

**Town of Limon, Colorado**

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**Financial Statements  
and Independent Auditor's Report**

**December 31, 2022 and 2021**



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## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

### **Required Supplementary Information**

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

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

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

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

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

**FINANCIAL HIGHLIGHTS**

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

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

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

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

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

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

The Town has two kinds of funds:

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

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

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

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

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

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

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

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

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

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

**REQUESTS FOR INFORMATION**

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

**Town of Limon, Colorado**  
**Statement of Net Position**  
**December 31, 2022**

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

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



**NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION**

**PRIMARY GOVERNMENT**

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

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

**Town of Limon, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**December 31, 2022**

Total Fund Balances - Total Governmental Funds \$ 4,905,737

The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.

Governmental Capital assets	19,811,597
Accumulated Depreciation	(7,158,800)
Deferred Outflows Related to Pension	625,719

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

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

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

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

**Net Position of Governmental Activities \$ 10,645,628**

**Town of Limon, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds	\$ (3,972,587)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays of \$5,589,404 were more than depreciation of \$476,596 in the current year.	5,112,808
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	152,376
This is the current-period increase in the liability for compensated absences	1,393
Certain revenues in the governmental funds that provide current financial resources, but have not been included in the statement of activities.	
Special assessment revenue	(21,317)
Bond proceeds and premiums	38,788
Pension expense does not use current financial resources and is not included in fund financial statements. Current-year pension contributions are reported as deferred outflows.	(166,984)
	<u>100,000</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 1,244,477</u></b>

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

**Town of Limon, Colorado**  
**Proprietary Funds**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Net Position**  
**For the Year Ended December 31, 2022**

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

**Town of Limon, Colorado**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**

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

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

**Town of Limon, Colorado**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2022**

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

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

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

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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.

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

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

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

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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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, 2022**

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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 2022 the Board of Trustees budgeted all funds and appropriated spending limits by fund. Therefore, the comparisons of actual and budget amounts relating to legal requirements shown in the financial statements is based on “total expenditures” plus “operating transfers to other funds” in the various fund types. All appropriations lapse at year end.

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

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

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**Compensated Absences**

By ordinance, the Town's policy regarding vacation time is to not let it accumulate beyond one year, although some exceptions are made upon approval of management. Any unused vacation time is paid upon termination. Also, by ordinance, any employee accumulating sick leave beyond 60 days shall continue to accrue sick leave at the rate of one-half day per month and shall have the additional leave added to vacation leave for the following year. The liability for vacation pay included in these financial statements includes such sick leave accrued to December 31, 2022.

**Compliance with Colorado Contraband Forfeiture Act**

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

**Bond Discounts and Issuance Costs**

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

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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. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2022, none of the Town's deposits are deemed to be exposed to custodial credit risk.

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

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

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

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

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

The Employees' Pension Plan investments at December 31, 2022 are reported at fair market value. The Employees' Pension Plan investments are shown below:

	Fair Market Value	Maturity	Credit Rating	Rating Agency
Stocks, bonds and mutual funds:				
Domestic Stocks	\$ 334,594	n/a	Not Rated	n/a
International Stocks	25,974	n/a	Not Rated	n/a
Mutual Funds	1,274,512	n/a	3-4 Stars	Morningstar
Money Market and Other	<u>101,078</u>	n/a	Not Rated	n/a
Total Investments	<u>\$ 1,736,158</u>			

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

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**3. Restricted Assets (continued)**

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

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

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

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

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

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

Utility Fund – accumulation of monthly fee from State of Colorado for maintenance of the sewer system serving the Limon Correctional Facility. This fee will be discontinued as of 2031. The amount accumulated of \$17,019, as of December 31, 2022, is in a bank savings account.

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

Ambulance Fund – equipment maintenance and replacement reserve. Accumulation at December 31, 2022 is \$171,491. Reserve is held in a bank savings account.

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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.

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

**5. Capital Assets (continued)**

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

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

	Balance December 31, 2021	Additions	Conveyances or Retirements	Balance December 31, 2022
Business-type activities:				
Non-depreciable assets:				
Water rights	\$ 1,048,995	\$ -	\$ -	\$ 1,048,995
Land	241,797	-	-	241,797
Construction in progress	-	-	-	-
Total non-depreciable assets	<u>1,290,792</u>	<u>-</u>	<u>-</u>	<u>1,290,792</u>
Depreciable assets:				
Water system, plant & equipment	9,760,891	57,507	-	9,818,398
Sewer system, plant & equipment	4,856,707	-	-	4,856,707
Golf area facilities & equipment	443,886	-	-	443,886
Ambulance building & equipment	1,297,433	-	(138,581)	1,158,852
Total depreciable assets	<u>16,358,917</u>	<u>57,507</u>	<u>(138,581)</u>	<u>16,277,843</u>
Total capital assets	<u>17,649,709</u>	<u>57,507</u>	<u>(138,581)</u>	<u>17,568,635</u>
Less accumulated depreciation for:				
Water system, plant & equipment	(5,744,913)	(257,176)	-	(6,002,089)
Sewer system, plant & equipment	(2,543,363)	(108,594)	-	(2,651,957)
Golf area facilities & equipment	(336,338)	(13,403)	-	(349,741)
Ambulance building & equipment	(902,306)	(99,116)	132,161	(869,261)
Total accumulated depreciation	<u>(9,526,920)</u>	<u>(478,289)</u>	<u>132,161</u>	<u>(9,873,048)</u>
Depreciable assets, net	<u>6,831,997</u>	<u>(420,782)</u>	<u>(6,420)</u>	<u>6,404,795</u>
Business-type activities assets, net	<u>\$ 8,122,789</u>	<u>\$ (420,782)</u>	<u>\$ (6,420)</u>	<u>\$ 7,695,587</u>

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

**6. Retirement Plan (continued)**

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

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

Plan members are required to contribute 4% of compensation not exceeding \$550 per month and 6% of compensation in excess of \$550. The Town is required to contribute at an actuarially determined rate. Actual employer contributions for the year ended December 31, 2022, were \$100,000 and covered payroll was \$1,022,748.

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

The Town's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Entry Age	Normal
Investment Return	7.0 percent pre-retirement and 3.5% post-retirement
Salary Scale	2.50 percent

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

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

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

**6. Retirement Plan (continued)**

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

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

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

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

	Discount rate	Net pension liability
1% decrease	6.0%	\$ 1,141,635
Current discount rate	7.0%	\$ 770,986
1% increase	8.0%	\$ 461,121

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

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**7. Contingency—Constitutional Amendment (continued)**

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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, 2022 are as follows:

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

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

Annual debt service requirements are as follows:

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



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

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

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

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

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

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

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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 2022 the Town paid \$80,488 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.	\$ (40,054)
Transfer from General Fund to Golf Course Fund for general purposes.	(67,910)
Transfer from General Fund to Capital Projects Fund for general purposes.	(23,467)
Transfer to Capital Projects Fund from General Fund for general purposes.	23,467
Transfer from Conservation Trust Fund to Golf Course Fund for general operations.	<u>(11,515)</u>
Total Interfund transfers, net	<u>\$ (119,479)</u>

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

**Town of Limon, Colorado**

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**Required Supplementary Information**

**Town of Limon, Colorado**  
**Schedule of Contributions - Pension**  
**Last 10 Years**  
**For the Year Ended December 31, 2022**

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

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

**Town of Limon, Colorado**

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**Other Supplementary Information**

# Town of Limon, Colorado

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2022

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

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

**Town of Limon, Colorado**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balances—Budget and Actual**  
**For the Year Ended December 31, 2022**

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

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

**Town of Limon, Colorado**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2022**

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

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



**Town of Limon, Colorado**  
**Ambulance Service Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2022**

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

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

**Town of Limon, Colorado**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**For the Year Ended December 31, 2022**

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

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

**Town of Limon, Colorado**  
**Municipal Golf Course Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Net Position—Budget and Actual**  
**For the Year Ended December 31, 2022**

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

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>LIMON</b>
	YEAR ENDING : December 2022
This Information From The Records Of (example - City of _ or County of _) <b>TOWN OF LIMON</b>	Prepared By: <b>David Copey, CPA For Town of Limon</b> <b>303-734-4800</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**

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	312,080
3. Other local imposts (from page 2)	483,778
4. Miscellaneous local receipts (from page 2)	167,685
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	963,543
<b>B. Private Contributions</b>	26,890
<b>C. Receipts from State government (from page 2)</b>	91,855
<b>D. Receipts from Federal Government (from page 2)</b>	0
<b>E. Total receipts (A.7 + B + C + D)</b>	1,082,288

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

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

**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>	53,522		6,133	47,389

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

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

**Notes and Comments:**

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

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

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

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

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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