1,000	1,000	-	(1,000)
Tap Fees	23,000	23,000	41,516	18,516
Contributed Capital	-	-	-	-
Intergovernmental-Federal	-	-	-	-
Intergovernmental-Local	137,430	137,430	-	(137,430)
Total Revenues	<u>1,488,565</u>	<u>1,488,565</u>	<u>1,277,102</u>	<u>(211,463)</u>
EXPENDITURES:				
Operating Expenses (other than depreciation and amortization)	1,104,184	1,104,184	777,573	326,611
Interest Expense	48,862	48,862	48,051	811
Debt Principal	272,523	272,523	272,417	106
Capital Expenditures	4,700	4,700	57,506	(52,806)
DOC Maintenance Revenue to Restricted Account	1,500	1,500	1,368	132
System Maintenance Paid from Colorado Reserve Account	30,000	30,000	-	30,000
Total Expenditures	<u>1,461,769</u>	<u>1,461,769</u>	<u>1,156,915</u>	<u>304,854</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 26,796</u>	<u>\$ 26,796</u>	120,187	<u>\$ 93,391</u>
RECONCILIATION TO GAAP BASIS				
Add budgetary items shown as Expenditures:				
Principal Portion of Debt Service			272,417	
Capital Expenditures			57,506	
Less Budgetary Items Shown as Revenue:				
Principal Portion of Note Receivable			(25,026)	
Less: Depreciation and Amortization			(378,640)	
Change in Net Position GAAP			<u>\$ 46,444</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:	ORIGINAL	FINAL	ACTUAL	
Sales, Net Contractual Adjustments and Bad Debts	\$ 408,300	\$ 408,300	\$ 273,914	\$ (134,386)
Interest	5	5	136	131
Donations and Grants	31,060	31,060	37,704	6,644
Intergovernmental - Local	36,200	36,200	96,457	60,257
Miscellaneous	2,850	2,850	305	(2,545)
Transfer From Other Funds	40,054	40,054	40,054	-
Supplemental Appropriation	-	-	-	-
Total Revenues	<u>518,469</u>	<u>518,469</u>	<u>448,570</u>	<u>(69,899)</u>
EXPENDITURES:				
Operating				
Salaries and Benefits	312,255	312,255	230,144	82,111
Maintenance	43,400	43,400	9,602	33,798
Insurance	8,100	8,100	9,100	(1,000)
Utilities	7,809	7,809	6,072	1,737
Other Expenses	140,153	140,153	107,525	32,628
Principal Payment	855	855	855	-
Interest Expense	210	210	210	-
Capital Outlay	5,000	5,000	-	5,000
Supplemental Appropriation	-	-	-	-
Total Expenditures	<u>517,782</u>	<u>517,782</u>	<u>363,508</u>	<u>154,274</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 687</u>	<u>\$ 687</u>	85,062	<u>\$ 84,375</u>
RECONCILIATION TO GAAP BASIS				
Add: Principal Portion of Debt Service			855	
Add: Capital Outlay			-	
Less: Depreciation			<u>(99,116)</u>	
Change In Net Position GAAP			<u>\$ (13,199)</u>	

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

Town of Limon, Colorado

Combining Balance Sheet Nonmajor Proprietary Funds December 31, 2022

	GOLF COURSE FUND	AIRPORT FUEL FUND	TOTALS
ASSETS			
Current assets:			
Cash	\$ 7,497	\$ 9,304	\$ 16,801
Inventories	-	38,166	38,166
Accounts Receivable	623	66	689
Total Current Assets	<u>8,120</u>	<u>47,536</u>	<u>55,656</u>
Non-Current Assets:			
Capital Assets:			
Land	9,321	-	9,321
Recreation Area Facilities	314,908	-	314,908
Equipment	128,978	-	128,978
Accumulated Depreciation	<u>(349,741)</u>	<u>-</u>	<u>(349,741)</u>
Total Non-Current Assets	<u>103,466</u>	<u>-</u>	<u>103,466</u>
TOTAL ASSETS	<u>111,586</u>	<u>47,536</u>	<u>159,122</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Current Liabilities:			
Current Portion of Long-Term Debt	665	-	665
Accounts Payable	<u>2,369</u>	<u>1,519</u>	<u>3,888</u>
Total Current Liabilities	<u>3,034</u>	<u>1,519</u>	<u>4,553</u>
Non-Current Liabilities:			
Long-Term Debt - Net of Current Portion	<u>4,088</u>	<u>-</u>	<u>4,088</u>
Total Non-Current Liabilities	<u>4,088</u>	<u>-</u>	<u>4,088</u>
TOTAL LIABILITIES	<u>7,122</u>	<u>1,519</u>	<u>8,641</u>
NET POSITION			
Net Investment in Capital Assets	103,466	-	103,466
Unrestricted	<u>998</u>	<u>46,017</u>	<u>47,015</u>
TOTAL NET POSITION	<u>104,464</u>	<u>46,017</u>	<u>150,481</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 111,586</u></u>	<u><u>\$ 47,536</u></u>	<u><u>\$ 159,122</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, 2022

	GOLF COURSE FUND	AIRPORT FUEL FUND	TOTALS
OPERATING REVENUES			
Sales	\$ 142,032	\$ 65,970	\$ 208,002
Other User Charges	1,540	-	1,540
Miscellaneous	907	1,252	2,159
Total Operating Revenues	<u>144,479</u>	<u>67,222</u>	<u>211,701</u>
OPERATING EXPENSES			
Cost of Resale Items	12,877	56,172	69,049
Maintenance	39,734	205	39,939
Insurance	4,200	2,422	6,622
Utilities	22,020	-	22,020
Salaries and Benefits	130,365	-	130,365
Other Expenses	35,173	1,858	37,031
Depreciation	13,403	-	13,403
Total Operating Expenses	<u>257,772</u>	<u>60,657</u>	<u>318,429</u>
Income (Loss) From Operations	<u>(113,293)</u>	<u>6,565</u>	<u>(106,728)</u>
NON-OPERATING REVENUES (EXPENSES)			
Donations	18,883	-	18,883
Interest Expense	(152)	-	(152)
Total Non-Operating Revenues (Expenses)	<u>18,731</u>	<u>-</u>	<u>18,731</u>
Net Income Before Contributions and Transfers	(94,562)	6,565	(87,997)
Transfers In (Out)	79,425	-	79,425
CHANGE IN NET POSITION	<u>(15,137)</u>	<u>6,565</u>	<u>(8,572)</u>
NET POSITION, BEGINNING OF YEAR	<u>119,601</u>	<u>39,452</u>	<u>159,053</u>
NET POSITION, END OF YEAR	<u><u>\$ 104,464</u></u>	<u><u>\$ 46,017</u></u>	<u><u>\$ 150,481</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales	\$ 38,200	\$ 38,200	\$ 65,970	\$ 27,770
Miscellaneous	800	800	1,252	452
Supplemental Appropriation	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Revenues	<u>39,000</u>	<u>69,000</u>	<u>67,222</u>	<u>(1,778)</u>
EXPENDITURES:				
Operating Expenses	36,552	36,552	60,657	(24,105)
Supplemental Appropriation	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Expenditures	<u>36,552</u>	<u>66,552</u>	<u>60,657</u>	<u>5,895</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>\$ 2,448</u>	<u>\$ 2,448</u>	<u>\$ 6,565</u>	<u>\$ 4,117</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Sales	\$ 136,650	\$ 136,650	\$ 142,032	\$ 5,382
Other User Charges	500	500	1,540	1,040
Interest	-	-	-	-
Donations	14,000	14,000	18,883	4,883
Insurance Proceeds	-	-	-	-
Miscellaneous	2,000	2,000	907	(1,093)
Transfers from Other Funds	85,970	85,970	79,425	(6,545)
Supplemental Appropriation	-	30,000	-	(30,000)
Total Revenues	<u>239,120</u>	<u>269,120</u>	<u>242,787</u>	<u>(26,333)</u>
EXPENDITURES:				
Salaries and Benefits	134,171	134,171	130,365	3,806
Cost of Resale Items	17,500	17,500	12,877	4,623
Maintenance	12,500	12,500	39,734	(27,234)
Insurance	4,200	4,200	4,200	-
Utilities	23,500	23,500	22,020	1,480
Other Expenses	26,095	26,095	35,173	(9,078)
Capital Expenditures	-	-	-	-
Principal Payments	619	619	619	-
Interest Expense	152	152	152	-
Supplemental Appropriation	-	30,000	-	30,000
Total Expenditures	<u>218,737</u>	<u>248,737</u>	<u>245,140</u>	<u>3,597</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 20,383</u>	<u>\$ 20,383</u>	(2,353)	<u>\$ (22,736)</u>
RECONCILIATION TO GAAP BASIS				
Principal payments			619	
Add budgetary items shown as Expenditures:				
Capital Expenditures			-	
Less: Depreciation and Amortization			<u>(13,403)</u>	
Change In Net Position GAAP			<u>\$ (15,137)</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, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:				
Employee Contribution	\$ 65,000	\$ 65,000	\$ 56,540	\$ (8,460)
Employer Contribution	100,000	100,000	100,000	-
Interest Income	200	200	159	(41)
Investment Income				
Net of Expenses	200,000	200,000	(271,180)	(471,180)
Supplemental Appropriations	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
Total Revenues	<u>365,200</u>	<u>525,200</u>	<u>(114,481)</u>	<u>(639,681)</u>
EXPENDITURES:				
Benefit Payments	10,000	10,000	161,246	(151,246)
Administrative Expenses	7,000	7,000	7,638	(638)
Supplemental Appropriations	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
Total Expenditures	<u>17,000</u>	<u>177,000</u>	<u>168,884</u>	<u>8,116</u>
CHANGE IN NET POSITION	348,200	348,200	(283,365)	(631,565)
NET POSITION, BEGINNING OF YEAR	<u>2,264,008</u>	<u>2,264,008</u>	<u>2,039,674</u>	<u>(224,334)</u>
NET POSITION, END OF YEAR	<u><u>\$2,612,208</u></u>	<u><u>\$ 2,612,208</u></u>	<u><u>\$ 1,756,309</u></u>	<u><u>\$ (855,899)</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 2022
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	312,080
3. Other local imposts (from page 2)	483,778
4. Miscellaneous local receipts (from page 2)	167,685
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)	963,543
B. Private Contributions	26,890
C. Receipts from State government (from page 2)	91,855
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,082,288

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	22,643
2. Maintenance:	585,081
3. Road and street services:	
a. Traffic control operations	34,026
b. Snow and ice removal	12,313
c. Other	51,764
d. Total (a. through c.)	98,103
4. General administration & miscellaneous	30,724
5. Highway law enforcement and safety	338,096
6. Total (1 through 5)	1,074,647
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	1,508
b. Redemption	6,133
c. Total (a. + b.)	7,641
3. Total (1.c + 2.c)	7,641
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,082,288

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0		0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	53,522		6,133	47,389

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,082,288	1,082,288	0	0

Notes and Comments:

Other Road and Street Services is Street Lighting (Other than for traffic light) of \$51,764

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	133,524	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	26,016
1. Sales Taxes	142,741	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	207,513	g. Other Misc Gravel and Crushed Concrete	16,220
6. Total (1. through 5.)	350,254	h. Other Franchise fees	125,449
c. Total (a. + b.)	483,778	i. Total (a. through h.)	167,685
	(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	81,061	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	10,794	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	10,794	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	91,855	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	22,643	22,643
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	22,643	22,643
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	22,643	22,643
			(Carry forward to page 1)

Notes and Comments:

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and the Board of Trustees
Town of Limon, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Limon, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Town of Limon, Colorado's basic financial statements, and have issued our report thereon dated November 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Limon, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Limon, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Limon, Colorado's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

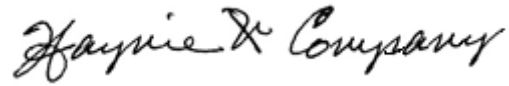
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Limon, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado

November 8, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and the Board of Trustees
Town of Limon, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Limon, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Limon, Colorado's major federal programs for the year ended December 31, 2022. Town of Limon, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Limon, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Town of Limon, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Limon, Colorado's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Limon, Colorado's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Limon, Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Limon, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town of Limon, Colorado's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town of Limon, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Town of Limon, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

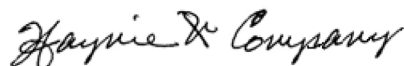
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Littleton, Colorado

November 8, 2023

Town of Limon, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM	FEDERAL ALN	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services:			
Direct program:			
Administration for Children and Families			
Head Start - cluster (provided to a sub-recipient)	93.600		\$ 791,820
Total Department of Health and Human Services			791,820
Department of Transportation			
Direct program:			
Airport Improvement Program	20.106		574,898
Pass-through program from:			
East Central Council of Local Governments			
Transportation Grant	20.530		6,180
Total Department of Transportation			581,078
National Endowment for the Humanities Grants to States			
Direct program:			
Grants to States	45.310		7,858
Total National Endowment for the Humanities Grants to States			7,858
Total Expenditures of Federal Awards			\$ 1,380,756

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

Town of Limon, Colorado

Supplemental Information

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2022

1. Summary of Auditor's Results

Type of report issued on the financial statements:	Unmodified
Material weaknesses in financial reporting internal control noted:	None
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	None identified
Material noncompliance noted:	None
Material weaknesses in internal control over major programs:	None
Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:	None identified
Type of report issued on compliance for major programs:	Unmodified
Audit findings required to be reported:	None
The following programs are considered to be major:	
U.S. Department of Health and Human Services, Head Start — CFDA 93.600	
Dollar threshold used to distinguish Type A and Type B programs:	\$750,000
Low-risk entity qualification:	No

2. Findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards.

None

3. Findings and questioned costs for Federal Awards

None

4. Summary Schedule of Prior Audit Findings

None