

# **TOWN OF LIMON, COLORADO**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

**DECEMBER 31, 2023**



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**Town of Limon, Colorado**  
**Management's Discussion and Analysis**  
**December 31, 2023**

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 \$745,927 or 3.7% during the year. The governmental net position increased by \$448,021 or 4.2%, and the business-type net position increased by \$297,906 or 3.1%.
- The Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$21,030,431 at December 31, 2023.
- General Fund is the main operating fund of the Town. As of December 31, 2023, the General Fund balance was \$5,153,378, of which \$2,490,347 was unassigned. Unassigned fund balance represents 61.5% of 2023 General Fund expenditures.

**OVERVIEW OF THE TOWN'S 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 STATEMENTS**

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.

## REPORTING THE DISTRICT AS A WHOLE

**Net Position-** As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Town's net position for 2022 and 2023:

### Condensed Comparative Statements of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current assets	\$ 3,492,947	\$ 4,315,518	\$ 1,218,328	\$ 1,851,994	\$ 4,711,275	\$ 6,167,512
Restricted assets	2,542,733	2,591,811	2,232,545	1,581,418	4,775,278	4,173,229
Other non-current assets	1,750	26,797	-	16,644	1,750	43,441
Capital assets, net	12,763,482	12,652,797	8,108,796	7,695,587	20,872,278	20,348,384
Total assets	<u>18,800,912</u>	<u>19,586,923</u>	<u>11,559,669</u>	<u>11,145,643</u>	<u>30,360,581</u>	<u>30,732,566</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred outflows - pension	576,700	625,719	-	-	576,700	625,719
Total deferred outflow of resources	<u>576,700</u>	<u>625,719</u>	<u>-</u>	<u>-</u>	<u>576,700</u>	<u>625,719</u>
<b>LIABILITIES</b>						
Current liabilities	482,038	1,257,330	530,318	410,389	1,012,356	1,667,719
Long-term liabilities	7,144,688	7,173,485	1,092,569	1,096,378	8,237,257	8,269,863
Total liabilities	<u>7,626,726</u>	<u>8,430,815</u>	<u>1,622,887</u>	<u>1,506,767</u>	<u>9,249,613</u>	<u>9,937,582</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Deferred inflows - pension	190,244	191,005	-	-	190,244	191,005
Deferred property taxes	466,993	492,025	-	-	466,993	492,025
Deferred revenue	-	453,169	-	-	-	453,169
Total deferred inflow of resources	<u>657,237</u>	<u>1,136,199</u>	<u>-</u>	<u>-</u>	<u>657,237</u>	<u>1,136,199</u>
<b>NET POSITION</b>						
Net investment in capital assets	6,350,983	6,026,723	7,038,810	6,614,201	13,389,793	12,640,924
Restricted net position	1,411,046	940,807	1,413,726	791,334	2,824,772	1,732,141
Unrestricted net position	3,331,620	3,678,098	1,484,246	2,233,341	4,815,866	5,911,439
Total net position	<u>\$ 11,093,649</u>	<u>\$ 10,645,628</u>	<u>\$ 9,936,782</u>	<u>\$ 9,638,876</u>	<u>\$ 21,030,431</u>	<u>\$ 20,284,504</u>

The net position of the Town's governmental activities as of December 31, 2023 were \$11,093,649 of which \$3,331,620 was unrestricted and is available for spending at the government's discretion. A significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending. An additional \$1,411,046 of the Town's net position represents resources that are subject to external restrictions on how they may be used. These are discussed at Note 3 in the disclosures.

*This section intentionally left blank.*

The following table indicates the changes in net position for 2022 and 2023:

### Condensed Comparative Statements of Activities

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
Program revenues:						
Operating grants and contributions	\$ 1,507,057	\$ 1,261,240	\$ 561,149	\$ 153,044	\$ 2,068,206	\$ 1,414,284
Capital grants and contributions	102,142	624,879	18,152	41,516	120,294	666,395
Charges for services	533,835	471,862	1,757,152	1,678,274	2,290,987	2,150,136
General revenues:						
Taxes	3,000,884	3,013,575	-	-	3,000,884	3,013,575
Interest income	101,941	43,120	35,635	5,895	137,576	49,015
Insurance proceeds	64,621	16,968	10,909	11,079	75,530	28,047
Other	76,902	30,818	-	-	76,902	30,818
<b>Total revenue</b>	<u>5,387,382</u>	<u>5,462,462</u>	<u>2,382,997</u>	<u>1,889,808</u>	<u>7,770,379</u>	<u>7,352,270</u>
<b>Expenses</b>						
General government	789,577	915,943	-	-	789,577	915,943
Airport	32,034	32,978	-	-	32,034	32,978
Public safety	843,391	671,810	-	-	843,391	671,810
Highways and streets	336,714	537,532	-	-	336,714	537,532
Public works - sanitation	728,194	336,536	-	-	728,194	336,536
Public health - cemetery	91,863	94,286	-	-	91,863	94,286
Culture and recreation	916,128	516,556	-	-	916,128	516,556
Head Start Program	843,169	791,820	-	-	843,169	791,820
Water	-	-	587,090	572,159	587,090	572,159
Water treatment plant	-	-	212,536	225,889	212,536	225,889
Sewer	-	-	538,872	406,216	538,872	406,216
Ambulance service fund	-	-	548,016	257,924	548,016	257,924
Golf and Airport Fuel fund	-	-	317,900	60,657	317,900	60,657
Interest and related costs	238,968	232,185	-	-	238,968	232,185
<b>Total expenses</b>	<u>4,820,038</u>	<u>4,129,646</u>	<u>2,204,414</u>	<u>1,522,845</u>	<u>7,024,452</u>	<u>5,652,491</u>
<b>Change in net position before transfers</b>	567,344	1,332,816	178,583	366,963	745,927	1,699,779
Transfers	(119,323)	(119,479)	119,323	119,479	-	-
<b>Change in net position</b>	<u>\$ 448,021</u>	<u>\$ 1,213,337</u>	<u>\$ 297,906</u>	<u>\$ 486,442</u>	<u>\$ 745,927</u>	<u>\$ 1,699,779</u>

### Revenue and Expense Analysis:

#### *Revenues*

The Town's governmental activities revenues as of December 31, 2023 decreased by \$75,080, over the year ended December 31, 2022. This change is mostly due to an increase in operating grants and contributions and an increase in charges for services. Business-type activities revenues as of December 31, 2023 increased by \$493,189 over the year ended December 31, 2022. Increase in this revenue is mostly driven by an increase in operating grants and contributions.

#### *Expenses*

The Town's governmental activities expenses as of December 31, 2023 increased by \$690,236, over the year ended December 31, 2022. This change is mostly due to an increase in capital outlay expenses. Business-type activities expenses as of December 31, 2023 increased by \$681,569 over the year ended December 31, 2022. Increase in these expenses is due to increased salary expenses and administrative expenses in ambulatory and golf funds.



## 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. Such information is useful in assessing the Town's financing requirements. The unassigned fund balance in particular may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2023, the Town's governmental funds reported a combined ending fund balance of \$5,068,477, which is an increase of \$162,740 or 3.3% over the prior year. Approximately 45.3% of this total amount (\$2,293,584) constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance (\$2,774,893) is restricted, committed, assigned or considered nonspendable to (1) provide a reserve fund for the benefit of the holders of certain Town debt instruments, (2) provide an emergency reserve as required by the State Constitution and (3) fund balance which was accumulated due to revenues which were restricted or assigned to a specific item or function.

The General Fund is the chief operating fund of the Town and is always considered a major fund. As of December 31, 2023, the unassigned fund balance of the general fund was \$2,490,347. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to the total fund expenditures. Total unassigned fund balances represent 61.5% of the total General Fund expenditures. The increase in the fund balance of the General Fund was \$324,237 during 2023.

In 2023, taxes were the General Fund's largest source of revenue at 67%, or \$3,000,884.

**Proprietary Funds** – The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the Town's Utility, Ambulance service, Golf Course and Airport Fuel funds as of December 31, 2023 amounted to \$8.7 million, \$1.0 million, \$105 thousand, and \$40 thousand, respectively. The total change in net position for the four funds during 2023 was \$280 thousand of growth, \$23 thousand of growth, \$888 of grown and \$6 thousand decline, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

## BUDGETARY HIGHLIGHTS

The Town's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements. The budget was amended on December 30, 2023 to include the following increases for expenditures not anticipated at the time of adoption of the original budget on December 1, 2023. 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	\$ 230,220	\$ 280,220	\$ 50,000
Utility Fund	1,941,256	2,091,256	150,000
Head Start Fund	770,320	843,169	72,849
Conservation Trust Fund	15,500	16,500	1,000
Employees Pension Trust	10,848	275,848	265,000
Airport Fuel Fund	44,646	48,646	4,000
			<u>\$ 542,849</u>

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

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – As of December 31, 2023, the Town’s investment in capital assets for its governmental and business-type activities, net of accumulated depreciation, was \$20,872,278. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,248,511	\$ 1,248,511	\$ 241,797	\$ 241,797	\$ 1,490,308	\$ 1,490,308
Water Rights	-	-	1,048,995	1,048,995	1,048,995	1,048,995
Construction in progress	202,349	-	729,411	-	931,760	-
Buildings and Water and Sewer systems	8,352,885	8,130,444	14,365,666	14,365,666	22,718,551	22,496,110
Equipment	3,634,788	3,526,691	1,820,228	1,912,177	5,455,016	5,438,868
Infrastructure	6,970,281	6,905,951	-	-	6,970,281	6,905,951
Total	<u>20,408,814</u>	<u>19,811,597</u>	<u>18,206,097</u>	<u>17,568,635</u>	<u>38,614,911</u>	<u>37,380,232</u>
Accumulated depreciation	<u>(7,645,332)</u>	<u>(7,158,800)</u>	<u>(10,097,301)</u>	<u>(9,873,048)</u>	<u>(17,742,633)</u>	<u>(17,031,848)</u>
Capital assets, net	<u>\$ 12,763,482</u>	<u>\$ 12,652,797</u>	<u>\$ 8,108,796</u>	<u>\$ 7,695,587</u>	<u>\$ 20,872,278</u>	<u>\$ 20,348,384</u>

This year’s major capital asset additions include:

- Pool construction -put in service in 2023 - \$187,036
- Sidewalk project - \$202,349
- Water well project - \$729,411

**Long-term Debt** – As of December 31, 2023 the Town had \$7,500,067 in outstanding debt as follows.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Bonds payable:						
2012 Water Revenue	\$ -	\$ -	\$ 905,000	\$ 1,195,000	\$ 905,000	\$ 1,195,000
2012 Bond Premium	-	-	10,133	15,418	10,133	15,418
2021 Sales Tax Bond	5,305,000	5,445,000	-	-	5,305,000	5,445,000
2021 Bond Premium	892,130	930,918	-	-	892,130	930,918
Loans payable:						
Lease-Purchase	215,369	250,156	158,941	184,611	374,310	434,767
Colorado maintenance fee	-	-	18,495	17,019	18,495	17,019
<b>Total</b>	<b>\$ 6,412,499</b>	<b>\$ 6,626,074</b>	<b>\$ 1,092,569</b>	<b>\$ 1,412,048</b>	<b>\$ 7,505,068</b>	<b>\$ 8,038,122</b>

### **ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

- Sales tax revenues budgeted for 2024 is \$1,700,000, which is \$641,031 less than 2023 actual.
- The property tax revenue budgeted for 2024 is \$485,000, which is \$23,401 more than 2023 actual.
- Governmental funds revenues were budgeted at \$8,609,939 in 2024, which is an increase of 59% from the 2023 actual revenues. Governmental revenue and expenditures included direct pass-through grants to other entities. The 2024 budgeted direct pass-through amounts are \$838,721, which is the \$4,448 less than the 2023 actual amount. The 2024 budgeted expenditures for governmental activities are projected to be \$8,503,391, which is a 66% increase from the 2023 actual.
- Proprietary funds revenues were budgeted at \$6,618,008 for 2024, which is an increase of 277% from the 2023 actual revenues. 2024 budgeted expenditures of \$6,909,213 represents an increase from 2023 actual expenditures of 962%.

### **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, 2023**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,511,625	\$ 712,844	\$ 3,224,469
Accounts Receivable, Net	97,133	191,289	288,422
Intergovernmental Receivable	339,707	173,130	512,837
Accrued Interest Receivable	-	20,016	20,016
Special Assessment Receivable, Current Portion	35,585	-	35,585
Property Taxes Receivable	466,993	-	466,993
Inventory and Supplies	39,815	121,049	160,864
Prepaid expenses	2,089	-	2,089
Restricted Cash and Cash Equivalents	2,542,733	2,232,545	4,775,278
Special Assessment Receivable, Net of Current Portion	1,750	-	1,750
Capital Assets not Being Depreciated	1,450,860	2,020,203	3,471,063
Capital Assets, Net of Accumulated Depreciation	<u>11,312,622</u>	<u>6,088,593</u>	<u>17,401,215</u>
<b>TOTAL ASSETS</b>	<u>18,800,912</u>	<u>11,559,669</u>	<u>30,360,581</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pension	<u>576,700</u>	-	<u>576,700</u>
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>576,700</u>	-	<u>576,700</u>
<b>LIABILITIES</b>			
Pooled Cash Overdraft	\$ 277,435	\$ 6,552	\$ 283,987
Accounts Payable	187,190	190,349	377,539
Accrued Interest Payable	17,413	3,464	20,877
Unearned Revenues	-	329,953	329,953
Noncurrent Liabilities			
Deposits	-	18,495	18,495
Long-Term Liabilities			
Due within one year	226,128	327,840	553,968
Due in more than one year	6,186,371	746,234	6,932,605
Net Pension liability	<u>732,189</u>	-	<u>732,189</u>
<b>TOTAL LIABILITIES</b>	<u>7,626,726</u>	<u>1,622,887</u>	<u>9,249,613</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pension	190,244	-	190,244
Property Taxes	<u>466,993</u>	-	<u>466,993</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>657,237</u>	-	<u>657,237</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,350,983	7,038,810	13,389,793
Restricted for:			
ARPA	-	452,929	452,929
Emergency Reserve	89,893	651,598	741,491
Recreation Reserve	530,173		530,173
Library Reserve	219,319		219,319
Recreation Bond Reserve	350,024	309,199	659,223
Capital Replacement	221,637	-	221,637
Unrestricted:	<u>3,331,620</u>	<u>1,484,246</u>	<u>4,815,866</u>
<b>TOTAL NET POSITION</b>	<u>\$ 11,093,649</u>	<u>\$ 9,936,782</u>	<u>\$ 21,030,431</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, 2023**

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities:</b>							
General Government	\$ 789,577	\$ 81,801	\$ 146,784	\$ 1,638	\$ (559,354)	\$ -	\$ (559,354)
Airport	32,034	6,666	-	60,933	35,565	-	35,565
Public Works -Streets	843,391	15,232	294,582	39,571	(494,006)	-	(494,006)
Public Works - Sanitation	336,714	346,511	-	-	9,797	-	9,797
Public Safety - Police	728,194	-	71,322	-	(656,872)	-	(656,872)
Public Health - Cemetery	91,863	5,400	-	-	(86,463)	-	(86,463)
Culture and Recreation	916,128	78,225	151,200	-	(686,703)	-	(686,703)
Head Start Program	843,169	-	843,169	-	-	-	-
Interest and Related Costs	238,968	-	-	-	(238,968)	-	(238,968)
<b>Total Governmental Activities</b>	<b>4,820,038</b>	<b>533,835</b>	<b>1,507,057</b>	<b>102,142</b>	<b>(2,677,004)</b>	<b>-</b>	<b>(2,677,004)</b>
<b>Business-Type Activities:</b>							
Water	587,090	704,581	414,331	18,152	-	549,974	549,974
Water Treatment Plant	212,536	193,350	-	-	-	(19,186)	(19,186)
Sewer	538,872	253,552	-	-	-	(285,320)	(285,320)
Ambulance Service Fund	548,016	400,552	129,899	-	-	(17,565)	(17,565)
Golf and Airport Fuel Funds	317,900	205,117	16,919	-	-	(95,864)	(95,864)
<b>Total Business-Type Activities</b>	<b>2,204,414</b>	<b>1,757,152</b>	<b>561,149</b>	<b>18,152</b>	<b>-</b>	<b>132,039</b>	<b>132,039</b>
<b>Total Primary Government</b>	<b>\$ 7,024,452</b>	<b>\$ 2,290,987</b>	<b>\$ 2,068,206</b>	<b>\$ 120,294</b>	<b>\$ (2,677,004)</b>	<b>\$ 132,039</b>	<b>\$ (2,544,965)</b>
			Property Taxes		\$ 461,599	\$ -	\$ 461,599
			Franchise Taxes		126,881	-	126,881
			Sales Taxes		2,341,031	-	2,341,031
			Motor Vehicle		59,288	-	59,288
			Severance Tax		6,373	-	6,373
			Cigarette Tax		4,799	-	4,799
			Use Tax		913	-	913
			Interest Income		101,941	35,635	137,576
			Insurance Proceeds		64,621	10,909	75,530
			Transfers		(119,323)	119,323	-
			Other		76,902	-	76,902
			Total General Revenues		3,125,025	165,867	3,290,892
			Change in Net Position		448,021	297,906	745,927
			<b>Net Position Beginning</b>		<b>10,645,628</b>	<b>9,638,876</b>	<b>20,284,504</b>
			<b>Net Position Ending</b>		<b>\$ 11,093,649</b>	<b>\$ 9,936,782</b>	<b>\$ 21,030,431</b>

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

**Town of Limon, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

<b>ASSETS</b>	<b>GENERAL</b>	<b>HEAD START FUND</b>	<b>NONMAJOR GOVERNMENTAL FUNDS</b>	<b>TOTALS</b>
Cash	\$ 2,399,963	\$ -	\$ 111,662	\$ 2,511,625
Accounts Receivable, net	96,933	-	200	97,133
Intergovernmental Receivable	194,682	145,025	-	339,707
Special Assessment Receivable, net	37,335	-	-	37,335
Property Tax Receivable	466,993	-	-	466,993
Inventories	39,815	-	-	39,815
Prepaid expenses	2,089	-	-	2,089
Restricted Cash:				
Capital Replacement Reserve	221,637	-	-	221,637
Equipment Reserve	329,064	-	-	329,064
Recreation Reserve	530,173	-	-	530,173
Library Reserve	219,319	-	-	219,319
Emergency Reserve	89,893	-	-	89,893
Recreation Bond Reserve	350,024	-	-	350,024
Recreation Tax Reserve	802,623	-	-	802,623
<b>Total Assets</b>	<b>\$ 5,780,543</b>	<b>\$ 145,025</b>	<b>\$ 111,862</b>	<b>\$ 6,037,430</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Pooled Cash Overdraft	\$ -	\$ 145,025	\$ 132,410	\$ 277,435
Accounts Payable	122,837	-	64,353	187,190
<b>Total Liabilities</b>	<b>122,837</b>	<b>145,025</b>	<b>196,763</b>	<b>464,625</b>
<b>DEFERED INFLOW OF RESOURCES</b>				
Special Assessments, Net	37,335	-	-	37,335
Property Taxes	466,993	-	-	466,993
<b>Total Deferred Inflow of Resources</b>	<b>504,328</b>	<b>-</b>	<b>-</b>	<b>504,328</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories / Prepaids	\$ 41,904	\$ -	\$ -	\$ 41,904
Restricted:				
Emergency Reserve	89,893	-	-	89,893
Recreation Reserve	530,173	-	-	530,173
Equipment Reserve	329,064	-	-	329,064
Library Reserve	219,319	-	-	219,319
Recreation Bond Reserve	350,024	-	-	350,024
Recreation Tax Reserve	802,623	-	-	802,623
Conservation Trust Funds	-	-	93,199	93,199
Committed:				
Capital Replacement Reserve	221,637	-	-	221,637
Assigned-Designated for Subsequent Year:				
General Fund	78,394	-	-	78,394
Other Funds	-	-	18,663	18,663
Unassigned	2,490,347	-	(196,763)	2,293,584
<b>Total Fund Balances</b>	<b>5,153,378</b>	<b>-</b>	<b>(84,901)</b>	<b>5,068,477</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 5,780,543</b>	<b>\$ 145,025</b>	<b>\$ 111,862</b>	<b>\$ 6,037,430</b>

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

**Town of Limon, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2023**

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

Total fund balances - Governmental Funds	\$ 5,068,477
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Capital Assets	20,408,814
Accumulated Depreciation	(7,645,332)
Net Value of Disposed Capital Assets	

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in Governmental Funds:

Deferred Outflows Related to Pension	576,700
Deferred Inflows Related to Pension	(190,244)

Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long term liabilities at year end consist of:

Bond Payable	(5,305,000)
Bond Premiums (net of amortization)	(892,130)
Accrued interest payable	(17,413)
Sale-Leaseback Payable	(215,369)
Net Pension Liability	(732,189)

Other long-term assets not available to pay for current expenditures and therefore, are deferred inflows of resources in the fund financial statements.

Special Assessment Receivable, Net	37,335
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<b>Net Position of Governmental Activities</b>	<b>\$ 11,093,649</b>
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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, 2023**

	<u>GENERAL</u>	<u>HEAD START FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
<b>REVENUES:</b>				
Taxes	\$ 3,000,884	\$ -	\$ -	\$ 3,000,884
Fines, Licenses and Permits	70,994	-	-	70,994
Intergovernmental - Local	386,252	-	28,558	414,810
Intergovernmental - Federal	11,571	843,169	60,933	915,673
Charges for Services	496,431	-	1,400	497,831
Interest	101,919	-	22	101,941
Donations and Grants	266,472	-	-	266,472
Insurance Claims	64,621	-	-	64,621
Miscellaneous	76,902	-	-	76,902
<b>TOTAL REVENUES</b>	<u>4,476,046</u>	<u>843,169</u>	<u>90,913</u>	<u>5,410,128</u>
<b>EXPENDITURES:</b>				
Administration	526,564	-	-	526,564
Airport	16,245	-	-	16,245
Public Works - Streets	780,036	-	-	780,036
Public Works - Sanitation	321,784	-	-	321,784
Public Safety - Police	695,147	-	-	695,147
Public Health - Cemetery	86,470	-	-	86,470
Recreation	733,279	-	-	733,279
Head Start Program	-	843,169	-	843,169
Capital Outlay	492,819	-	236,210	729,029
Debt Service:				
Principal - Bonded Debt	174,787	-	-	174,787
Interest	221,555	-	-	221,555
<b>TOTAL EXPENDITURES</b>	<u>4,048,686</u>	<u>843,169</u>	<u>236,210</u>	<u>5,128,065</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	427,360	-	(145,297)	282,063
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfer In (Out)	(103,123)	-	(16,200)	(119,323)
<b>NET CHANGE IN FUND BALANCE</b>	324,237	-	(161,497)	162,740
<b>FUND BALANCES, BEGINNING</b>	<u>4,829,141</u>	<u>-</u>	<u>76,596</u>	<u>4,905,737</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 5,153,378</u>	<u>\$ -</u>	<u>\$ (84,901)</u>	<u>\$ 5,068,477</u>

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

**Town of Limon, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of the Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2023**

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

Net change in fund balances - total governmental funds	\$ 162,740
<p>Capital outlays are reported in the governmental funds as an expenditure; however, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay.</p>	
Capital outlay	729,029
Depreciation expense	(585,233)
Net Value of Disposed Capital Assets	(33,111)
<p>Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
	174,787
<p>Compensated absences are not payable from current resources are not reported as expenditures in the current year. In the statement of activities these costs represent expenses of the current year.</p>	
Change in accrued compensated absences	10,641
<p>Certain revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities.</p>	
Special assessment revenue	(22,746)
Bond proceeds and premiums	38,788
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Pension expense	(119,298)
Change in accrued interest	(17,413)
Current-year pension contributions are reported as deferred outflows.	<u>109,837</u>
Change in net position of governmental activities	<u>\$ 448,021</u>

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

# Town of Limon, Colorado

## Proprietary Funds Statement of Net Position December 31, 2023

ASSETS	UTILITY FUND	AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
<b>Current Assets:</b>				
Cash	\$ 272,819	\$ 406,162	\$ 33,863	\$ 712,844
Accounts Receivable, net	69,576	118,713	3,000	191,289
Intergovernmental Receivable	121,216	51,914	-	173,130
Accrued Interest Receivable	20,016	-	-	20,016
Inventories	<u>111,761</u>	<u>-</u>	<u>9,288</u>	<u>121,049</u>
<b>Total Current Assets</b>	<u>595,388</u>	<u>576,789</u>	<u>46,151</u>	<u>1,218,328</u>
<b>Non-Current Assets:</b>				
Restricted Cash:				
Water Plant Reserve	98,055	-	-	98,055
Water Revenue Bonds	309,199	-	-	309,199
Sewer Line Maint. Reserve	18,495	-	-	18,495
Bond & Emergency Reserve Funds	651,598	-	-	651,598
American Recovery Reserve	452,929	-	-	452,929
Equipment Reserve	<u>529,735</u>	<u>172,534</u>	<u>-</u>	<u>702,269</u>
Total Restricted Cash	2,060,011	172,534	-	2,232,545
Capital Assets, not Being Depreciated	1,965,850	45,032	9,321	2,020,203
Capital Assets, Net of Accumulated Depreciation	<u>5,711,441</u>	<u>280,265</u>	<u>96,887</u>	<u>6,088,593</u>
<b>Total Non-Current Assets</b>	<u>9,737,302</u>	<u>497,831</u>	<u>106,208</u>	<u>10,341,341</u>
<b>TOTAL ASSETS</b>	<u>10,332,690</u>	<u>1,074,620</u>	<u>152,359</u>	<u>11,559,669</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Current Portion of Long-Term Debt	\$ 326,140	\$ 986	\$ 714	\$ 327,840
Accounts Payable	165,406	21,898	3,045	190,349
Retainage Payable	6,552	-	-	6,552
Unearned Revenue - ARPA	329,953	-	-	329,953
Accrued Interest Payable	<u>3,464</u>	<u>-</u>	<u>-</u>	<u>3,464</u>
<b>Total Current Liabilities</b>	<u>831,515</u>	<u>22,884</u>	<u>3,759</u>	<u>858,158</u>
<b>Non-Current Liabilities:</b>				
Deposit- State of CO, Sewer Line Maintenance	18,495	-	-	18,495
Long-Term Debt - Net of Current Portion	<u>738,109</u>	<u>4,751</u>	<u>3,374</u>	<u>746,234</u>
<b>Total Non-Current Liabilities</b>	<u>756,604</u>	<u>4,751</u>	<u>3,374</u>	<u>764,729</u>
<b>TOTAL LIABILITIES</b>	<u>1,588,119</u>	<u>27,635</u>	<u>7,133</u>	<u>1,622,887</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,613,042	319,560	106,208	7,038,810
Restricted for Emergency Reserve	651,598	-	-	651,598
Restricted for Bond Reserve	309,199	-	-	309,199
Restricted for American Recovery	452,929	-	-	452,929
Restricted -Other	646,285	-	-	646,285
Unrestricted	<u>71,518</u>	<u>727,425</u>	<u>39,018</u>	<u>837,961</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,744,571</u>	<u>\$ 1,046,985</u>	<u>\$ 145,226</u>	<u>\$ 9,936,782</u>

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

# Town of Limon, Colorado

## Proprietary Funds

### Statement of Revenues, Expenses and Changes in Fund Net Position For the Year Ended December 31, 2023

	UTILITY FUND			TOTAL	AMBULANCE SERVICE FUND	NON-MAJOR PROPRIETARY FUNDS	TOTALS
	WATER DEPARTMENT	WATER TREATMENT	SEWER DEPARTMENT				
<b>OPERATING REVENUES</b>							
Sales	\$ 692,595	\$ 193,350	\$ 251,147	\$ 1,137,092	\$ 830,562	\$ 194,671	\$ 2,162,325
Less, Contractual Adjustments and Bad Debts	-	-	-	-	489,680	-	489,680
Net Sales	692,595	193,350	251,147	1,137,092	340,882	194,671	1,672,645
Other User Charges	7,749	-	2,405	10,154	-	1,760	11,914
Miscellaneous	4,237	-	-	4,237	59,670	8,686	72,593
<b>Total Operating Revenues</b>	<u>704,581</u>	<u>193,350</u>	<u>253,552</u>	<u>1,151,483</u>	<u>400,552</u>	<u>205,117</u>	<u>1,757,152</u>
<b>OPERATING EXPENSES</b>							
Cost of Resale Items	-	-	-	-	-	40,876	40,876
Maintenance	13,919	10,682	76,002	100,603	12,683	33,653	146,939
Insurance	10,830	9,050	9,074	28,954	8,100	7,986	45,040
Utilities	51,307	34,264	90,602	176,173	5,612	22,463	204,248
Testing	6,649	-	16,026	22,675	-	4,595	27,270
Salaries and Benefits	154,851	53,062	127,728	335,641	342,832	156,365	834,838
Other Expenses	39,941	27,335	7,661	74,937	108,426	38,370	221,733
Administration	39,766	2,000	9,678	51,444	-	-	51,444
Water and Wastewater Mapping	46,180	-	93,610	139,790	-	-	139,790
Depreciation	175,106	74,539	107,505	357,150	70,178	13,458	440,786
<b>Total Operating Expenses</b>	<u>538,549</u>	<u>210,932</u>	<u>537,886</u>	<u>1,287,367</u>	<u>547,831</u>	<u>317,766</u>	<u>2,152,964</u>
<b>Income (Loss) From Operations</b>	<u>166,032</u>	<u>(17,582)</u>	<u>(284,334)</u>	<u>(135,884)</u>	<u>(147,279)</u>	<u>(112,649)</u>	<u>(395,812)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest Revenue	6,438	28,123	-	34,561	1,074	-	35,635
Tap Fees	15,584	-	2,568	18,152	-	-	18,152
Donations	-	-	-	-	40,879	16,919	57,798
Intergovernmental - Local	7,987	-	-	7,987	89,020	-	97,007
Intergovernmental - Federal	406,344	-	-	406,344	-	-	406,344
Insurance Proceeds	-	-	-	-	-	10,909	10,909
Interest Expense	(48,541)	(1,604)	(986)	(51,131)	(185)	(134)	(51,450)
Total Non-Operating Revenues (Expenses)	<u>387,812</u>	<u>26,519</u>	<u>1,582</u>	<u>415,913</u>	<u>130,788</u>	<u>27,694</u>	<u>574,395</u>
<b>Net Income Before Contributions and Transfers</b>	553,844	8,937	(282,752)	280,029	(16,491)	(84,955)	178,583
Transfers In	-	-	-	-	39,623	79,700	119,323
<b>CHANGE IN NET POSITION</b>	<u>\$ 553,844</u>	<u>\$ 8,937</u>	<u>\$ (282,752)</u>	<u>280,029</u>	<u>23,132</u>	<u>(5,255)</u>	<u>297,906</u>
<b>NET POSITION, BEGINNING OF YEAR</b>				<u>8,464,542</u>	<u>1,023,853</u>	<u>150,481</u>	<u>9,638,876</u>
<b>NET POSITION, END OF YEAR</b>				<u>\$ 8,744,571</u>	<u>\$ 1,046,985</u>	<u>\$ 145,226</u>	<u>\$ 9,936,782</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, 2023**

	<u>UTILITY FUND</u>	<u>AMBULANCE SERVICE FUND</u>	<u>NON-MAJOR PROPRIETARY FUNDS</u>	<u>TOTALS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts From Customers	\$ 1,045,427	\$ 328,162	\$ 202,806	\$ 1,576,395
Payments to Suppliers for Goods and Services	(214,050)	(138,005)	(119,908)	(471,963)
Payments to Employees	<u>(338,370)</u>	<u>(342,832)</u>	<u>(156,365)</u>	<u>(837,567)</u>
<b>Net Cash From Operating Activities</b>	<u>493,007</u>	<u>(152,675)</u>	<u>(73,467)</u>	<u>266,865</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Donations	-	40,879	16,919	57,798
Intergovernmental Grants	414,331	89,020	-	503,351
Insurance proceeds	-	-	10,909	10,909
Transfer From Other Fund	<u>-</u>	<u>39,623</u>	<u>79,700</u>	<u>119,323</u>
<b>Net Cash From Non-Capital Financing Activities</b>	<u>414,331</u>	<u>169,522</u>	<u>107,528</u>	<u>691,381</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
State of Colorado - Sewer Line Maintenance	1,476	-	-	1,476
Tap Fees	18,152	-	-	18,152
Transfer From (To) Restricted Assets	(650,084)	(1,042)	-	(651,126)
Sale of Capital Assets	-	6,000	-	6,000
Purchase of Capital Assets	(776,943)	(66,852)	(16,200)	(859,995)
Interest Paid	(34,116)	(185)	(134)	(34,435)
Debt Principal Payments	(320,670)	(919)	(665)	(322,254)
Note - Frasier Farms	<u>26,388</u>	<u>-</u>	<u>-</u>	<u>26,388</u>
<b>Net Cash From Capital and Related Financing Activities</b>	<u>(1,735,797)</u>	<u>(62,998)</u>	<u>(16,999)</u>	<u>(1,815,794)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest Revenue	<u>16,225</u>	<u>1,074</u>	<u>-</u>	<u>17,299</u>
<b>Net Cash From Investing Activities</b>	<u>16,225</u>	<u>1,074</u>	<u>-</u>	<u>17,299</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(812,234)</u>	<u>(45,077)</u>	<u>17,062</u>	<u>(840,249)</u>
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Beginning of Year</b>	<u>1,085,053</u>	<u>451,239</u>	<u>16,801</u>	<u>1,553,093</u>
<b>End of Year</b>	<u>\$ 272,819</u>	<u>\$ 406,162</u>	<u>\$ 33,863</u>	<u>\$ 712,844</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (135,884)	\$ (147,279)	\$ (112,649)	\$ (395,812)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	357,150	70,178	13,458	440,786
Change in Accounts Receivable, Net	(106,056)	(72,390)	(2,311)	(180,757)
Change in Other Liabilities	6,552	-	-	6,552
Change in Inventory	(62,756)	-	28,878	(33,878)
Change in Accounts Payable	436,730	(3,184)	(843)	432,703
Change in Compensated Absences	<u>(2,729)</u>	<u>-</u>	<u>-</u>	<u>(2,729)</u>
<b>Net Cash From Operating Activities</b>	<u>\$ 493,007</u>	<u>\$ (152,675)</u>	<u>\$ (73,467)</u>	<u>\$ 266,865</u>

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

**Town of Limon, Colorado**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

	<b>EMPLOYEES' PENSION TRUST</b>
<b>ASSETS:</b>	
Cash	\$ 14,393
Investments - Stocks, Bonds and Mutual Funds - At Fair Market Value:	
Domestic Stocks	535,689
International Stocks	33,257
Mutual Funds	1,144,159
Money Markets and Other	151,457
 <b>TOTAL ASSETS</b>	 <b>1,878,955</b>
 <b>NET POSITION:</b>	
Restricted for Pension Benefits	1,878,955

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

**Town of Limon, Colorado**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended December 31, 2023**

	<b>EMPLOYEES' PENSION PLAN</b>
<b>ADDITIONS:</b>	
Employee Contribution	\$ 62,121
Employer Contribution	109,837
Interest Income	978
Investment Income, Net of Expenses	202,861
<b>TOTAL ADDITIONS</b>	<b>375,797</b>
<b>DEDUCTIONS:</b>	
Benefit Payments	246,456
Administrative Expenses	6,695
<b>TOTAL DEDUCTIONS</b>	<b>253,151</b>
<b>CHANGE IN PLAN NET POSITION</b>	122,646
<b>PLAN NET POSITION, BEGINNING OF YEAR</b>	1,756,309
<b>PLAN NET POSITION, END OF YEAR</b>	<b>\$ 1,878,955</b>

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

# Town of Limon, Colorado

## Notes to Financial Statements

### December 31, 2023

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## 1. Summary of Significant Accounting Policies

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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, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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

Proprietary Funds – Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges. The Town’s major proprietary funds include the Utility and Ambulance Funds.

Fiduciary Fund – Private-purpose trust funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The Town’s trust fund is the 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. 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.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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**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, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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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, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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- *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, 2023, the Capital Construction fund balance was in a deficit position of \$196,763. This is anticipated to be remedied through additional revenues received in 2024

**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, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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**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 2023 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, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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**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.

**Accounts Receivable**

In the government-wide and fund financial statements, receivables, are reported at their gross value and, when appropriate, are reduced by their estimated portion that is expected to be uncollectible. At December 31, 2023, management has determined an allowance for uncollectible receivables in the following funds, totaling \$162,905, was necessary.

<b>Fund</b>	<b>Amount</b>
Ambulance Service Fund	\$ 156,668
Utility Fund	4,460
General Fund	1,777
Total Allowance for Doubtful Accounts	\$ 162,905

**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 2023 was 19.686.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**1. Summary of Significant Accounting Policies (continued)**

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**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	\$ 39,815
Utility - Treatment supplies, meters and parts	111,761
Airport Fuel Fund - Airplane fuel	<u>9,288</u>
Total Inventories	<u>\$ 160,864</u>

**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, 2023.

**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.

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**2. Cash and Investments**

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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.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**2. Cash and Investments (continued)**

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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, 2023, none of the Town's deposits are deemed to be exposed to custodial credit risk.

The Town's cash deposits at December 31, 2023 was \$8,014,140 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 \$8,014,140 is explained below:

Cash balances and certificates of deposit:

<b>Deposit Type</b>	<b>Bank Balance</b>	<b>Carrying Balance</b>
Insured (FDIC)	\$ 1,000,000	\$ 1,000,000
Collateralized by securities held by the pledging institutions	7,129,221	7,014,140
Total Cash and Cash Equivalents	\$ 8,129,221	\$ 8,014,140

The difference between the bank balance and carrying balance is \$115,081, which were outstanding items that had not cleared the banks as of December 31, 2023.

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;



**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**2. Cash and Investments (continued)**

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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".

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.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**2. Cash and Investments (continued)**

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The Employees' Pension Plan investments at December 31, 2023 are reported at fair market value. The Employees' Pension Plan investments are shown below:

<u>Investment Type</u>	<u>Fair Market Value</u>	<u>Maturity</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Domestic stocks	\$ 535,689	n/a	Not rated	n/a
International stocks	33,257	n/a	Not rated	n/a
Mutual funds	1,144,159	n/a	3-4 Stars	Morningstar
Money market and other	151,457	n/a	Not rated	n/a
Total Investments	<u>\$ 1,864,562</u>			

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	\$ 3,224,469
Restricted Cash	4,775,278
Fiduciary Funds - Cash	14,393
Fiduciary Funds - Investments	<u>1,864,562</u>
Total	<u>\$ 9,878,702</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.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**3. Restricted Assets**

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Restricted assets are for the following purposes:

General Fund – Emergency reserve under Article X, Section 20 of the Colorado Constitution. Accumulation at December 31, 2023 of \$89,893 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, 2023 is \$329,064. Reserves are held in a bank certificate of deposit.

General Fund – recreation bond reserve. Accumulation at December 31, 2023 is \$350,024. Reserves are held in a bank savings account.

General Fund – capital replacement reserve. Accumulation at December 31, 2023 is \$221,637. Reserve is held in bank savings accounts.

General Fund – recreation reserve. Accumulation at December 31, 2023 is \$530,173. Reserve is held in a bank certificates of deposit.

General Fund – library reserve. Accumulation at December 31, 2023 is \$219,319. Reserve is held in a bank certificate of deposit.

General Fund – recreation tax reserve. Accumulation at December 31, 2023 is \$802,623. Reserve is held in a bank certificates of deposit.

Utility Fund – reserve of \$98,055 for operation and maintenance of the water treatment plant. Reserve is held in a bank certificate of deposit.

Utility Fund – American recovery reserve. Accumulation at December 31, 2023 is \$452,929. Reserve is held in bank certificates of deposit.

Utility Fund – funds held as required reserve for 2012 water revenue bonds. Amount held in a bank savings account totals \$309,199 at December 31, 2023.

Utility Fund – reserve for Emergency Reserve and repayment of revenue bonds. Reserves in the amount of \$651,898, as of December 31, 2023 are held in a bank savings account and bank certificates of deposit.

Utility Fund – accumulation of monthly fee from State of Colorado for maintenance of the sewer system serving the Limon Correctional Facility. This fee will be discontinued as of 2031. The amount accumulated of \$18,495, as of December 31, 2023, is in a bank savings account.

Utility Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2023 is \$529,735. Reserve is held in a bank savings account and certificate of deposit.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**3. Restricted Assets (continued)**

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Ambulance Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2023 is \$172,534. Reserve is held in a bank savings account.

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**4. Note Receivable and Special Assessment Receivable**

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

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

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**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**5. Capital Assets**

Capital asset activity for governmental activities for the year was as follows:

	<b>Balance December 31, 2022</b>	<b>Additions</b>	<b>Transfers or Retirements</b>	<b>Balance December 31, 2023</b>
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 1,248,511	\$ -	\$ -	\$ 1,248,511
Construction in Progress	-	202,349	-	202,349
Total non- depreciable assets	<u>1,248,511</u>	<u>202,349</u>	<u>-</u>	<u>1,450,860</u>
Depreciable assets:				
Buildings	8,130,444	222,441	-	8,352,885
Equipment	3,526,691	239,909	(131,812)	3,634,788
Infrastructure	6,905,951	64,330	-	6,970,281
Total depreciable assets	<u>18,563,086</u>	<u>526,680</u>	<u>(131,812)</u>	<u>18,957,954</u>
Total capital assets	<u>19,811,597</u>	<u>729,029</u>	<u>(131,812)</u>	<u>20,408,814</u>
Less accumulated depreciation for:				
Buildings	(1,949,801)	(170,217)	-	(2,120,018)
Equipment	(2,332,992)	(157,111)	98,701	(2,391,402)
Infrastructure	(2,876,007)	(257,905)	-	(3,133,912)
Total accumulated depreciation	<u>(7,158,800)</u>	<u>(585,233)</u>	<u>98,701</u>	<u>(7,645,332)</u>
Depreciable assets, net	<u>11,404,286</u>	<u>(58,553)</u>	<u>(33,111)</u>	<u>11,312,622</u>
Governmental activities assets, net	<u>\$ 12,652,797</u>	<u>\$ 143,796</u>	<u>\$ (33,111)</u>	<u>\$ 12,763,482</u>

*This section intentionally left blank.*

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**5. Capital Assets (continued)**

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

General Government	\$ 42,651
Airport	15,789
Public Safety - Police	33,047
Highways and streets	55,255
Public works- Sanitation	14,930
Public health- Cemetary	5,393
Cultural and recreation	160,263
Infrastructure	<u>257,905</u>
Total Governmental activities depreciation expense	<u>\$ 585,233</u>

Capital asset activity for business-type activities for the year was as follows:

	<b>Balance December 31, 2022</b>	<b>Transfers or Additions</b>	<b>Transfers or Retirements</b>	<b>Balance December 31, 2023</b>
<b>Business-type activities:</b>				
Non-depreciable assets:				
Water rights	\$ 1,048,995	\$ -	\$ -	\$ 1,048,995
Land	241,797	-	-	241,797
Construction in progress	-	729,411	-	729,411
Total non-depreciable assets	<u>1,290,792</u>	<u>729,411</u>	<u>-</u>	<u>2,020,203</u>
Depreciable assets:				
Water system, plant & equipment	9,818,398	47,531	-	9,865,929
Sewer system, plant & equipment	4,856,707	-	-	4,856,707
Golf area facilities & equipment	443,886	16,200	-	460,086
Ambulance building & equipment	1,158,852	66,852	(222,532)	1,003,172
Total depreciable assets	<u>16,277,843</u>	<u>130,583</u>	<u>(222,532)</u>	<u>16,185,894</u>
Total capital assets	<u>17,568,635</u>	<u>859,994</u>	<u>(222,532)</u>	<u>18,206,097</u>
Less accumulated depreciation for:				
Water system, plant & equipment	(6,002,089)	(249,645)	-	(6,251,734)
Sewer system, plant & equipment	(2,651,956)	(107,505)	-	(2,759,461)
Golf area facilities & equipment	(349,741)	(13,458)	-	(363,199)
Ambulance building & equipment	(869,261)	(70,178)	216,532	(722,907)
Total accumulated depreciation	<u>(9,873,047)</u>	<u>(440,786)</u>	<u>216,532</u>	<u>(10,097,301)</u>
Depreciable assets, net	<u>6,404,796</u>	<u>(310,203)</u>	<u>(6,000)</u>	<u>6,088,593</u>
Business-type activities assets, net	<u>\$ 7,695,588</u>	<u>\$ 419,208</u>	<u>\$ (6,000)</u>	<u>\$ 8,108,796</u>

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**5. Capital Assets (continued)**

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Depreciation expense for business-type activities was charged to functions of the Town as follows:

Water	\$ 249,645
Sewer	107,505
Golf Course	13,458
Ambulance	<u>70,178</u>
Total business-type activities depreciation expense	<u><u>\$ 440,786</u></u>

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**6. Retirement Plan**

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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, 2023**

**6. Retirement Plan (continued)**

Membership in the Plan consisted of the following at January 1, 2023, the date of the latest actuarial valuation:

Terminated plan members entitled to, but not yet receiving benefits	2
Active Plan Members	<u>24</u>
Total	26

Plan members are required to contribute 4% of monthly salary up to \$550 and 6% of monthly salary over \$550. The Town is required to contribute at an actuarially determined rate. Actual employer contributions for the year ended December 31, 2023, were \$109,837 and covered payroll was \$979,441.

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, 2023, 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 below:

For Expenses (BOY): GATT mortality

For Obligation (EOY): GATT mortality

Pre-retirement deaths do not significantly impact liabilities as the death benefit equals the present value of the accrued benefit. Therefore, no pre-retirement mortality is assumed. As it is assumed that participants will take a lump sum benefit when there is a distributable event, GATT mortality which is used to determine the lump value of a participants benefit was selected for valuation purposes



**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**6. Retirement Plan (continued)**

Generally, the 30-year treasury rates have ranged from 3.0% to 4.0% over the last 10 years. The mid-point on this range was selected for post-retirement purposes. Furthermore, it was assumed that the Employer would make contributions compliant with an actuarially determined schedule such that the Plan's net fiduciary position was projected to be available to make all projected future benefit payments for current plan members.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return*</b>
Equities	60%	9.0%-11.0%
Fixed income	35%	3.5%-4.5%
Cash	5%	0.5%-1.5%
Total	<u>100%</u>	

\* based on fifteen year historical returns developed by Callan.

The discount rate used is equal to the long-term rate of return on investments of 7.00%. GASB 67 allows use of the long-term rate as long as plan assets projected assuming future contributions consistent with the most recent five years are sufficient to pay all expected plan benefits.

Changes in Town's Net Pension Liability

Changes in the Town's net pension liability for the year ended December 31, 2023 was calculated as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	[a]	[b]	[a] – [b]
Balance, December 31, 2022	\$ 2,476,740	\$ 1,705,754	\$ 770,986
Changes for the year:			
Service cost	80,130	-	80,130
Interest	164,746	-	164,746
Difference between expected and actual experience	77,076	-	77,076
Net investment income (loss)	-	109,837	(109,837)
Contributions – employee	-	62,121	(62,121)
Contributions – employer	-	195,486	(195,486)
Benefit payments	(246,456)	(246,456)	-
Administrative expense	-	(6,695)	6,695
Net changes	<u>75,496</u>	<u>114,293</u>	<u>(38,797)</u>
Balance, December 31, 2023	<u>\$ 2,552,236</u>	<u>\$ 1,820,047</u>	<u>\$ 732,189</u>

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**6. Retirement Plan (continued)**

Plan Fiduciary Net Position differs slightly from the presentation on page 10 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:

	<u>Discount Rate</u>	<u>Net pension liability</u>
1 % decrease	6.0%	845,971
Current discount rate	7.0%	732,189
1% increase	8.0%	628,407

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

For the year ended December 31, 2023, the Town recognized pension expense of \$119,298. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 222,367	\$ (88,935)
Changes of assumptions	115,706	(4,607)
Net difference between projected and actual earnings on Plan investments	238,627	(96,702)
Total	\$ 576,700	\$ (190,244)

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

<b>Year Ending December 31,</b>		
2024	\$	75,552
2025		84,129
2026		96,620
2027		17,077
2025		36,434
Thereafter		76,644

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**7. Contingency—Constitutional Amendment**

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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 \$89,893 within the General Fund and \$651,598 within the Utility Fund for the emergency reserve under the TABOR amendment.

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.

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**8. Long-Term Debt**

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**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, 2023 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 2023 a principal payment of \$140,000 was made. Additionally, interest payments totaling \$214,550 were made.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Long-Term Debt (continued)**

Annual debt service requirements are as follows:

	Principal	Interest	Total
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	170,000	187,000	357,000
2029-2033	955,000	827,600	1,782,600
2034-2038	1,160,000	620,600	1,780,600
2039-2043	1,405,000	370,000	1,775,000
2044-2046	985,000	79,800	1,064,800
	\$ 5,305,000	\$2,885,600	\$ 8,190,600

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

During 2023 a principal payment of \$290,000 was made. Additionally, interest payments totaling \$35,850 were made, which are included as a direct expense under Water in the Statement of Activities.

Annual debt service requirements are as follows:

	Principal	Interest	Total
2024	\$ 295,000	\$ 27,150	\$ 322,150
2025	610,000	18,300	628,300
	\$ 905,000	\$ 45,450	\$ 950,450

**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 2023, total principal payments of \$64,458. Additionally, total interest payments of \$12,173 were made.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Long-Term Debt (continued)**

Annual debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 374,310</u>	<u>\$ 31,358</u>	<u>\$ 405,668</u>

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

Total changes in Long-Term Liabilities during 2023 are as follows:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
2021 Sales Tax Bond	\$ 5,445,000	\$ -	\$ (140,000)	\$ 5,305,000	\$ 150,000
2021 Bond Premium	930,918	-	(38,788)	892,130	38,788
	<u>6,375,918</u>	-	<u>(178,788)</u>	<u>6,197,130</u>	<u>188,788</u>
Loans payable:					
Lease-Purchase	250,156	-	(34,787)	215,369	37,340
	<u>250,156</u>	-	<u>(34,787)</u>	<u>215,369</u>	<u>37,340</u>
Business-type activities:					
Bonds payable:					
2012 Water Revenue	1,195,000	-	(290,000)	905,000	295,000
2012 Bond Premium	15,418	-	(5,285)	10,133	5,286
	<u>1,210,418</u>	-	<u>(295,285)</u>	<u>915,133</u>	<u>300,286</u>
Loans payable:					
Lease-Purchase	184,611	-	(25,670)	158,941	27,554
Colorado Maintenance Fee	17,019	1,476	-	18,495	-
	<u>201,630</u>	<u>1,476</u>	<u>(25,670)</u>	<u>177,436</u>	<u>27,554</u>
Total long-term liabilities	<u>\$ 8,038,122</u>	<u>\$ 1,476</u>	<u>\$ (534,530)</u>	<u>\$ 7,505,068</u>	<u>\$ 553,968</u>

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**8. Long-Term Debt (continued)**

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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, 2023:

Actual property value (taxable)	\$ 179,578,422
Multiplier of 3%	3%
	5,387,353
General Obligation Bonds issued other than for Water & Sewer purposes, which are specifically exempted for the limitation	-
Available debt margin	\$ 5,387,353

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

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**9. Risk Management**

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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 2023 the Town paid \$119,538 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, 2023**

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**9. Risk Management (continued)**

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**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 2023 the Town paid \$100,510 for workers compensation coverage, which is included in the operating expense of the general and enterprise funds.

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**10. Interfund Transactions**

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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.	\$ (39,623)
Transfer from General Fund to Golf Course Fund for general purposes.	(63,500)
Transfer from Conservation Trust Fund to General Fund for general operations.	<u>(16,200)</u>
Total Interfund transfers, net	<u>\$ (119,323)</u>

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**11. Employee Agreements**

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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, 2023, two of these individuals continue to be employed by the Town.

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**12. Water Rights Lease**

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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.

**Town of Limon, Colorado**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**12. Water Rights Lease (continued)**

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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**

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**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, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 2,956,623	\$ 2,956,623	\$ 3,000,884	\$ 44,261
Fines, Licenses and Permits	72,000	72,000	70,994	(1,006)
Intergovernmental - Local	244,546	244,546	386,252	141,706
Intergovernmental - Federal	11,965	11,965	11,571	(394)
Charges for Services	483,117	483,117	496,431	13,314
Interest	24,045	24,045	101,919	77,874
Donations and Grants	278,695	278,695	266,472	(12,223)
Insurance Claims	-	-	64,621	64,621
Miscellaneous	37,806	37,806	76,902	39,096
<b>TOTAL REVENUES</b>	<u>4,108,797</u>	<u>4,108,797</u>	<u>4,476,046</u>	<u>367,249</u>
<b>EXPENDITURES</b>				
General Government	982,639	982,639	526,564	456,075
Airport	12,380	12,380	16,245	(3,865)
Public Works - Streets	734,567	734,567	780,036	(45,469)
Public Works - Sanitation	319,589	319,589	321,784	(2,195)
Public Safety	692,559	692,559	695,147	(2,588)
Public Health - Cemetery	81,152	81,152	86,470	(5,318)
Culture and Recreation	518,682	518,682	733,279	(214,597)
Capital Outlay	603,900	603,900	492,819	111,081
Debt Service:				
Principal	154,737	154,737	174,787	(20,050)
Interest	231,229	231,229	221,555	9,674
<b>TOTAL EXPENDITURES</b>	<u>4,331,434</u>	<u>4,331,434</u>	<u>4,048,686</u>	<u>282,748</u>
<b>EXCESS OF REVENUES OVER</b>				
<b>(UNDER) EXPENDITURES</b>	(222,637)	(222,637)	427,360	649,997
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers (Out)	(187,533)	(187,533)	(103,123)	84,410
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (410,170)</u>	<u>\$ (410,170)</u>	324,237	<u>\$ 734,407</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>4,829,141</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 5,153,378</u>	

**Town of Limon, Colorado**  
**Schedule of Contributions - Pension**  
**Last 10 Years**  
**For the Year Ended December 31, 2023**

<b>Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as % of Covered Payroll</b>
2023	\$109,837	\$171,958	\$56,540	\$979,441	17.56%
2022	100,000	156,540	61,839	1,022,748	15.31%
2021	100,000	161,839	61,839	1,061,341	15.25%
2020	95,000	150,880	55,880	948,015	15.92%
2019	100,000	151,630	51,630	849,627	17.85%
2018	65,000	119,092	54,092	931,032	12.79%
2017	55,000	108,947	53,947	958,901	11.36%
2016	89,000	111,525	22,525	821,334	13.58%
2015	94,774	107,431	12,657	954,434	11.26%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Town of Limon, Colorado**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**  
**For the Year Ended December 31, 2023**

Year ended December 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>									
Service Cost	\$ 80,130	\$ 88,990	\$ 93,084	\$ 77,664	\$ 70,599	\$ 66,538	\$ 70,102	\$ 60,605	\$ 71,522
Interest	164,746	166,558	152,289	144,553	153,466	160,742	156,002	147,499	134,358
Difference between Expected and Actual Experience	77,076	(77,590)	43,969	110,237	46,305	(23,335)	31,136	(41,684)	8,370
Benefit Payments	(246,456)	(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
<b>Net Change in Total Pension Liability</b>	<u>\$75,496</u>	<u>\$16,712</u>	<u>\$279,597</u>	<u>(\$101,704)</u>	<u>(\$90,846)</u>	<u>(\$175,847)</u>	<u>\$289,814</u>	<u>\$150,892</u>	<u>\$128,885</u>
<b>Total Pension Liability - Beginning</b>	2,476,740	2,460,028	2,180,431	2,282,135	2,372,981	2,548,828	2,259,014	2,108,122	1,979,237
<b>Total Pension Liability - Ending (a)</b>	2,552,236	2,476,740	2,460,028	2,180,431	2,282,135	2,372,981	2,548,828	2,259,014	2,108,122
<b>Plan Fiduciary Net Position</b>									
Employer Contributions	\$ 109,837	\$ 100,000	\$ 100,000	\$ 95,000	\$ 100,000	\$ 64,898	\$ 56,516	\$ 60,646	\$ 55,125
Employee Contributions	62,121	56,540	61,839	55,880	51,630	54,194	52,431	50,879	52,306
Net Investment Income	195,486	(259,699)	183,002	157,450	259,783	(75,017)	283,544	105,379	(27,819)
Benefit Payments	(246,456)	(161,246)	(9,745)	(434,158)	(361,216)	(505,016)	(60,833)	(2,009)	(119,679)
Administrative Expenses	(6,695)	(7,637)	(6,536)	(6,450)	(6,557)	(7,460)	(6,570)	(8,630)	(250)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>\$ 114,293</u>	<u>\$ (272,042)</u>	<u>\$ 328,560</u>	<u>\$ (132,278)</u>	<u>\$ 43,640</u>	<u>\$ (468,401)</u>	<u>\$ 325,088</u>	<u>\$ 206,265</u>	<u>\$ (40,317)</u>
<b>Plan Fiduciary Net Position - Beginning</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	1,715,240
<b>Plan Fiduciary Net Position - Ending (b)</b>	1,820,048	1,705,755	1,977,797	1,649,237	1,781,515	1,737,875	2,206,276	1,881,188	1,674,923
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>732,188</u>	<u>770,985</u>	<u>482,231</u>	<u>531,194</u>	<u>500,620</u>	<u>635,106</u>	<u>342,552</u>	<u>377,826</u>	<u>433,199</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	71.3%	68.9%	80.4%	75.6%	78.1%	73.2%	86.6%	83.3%	79.5%
<b>Covered Payroll</b>	979,441	1,022,748	1,061,341	948,015	849,627	931,032	958,901	821,334	954,434
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	74.8%	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 ten years. Additional years will be displayed as they become available.

**Town of Limon, Colorado**

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**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, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Intergovernmental - Federal	\$ 770,320	\$ 770,320	\$ 843,169	\$ 72,849
Supplemental Appropriation	-	72,849	-	(72,849)
<b>Total Revenues</b>	<u>770,320</u>	<u>843,169</u>	<u>843,169</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Head Start Program	770,320	770,320	843,169	(72,849)
Supplemental Appropriation	-	72,849	-	72,849
<b>Total Expenditures</b>	<u>770,320</u>	<u>843,169</u>	<u>843,169</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>-</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

# Town of Limon, Colorado

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2023

	<b>CONSERVATION TRUST FUND</b>	<b>CEMETERY PERPETUAL CARE</b>	<b>CAPITAL CONSTRUCTION FUND</b>	<b>TOTALS</b>
<b>ASSETS:</b>				
Cash	\$ 93,199	\$ 18,463	\$ -	\$ 111,662
Accounts Receivable	-	200	-	200
<b>TOTAL ASSETS</b>	<b>\$ 93,199</b>	<b>\$ 18,663</b>	<b>\$ -</b>	<b>\$ 111,862</b>
 <b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Pooled Cash Overdraft	\$ -	\$ -	\$ 132,410	\$ 132,410
Accounts Payable	-	-	64,353	64,353
<b>TOTAL LIABILITIES</b>	-	-	196,763	196,763
 <b>FUND BALANCES:</b>				
Restricted	93,199	-	-	93,199
Assigned-Designated for Subsequent Year	-	18,663	-	18,663
Unassigned	-	-	(196,763)	(196,763)
<b>TOTAL FUND BALANCES</b>	<b>93,199</b>	<b>18,663</b>	<b>(196,763)</b>	<b>(84,901)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 93,199</b>	<b>\$ 18,663</b>	<b>\$ -</b>	<b>\$ 111,862</b>

**Town of Limon, Colorado**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2023**

	<b>CONSERVATION TRUST FUND</b>	<b>CEMETERY PERPETUAL CARE</b>	<b>CAPITAL CONSTRUCTION FUND</b>	<b>TOTALS</b>
<b>REVENUES:</b>				
Interest	\$ 22	\$ -	\$ -	\$ 22
Intergovernmental - Local	28,558	-	-	28,558
Intergovernmental - Federal	-	-	60,933	60,933
Perpetual Care	-	1,400	-	1,400
<b>TOTAL REVENUES</b>	<u>28,580</u>	<u>1,400</u>	<u>60,933</u>	<u>90,913</u>
<b>EXPENDITURES:</b>				
Capital Outlay	-	-	236,210	236,210
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>236,210</u>	<u>236,210</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	28,580	1,400	(175,277)	(145,297)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In (Out)	<u>(16,200)</u>	<u>-</u>	<u>-</u>	<u>(16,200)</u>
<b>NET CHANGE IN FUND BALANCE</b>	12,380	1,400	(175,277)	(161,497)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>80,819</u>	<u>17,263</u>	<u>(21,486)</u>	<u>76,596</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 93,199</u>	<u>\$ 18,663</u>	<u>\$ (196,763)</u>	<u>\$ (84,901)</u>



**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, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Intergovernmental - State	\$ 20,000	\$ 20,000	\$ 28,558	\$ 8,558
Interest	3	3	22	19
Supplmental Appropriation	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Total Revenues</b>	<u>20,003</u>	<u>21,003</u>	<u>28,580</u>	<u>8,577</u>
<b>EXPENDITURES:</b>				
Improvements	15,500	15,500	-	15,500
Supplmental Appropriation	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Total Expenditures</b>	<u>15,500</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,503	4,503	28,580	25,077
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers (Out)	<u>(15,500)</u>	<u>(15,500)</u>	<u>(16,200)</u>	<u>(700)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (10,997)</u>	<u>\$ (10,997)</u>	12,380	<u>\$ 24,377</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>80,819</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 93,199</u>	

**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, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>REVENUES:</b>				
Perpetual Care	\$ 1,600	\$ 1,600	\$ 1,400	\$ (200)
<b>Total Revenues</b>	<u>1,600</u>	<u>1,600</u>	<u>1,400</u>	<u>(200)</u>
<b>EXPENDITURES:</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,600</u>	<u>\$ 1,600</u>	1,400	<u>\$ (200)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>17,263</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 18,663</u>	

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**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, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental - Federal	\$ -	\$ -	\$ 60,933	\$ 60,933
Intergovernmental - Local	3,470,000	3,470,000	-	(3,470,000)
<b>TOTAL REVENUES</b>	<u>3,470,000</u>	<u>3,470,000</u>	<u>60,933</u>	<u>(3,409,067)</u>
<b>EXPENDITURES</b>				
Airport	-	-	33,860	(33,860)
Sidewalk Project	3,550,000	3,550,000	202,350	3,347,650
<b>TOTAL EXPENDITURES</b>	<u>3,550,000</u>	<u>3,550,000</u>	<u>236,210</u>	<u>3,313,790</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(80,000)	(80,000)	(175,277)	(95,277)
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Transfers In	80,000	80,000	-	(80,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	(175,277)	<u>\$ (175,277)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			(21,486)	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ (196,763)</u>	

**Town of Limon, Colorado**  
**Utility Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2023**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>OPERATING REVENUES:</b>				
Sales	\$ 1,293,471	\$ 1,293,471	\$ 1,137,092	\$ (156,379)
Other User Charges	7,900	7,900	10,154	2,254
Miscellaneous	1,000	1,000	4,237	3,237
Interest	4,467	4,467	34,561	30,094
Note Principal - Frasier	27,455	27,455	26,388	(1,067)
DOC Maintenance	1,332	1,332	-	(1,332)
DOC Maintenance Expenses from Restricted Account	1,000	1,000	-	(1,000)
Tap Fees	23,000	23,000	18,152	(4,848)
Intergovernmental-Federal	272,340	272,340	406,344	134,004
Intergovernmental-Local	65,090	65,090	7,987	(57,103)
Supplemental Appropriation	-	150,000	-	(150,000)
<b>Total Operating Revenues</b>	<u>1,697,055</u>	<u>1,847,055</u>	<u>1,644,915</u>	<u>(202,140)</u>
<b>OPERATING EXPENSES:</b>				
Operating Expenses (other than depreciation and amortization)	1,544,439	1,544,439	930,217	614,222
Interest Expense	40,700	40,700	51,131	(10,431)
Debt Principal	314,086	314,086	320,670	(6,584)
Capital Expenditures	4,700	4,700	776,943	(772,243)
DOC Maintenance Revenue to Restricted Account	2,332	2,332	-	2,332
System Maintenance Paid from CO Reserve Account	35,000	35,000	-	35,000
Supplemental Appropriation	-	150,000	-	150,000
<b>Total Operating Expenses</b>	<u>1,941,257</u>	<u>2,091,257</u>	<u>2,078,961</u>	<u>12,296</u>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<u>\$ (244,202)</u>	<u>\$ (244,202)</u>	<u>(434,046)</u>	<u>\$ (189,844)</u>
<b>RECONCILIATION FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Principal Payments			320,670	
Capital Outlay			776,943	
Principal Portion of Note Receivable			(26,388)	
Depreciation and Amortization			<u>(357,150)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			280,029	
<b>NET POSITION - BEGINNING OF YEAR</b>			<u>8,464,542</u>	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 8,744,571</u>	

**Town of Limon, Colorado**  
**Ambulance Service Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>OPERATING REVENUES:</b>	<b>ORIGINAL</b>	<b>FINAL</b>		
Sales, Net Contractual Adjustments and Bad Debts	\$ 401,000	\$ 401,000	\$ 340,882	\$ (60,118)
Interest	5	5	1,074	1,069
Donations and Grants	37,060	37,060	40,879	3,819
Intergovernmental - Local	101,200	101,200	89,020	(12,180)
Miscellaneous	5,000	5,000	59,670	54,670
Transfer From Other Funds	39,623	39,623	39,623	-
<b>Total Operating Revenues</b>	583,888	583,888	571,148	(12,740)
 <b>OPERATING EXPENSES:</b>				
Operating				
Salaries and Benefits	323,122	323,122	342,832	(19,710)
Maintenance	28,400	28,400	12,683	15,717
Insurance	8,200	8,200	8,100	100
Utilities	7,300	7,300	5,612	1,688
Other Expenses	206,930	206,930	108,426	98,504
Principal Payment	919	919	919	-
Interest Expense	185	185	185	-
<b>Total Operating Expenses</b>	575,056	575,056	478,757	96,299
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	\$ 8,832	\$ 8,832	\$ 92,391	\$ 83,559
 <b>RECONCILIATION FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Principal Payments			919	
Capital Outlay			-	
Depreciation			(70,178)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			23,132	
<b>NET POSITION, BEGINNING OF YEAR</b>			1,023,853	
<b>NET POSITION, END OF YEAR</b>			\$ 1,046,985	

**Town of Limon, Colorado**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**December 31, 2023**

	<u>GOLF COURSE FUND</u>	<u>AIRPORT FUEL FUND</u>	<u>TOTALS</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 1,398	\$ 32,465	\$ 33,863
Inventories	-	9,288	9,288
Accounts Receivable	3,000	-	3,000
<b>Total Current Assets</b>	<u>4,398</u>	<u>41,753</u>	<u>46,151</u>
<b>Non-Current Assets:</b>			
Capital Assets, not Being Depreciated	9,321	-	9,321
Capital Assets, Net of Accumulated Depreciation	96,887	-	96,887
<b>Total Non-Current Assets</b>	<u>106,208</u>	<u>-</u>	<u>106,208</u>
<b>TOTAL ASSETS</b>	<u>110,606</u>	<u>41,753</u>	<u>152,359</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Current Portion of Long-Term Debt	\$ 714	\$ -	\$ 714
Accounts Payable	1,166	1,879	3,045
<b>Total Current Liabilities</b>	<u>1,880</u>	<u>1,879</u>	<u>3,759</u>
<b>Non-Current Liabilities:</b>			
Long-Term Debt - Net of Current Portion	3,374	-	3,374
<b>Total Non-Current Liabilities</b>	<u>3,374</u>	<u>-</u>	<u>3,374</u>
<b>TOTAL LIABILITIES</b>	<u>5,254</u>	<u>1,879</u>	<u>7,133</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	106,208	-	106,208
Unrestricted	(856)	39,874	39,018
<b>TOTAL NET POSITION</b>	<u>105,352</u>	<u>39,874</u>	<u>145,226</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 110,606</u>	<u>\$ 41,753</u>	<u>\$ 152,359</u>

**Town of Limon, Colorado**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Fund Net Position**  
**For the Year Ended December 31, 2023**

	<b>GOLF COURSE FUND</b>	<b>AIRPORT FUEL FUND</b>	<b>TOTALS</b>
<b>OPERATING REVENUES</b>			
Sales	\$ 154,651	\$ 40,020	\$ 194,671
Other User Charges	1,760	-	1,760
Miscellaneous	8,646	40	8,686
<b>Total Operating Revenues</b>	<u>165,057</u>	<u>40,060</u>	<u>205,117</u>
<b>OPERATING EXPENSES</b>			
Cost of Resale Items	11,998	28,878	40,876
Maintenance	25,107	8,546	33,653
Insurance	4,700	3,286	7,986
Utilities	22,463	-	22,463
Testing	-	4,595	4,595
Salaries and Benefits	156,365	-	156,365
Other Expenses	37,472	898	38,370
Depreciation	13,458	-	13,458
<b>Total Operating Expenses</b>	<u>271,563</u>	<u>46,203</u>	<u>317,766</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(106,506)</u>	<u>(6,143)</u>	<u>(112,649)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Donations	16,919	-	16,919
Insurance Proceeds	10,909	-	10,909
Interest Expense	(134)	-	(134)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>27,694</u>	<u>-</u>	<u>27,694</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(78,812)</u>	<u>(6,143)</u>	<u>(84,955)</u>
Transfers In (Out)	79,700	-	79,700
<b>CHANGE IN NET POSITION</b>	<u>888</u>	<u>(6,143)</u>	<u>(5,255)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>104,464</u>	<u>46,017</u>	<u>150,481</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 105,352</u>	<u>\$ 39,874</u>	<u>\$ 145,226</u>

**Town of Limon, Colorado**  
**Airport Fuel Fund**  
**Schedule of Revenues, Expenses**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(NEGATIVE)</b>
<b>OPERATING REVENUES:</b>				
Sales	\$ 53,000	\$ 53,000	\$ 40,020	\$ (12,980)
Miscellaneous	1,200	1,200	40	(1,160)
Supplemental Appropriation	-	4,000	-	(4,000)
<b>Total Operating Revenues</b>	<b>54,200</b>	<b>58,200</b>	<b>40,060</b>	<b>(18,140)</b>
<b>OPERATING EXPENSES:</b>				
Operating Expenses	44,646	44,646	46,203	(1,557)
Supplemental Appropriation	-	4,000	-	4,000
<b>Total Operating Expenses</b>	<b>44,646</b>	<b>48,646</b>	<b>46,203</b>	<b>2,443</b>
<b>CHANGE IN NET POSITION- GAAP BASIS</b>	<b>\$ 9,554</b>	<b>\$ 9,554</b>	<b>(6,143)</b>	<b>\$ (15,697)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>			<b>46,017</b>	
<b>NET POSITION, END OF YEAR</b>			<b>\$ 39,874</b>	



**And Changes in Net Position—Budget and Actual  
For the Year Ended December 31, 2023**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
<b>OPERATING REVENUES:</b>				
Sales	\$ 141,900	\$ 141,900	\$ 154,651	\$ 12,751
Other User Charges	600	600	1,760	1,160
Interest	-	-	-	-
Donations	16,950	16,950	16,919	(31)
Insurance Proceeds	-	-	10,909	10,909
Miscellaneous	5,000	5,000	8,646	3,646
Transfers from Other Funds	67,910	67,910	79,700	11,790
Supplemental Appropriation	-	50,000	-	(50,000)
<b>Total Operating Revenues</b>	<b>232,360</b>	<b>282,360</b>	<b>272,585</b>	<b>(9,775)</b>
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	133,336	133,336	156,365	(23,029)
Cost of Resale Items	12,000	12,000	11,998	2
Maintenance	24,875	24,875	25,107	(232)
Insurance	6,700	6,700	4,700	2,000
Utilities	23,600	23,600	22,463	1,137
Other Expenses	28,910	28,910	37,472	(8,562)
Capital Expenditures	-	-	16,200	(16,200)
Principal Payments	665	665	665	-
Interest Expense	134	134	134	-
Supplemental Appropriation	-	50,000	-	50,000
<b>Total Operating Expenses</b>	<b>230,220</b>	<b>280,220</b>	<b>275,104</b>	<b>5,116</b>
<b>CHANGE IN NET POSITION, BUDGETARY BASIS</b>	<b>\$ 2,140</b>	<b>\$ 2,140</b>	<b>\$ (2,519)</b>	<b>\$ (4,659)</b>
<b>RECONCILIATION FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Principal payments			665	
Depreciation and Amortization			(13,458)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			888	
<b>NET POSITION, BEGINNING OF YEAR</b>			104,464	
<b>NET POSITION, END OF YEAR</b>			<b>\$ 105,352</b>	

**Town of Limon, Colorado**  
**Employees' Pension Fund**  
**Schedule of Changes in Fiduciary Net Position- Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>ADDITIONS:</b>				
Employee Contribution	\$ 60,000	\$ 60,000	\$ 62,121	\$ 2,121
Employer Contribution	109,836	109,836	109,837	1
Interest Income	150	150	978	828
Investment Income, net of expenses	175,000	175,000	202,861	27,861
Supplemental Appropriations	<u>-</u>	<u>265,000</u>	<u>-</u>	<u>(265,000)</u>
<b>Total Additions</b>	<u>344,986</u>	<u>609,986</u>	<u>375,797</u>	<u>(234,189)</u>
<b>DEDUCTIONS:</b>				
Benefit Payments	3,137	3,137	246,456	(243,319)
Administrative Expenses	7,711	7,711	6,695	1,016
Supplemental Appropriations	<u>-</u>	<u>265,000</u>	<u>-</u>	<u>265,000</u>
<b>Total Deductions</b>	<u>10,848</u>	<u>275,848</u>	<u>253,151</u>	<u>22,697</u>
<b>CHANGE IN PLAN NET POSITION</b>	<u>\$ 334,138</u>	<u>\$ 334,138</u>	122,646	<u>\$ (211,492)</u>
<b>PLAN NET POSITION, BEGINNING OF YEAR</b>			<u>1,756,309</u>	
<b>PLAN NET POSITION, END OF YEAR</b>			<u>\$ 1,878,955</u>	

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>LIMON</b> <b>COLORADO</b>
This Information From The Records Of (example - City of _ or County of _): <b>TOWN OF LIMON</b>		Prepared By: <b>David Copsey, CPA For Town of Limon</b> <b>303-734-4800</b>
		YEAR ENDING : <b>December 2023</b>

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	30,470
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	611,092
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	38,285
2. General fund appropriations	345,360	b. Snow and ice removal	12,682
3. Other local imposts (from page 2)	544,346	c. Other	99,857
4. Miscellaneous local receipts (from page 2)	165,400	d. Total (a. through c.)	150,824
5. Transfers from toll facilities		4. General administration & miscellaneous	35,283
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	376,988
a. Bonds - Original Issues		6. Total (1 through 5)	1,204,657
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,055,106	b. Redemption	0
<b>B. Private Contributions</b>	26,933	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	130,535	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	1,327
<b>E. Total receipts (A.7 + B + C + D)</b>	1,212,574	b. Redemption	6,590
		c. Total (a. + b.)	7,917
		3. Total (1.c + 2.c)	7,917
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,212,574

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

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	0		0	0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	47,389		6,590	40,799

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,212,574	1,212,574	0	0

**Notes and Comments:**

Other Road and Street Services is Street Lighting (Other than for traffic light) of \$55,826 and new lighting under the Safer Streets Program for \$44,031

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
 December 2023

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	132,077	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	31,628
1. Sales Taxes	200,335	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	211,934	g. Other Misc. 1 Gravel and Crushed Concrete	6,891
6. Total (1. through 5.)	412,269	h. Other Franchise fees	126,881
c. Total (a. + b.)	544,346	i. Total (a. through h.)	165,400
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	80,101	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	12,450	d. Federal Transit Admin	
d. Other -Safer Street Lighting	37,984	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	50,434	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	130,535	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)
<b>A.1. Capital outlay:</b>			
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	30,470	30,470
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	30,470	30,470
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	30,470	30,470
			(Carry forward to page 1)

Notes and Comments:



1221 W. Mineral Avenue, Suite 202  
Littleton, CO 80120

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 303-795-3356

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**INDEPENDENT AUDITORS' 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, 2023, 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 July 25, 2024.

**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.

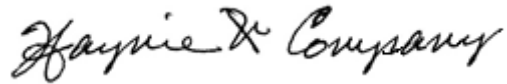
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

July 25, 2024



1221 W. Mineral Avenue, Suite 202  
Littleton, CO 80120

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## **INDEPENDENT AUDITORS' 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, 2023. 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, 2023.

#### ***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.

#### ***Auditors' 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.

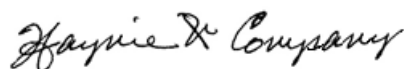
#### **Report on Internal Control over Compliance**

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

July 25, 2024



**Town of Limon, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM</b>	<b>FEDERAL ALN</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
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		\$ 843,169
Total Department of Health and Human Services			<u>843,169</u>
Department of Transportation			
Pass-through program from:			
Colorado Department of Transportation			
Public Transportation Innovation	20.530		11,571
Total Department of Transportation			<u>11,571</u>
Department of Interior			
Pass-through program from:			
Department of Local Affairs			
Energy & Mineral Impact Assistance Program	15.437		272,340
Total National Endowment for the Humanities Grants to States			<u>272,340</u>
Total Expenditures of Federal Awards			<u>\$ 1,127,080</u>

# Town of Limon, Colorado

## Supplemental Information

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### Schedule of Findings and Questioned Costs for the Year Ended December 31, 2023

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#### 1. Summary of Auditor's Results

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

#### 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