

TOWN OF LYONS, COLORADO

Basic Financial Statements
December 31, 2023

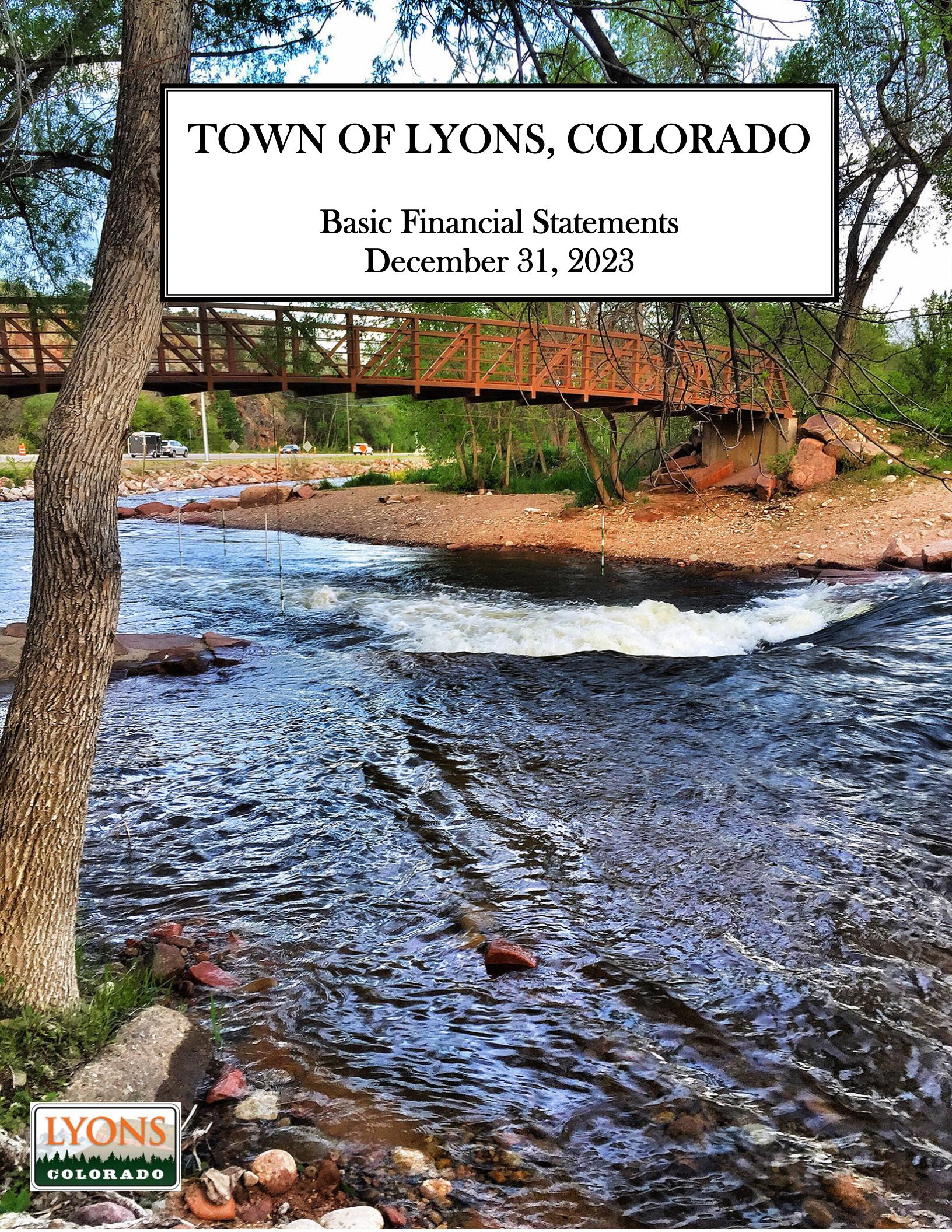


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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Town of Lyons, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lyons, Colorado (the Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 *Government 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 budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

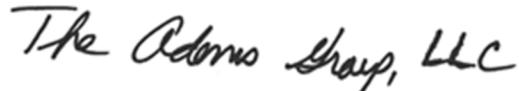
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of a Matter

As discussed in Note 12 to the financial statements, adjustments were made to the beginning fund balance of the Grant Fund to correct errors in the prior year financial statements due to a change in deferred inflows of resources reported by the Town. Our opinions were not modified with respect to the restatement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Greenwood Village, Colorado

July 17, 2024



Management's Discussion and Analysis

The management of the Town of Lyons offers this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets and deferred outflows of revenues of the Town of Lyons exceeded its liabilities and deferred inflows of resources at the close of 2023 by \$82,245,175 (*net position*). Of this amount, \$5,876,454, (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,503,511.
- As of the close of the current fiscal year, the Town of Lyons governmental funds reported combined ending fund balances of \$4,706,020.
- At the end of the current year, the unassigned fund balance for the General Fund was \$1,526,570, or about 58.1% of total General Fund expenditures.
- The Town settled an ongoing lawsuit related to the wastewater treatment facility. The settlement and the release of an outstanding invoice liability resulted in a \$2,237,659 increase in the Water and Sanitation fund.

Overview of the Financial Statements

This overview is an introduction to the Town's financial statements. The Town of Lyons' basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - Government-wide financial statements are designed to provide readers with a broad overview of the Town of Lyons' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future time periods (i.e. uncollected taxes and earned but unused employee leave time).

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to cover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, administrative services, public safety, public works (streets), planning and zoning, judicial and legislative, parks, recreation and cultural activities, and grant funds that include the rebuilding and recovery from the 2013 Flood disaster. The business-type activities of the Town include the electric utility, water and sanitation utility, and the stormwater utility.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financial decisions. Both the governmental fund balance sheets and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Lyons maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, Parks, Recreation, and Cultural Fund and the Capital Improvement Fund all of which are considered major funds. Individual fund data is presented for the conservation trust fund and Lyons Urban Renewal Authority fund as non-major governmental funds.

Proprietary funds are generally used to account for services for which the Town charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric Fund and Water and Sanitation Fund which are considered major funds. Individual proprietary fund data is presented for the Stormwater Utility Fund as a non-major proprietary fund of the Town of Lyons.

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

Other information - in addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Lyons governmental funds budgetary comparisons. This comparison demonstrates actual results (using the basis of budgeting) with the original budget and the final budget of each individual major fund in the governmental funds.

Budgetary comparisons for the proprietary funds and other non-major governmental funds are also provided as supplemental information, although not required by Generally Accepted Accounting Principles (GAAP).

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Lyons, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,245,175, at the close of 2023.

Town of Lyons Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 11,770,969	\$ 12,482,042	\$ 5,047,977	\$ 3,447,617	\$ 16,818,946	\$ 15,929,659
Capital Assets	<u>52,004,368</u>	<u>52,194,263</u>	<u>25,118,172</u>	<u>26,070,329</u>	<u>77,122,540</u>	<u>78,264,592</u>
Total Assets	<u>63,775,337</u>	<u>64,676,305</u>	<u>30,166,149</u>	<u>29,517,946</u>	<u>93,941,486</u>	<u>94,194,251</u>
Long-term Liabilities Outstanding	5,099,323	5,929,786	3,484,650	4,151,237	8,583,973	10,081,023
Other Liabilities	<u>970,492</u>	<u>829,081</u>	<u>394,739</u>	<u>736,788</u>	<u>1,365,231</u>	<u>1,565,869</u>
Total Liabilities	<u>6,069,815</u>	<u>6,758,867</u>	<u>3,879,389</u>	<u>4,888,025</u>	<u>9,949,204</u>	<u>11,646,892</u>
Deferred Inflows of Resources-						
Unavailable resources of property taxes	940,898	878,972	-	-	940,898	878,972
Unavailable resources leases	<u>806,209</u>	<u>926,723</u>	<u>-</u>	<u>-</u>	<u>806,209</u>	<u>926,723</u>
Total Deferred Inflows	<u>1,747,107</u>	<u>1,805,695</u>	<u>-</u>	<u>-</u>	<u>1,747,107</u>	<u>1,805,695</u>
Net Investment in Capital Assets	52,004,368	52,194,262	21,650,865	21,937,607	73,655,233	74,131,869
Restricted						
Required emergency reserve	154,000	145,000	-	-	154,000	145,000
Debt Service	-	-	486,190	415,919	486,190	415,919
Parks and Open Space	1,080,197	999,086	-	-	1,080,197	999,086
Capital outlay - Grant Expenditures	993,101	1,495,320	-	-	993,101	1,495,320
Unrestricted	<u>1,726,749</u>	<u>1,278,075</u>	<u>4,149,705</u>	<u>2,276,395</u>	<u>5,876,454</u>	<u>3,554,470</u>
Total Net Position	<u>\$ 55,958,415</u>	<u>\$ 56,111,743</u>	<u>\$ 26,286,760</u>	<u>\$ 24,629,921</u>	<u>\$ 82,245,175</u>	<u>\$ 80,741,664</u>

By far the largest portion of the Town's net position (89.5%) reflects its investment of \$73.6 million in capital assets (e.g., land, buildings, machinery and equipment, utility plants and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$2.7 million (3.3%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets, \$5.9 million (7.2%), is generally available to be used to meet the Town's ongoing obligations to the public and creditors. It is important to note that the unrestricted net position of the Town's business-type activities may not be used to fund governmental activities or vice versa.

At the end of the current fiscal year, the Town of Lyons can report positive balances in all categories of net position, both for the government in total, as well as for its separate governmental and business-type activities. Net position invested in capital assets, net of related debt, decreased by \$476,636, or 0.64%.

Governmental activities – Governmental activities decreased the Town of Lyons' net position by \$153,328. Key elements of governmental activities are as follows:

- A decrease in long-term liabilities outstanding was due to the paydown of the flood advance from the State in the amount of \$830,700.
- A pavement rehabilitation project in the amount of \$720,600 was completed resulting in an increase in expenses for 2023.

Town of Lyons Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 1,117,022	\$ 1,092,619	\$ 3,630,001	\$ 3,844,912	\$ 4,747,023	\$ 4,937,531
Operating Grants and Contributions	188,743	200,888	-	-	188,743	200,888
Capital Grants and Contributions	1,436,457	1,628,783	62,961	715,725	1,499,418	2,344,508
General Revenues:						
Property Taxes	883,962	842,097	-	-	883,962	842,097
Other Taxes	2,127,685	2,107,524	-	-	2,127,685	2,107,524
Unrestricted investment earnings	177,763	66,134	141,858	32,398	319,621	98,532
Gain on disposal of equipment	-	-	26,056	-	26,056	-
Other	272,108	315,397	4,566	-	276,674	315,397
Total Revenues	6,203,740	6,253,442	3,865,442	4,593,035	10,069,182	10,846,477
Expenses:						
General Government	1,968,865	1,852,768	-	-	1,968,865	1,852,768
Public Safety	466,898	539,846	-	-	466,898	539,846
Public Health and Welfare	54,551	42,933	-	-	54,551	42,933
Public Works & Streets	1,523,206	1,381,355	-	-	1,523,206	1,381,355
Parks, Recreation & Culture	2,291,131	1,994,244	-	-	2,291,131	1,994,244
Electric	-	-	1,479,932	1,446,423	1,479,932	1,446,423
Water and Sanitation	-	-	2,869,315	2,634,214	2,869,315	2,634,214
Storm Water	-	-	149,432	132,735	149,432	132,735
Total Expenses	6,304,651	5,811,146	4,498,679	4,213,372	10,803,330	10,024,518
Excess (Deficiency) Before Extraordinary						
Gains and Transfers	(100,911)	442,296	(633,237)	379,663	(734,148)	821,959
Transfers	(52,417)	(718,374)	52,417	718,374	-	-
Extraordinary gain	-	-	2,237,659	-	2,237,659	-
Increase or Decrease in Net Position	(153,328)	(276,078)	1,656,839	1,098,037	1,503,511	821,959
Net Position, Beginning	56,111,743	56,387,821	24,629,921	23,531,884	80,741,664	79,919,705
Net Position, Ending	\$ 55,958,415	\$ 56,111,743	\$ 26,286,760	\$ 24,629,921	\$ 82,245,175	\$ 80,741,664

Proprietary (Business-type) activities - Business-type activities increased the Town of Lyons net position by \$1,656,839 in 2023. Key elements of business-type activities are as follows:

- The Water and Sanitation Fund had an extraordinary gain in the amount of \$2,237,659 from the settlement of a lawsuit related to design and construction defects and inefficiencies at the Town's wastewater treatment plant.
- Weather conditions were attributed to lower charges for services revenues in 2023, with a decrease of approximately \$215,000 from 2022.
- In 2023, there were less grant-related projects and therefore a decrease in capital grants and contributions in the amount of approximately \$652,000.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds – The focus of the Town of Lyons governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Town include the General Fund; Grants Fund; Parks, Recreation and Cultural Fund; Capital Improvement Fund; Conservation Trust Fund, and Lyons Urban Renewal Authority Fund.

As of December 31, 2023, the Town's governmental funds reported combined ending fund balances of \$4,706,020, a decrease of \$367,203 over the previous year. This decrease is partially due to a large street rehabilitation project in the Capital Improvement Fund that took place in 2023 in the amount of \$720,593.

The General Fund is the chief operating fund of the Town of Lyons. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$1,526,570, while the total fund balance reached \$2,384,335. The total fund balance increased \$344,797 from 2022. As of December 31, 2023, \$500,000 of the total fund balance has been assigned for the Town's share of flood costs. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 58.1% of total General Fund expenditures, while total fund balance represents 90.8% percent of that same amount.

The Grant Fund had an ending fund balance of \$993,101. Other funds often transfer into the Grant Fund for grant matches and/or contributions for various projects. In 2023, only \$10,000 was transferred to the Grant Fund for grant related projects.

The Capital Improvement Fund was utilized for the first time since its creation in 2021. Street improvements in the amount of \$720,593 occurred in 2023. The General Fund is currently the only source of revenue with budgeted annual transfers to the fund. The 2023 ending fund balance is \$225,107.

As of December 31, 2023, the Parks, Recreation and Cultural Fund had an ending fund balance of \$1,013,084. Of this amount, \$300,000 has been earmarked for the Town's share of flood costs.

Proprietary funds – the Town of Lyons' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2023, the unrestricted net position of the Electric Fund was \$967,631; the Water and Sanitation Fund was \$2,894,790; the Stormwater Fund was \$287,284. The total increase in net position for all proprietary funds was \$1,656,839 primarily due to the settlement received from the wastewater treatment plant lawsuit. Other factors concerning the finances of the proprietary funds have already been discussed in the Town of Lyons' business-type activities.

General Fund Budgetary Highlights

While still applying a conservative approach when projecting 2023 revenues and expenditures, in most cases revenues came in higher and expenses came in lower than expected.

Actual revenue compared to the budget was \$247,008 higher than budgeted. This is partially due to investment earnings revenue coming in over budget (\$116,976). Expenses, including transfers out to the Capital Fund, were \$408,425 lower than budget projections. Much of this is related to the decreased use of professional services.

Capital Asset and Debt Administration

Capital Assets – The Town of Lyons investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$77,122,540 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, streets, utility systems, improvements, machinery and equipment, park facilities, and structures.

Major capital asset events during the 2023 fiscal year included the following:

- Street rehabilitation
- Public Works salt and sand storage building
- Main Street lighting

Town of Lyons Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land, Water and Construction in Progress	\$ 24,923,042	\$ 23,849,592	\$ 2,867,049	\$ 2,676,444	\$ 27,790,091	\$ 26,526,036
Building and Improvements	26,689,469	27,977,427	-	-	26,689,469	27,977,427
Plant and systems	-	-	22,070,513	23,233,937	22,070,513	23,233,937
Machinery and Equipment	391,857	367,244	180,610	159,948	572,467	527,192
	<hr/> <u>\$ 52,004,368</u>	<hr/> <u>\$ 52,194,263</u>	<hr/> <u>\$ 25,118,172</u>	<hr/> <u>\$ 26,070,329</u>	<hr/> <u>\$ 77,122,540</u>	<hr/> <u>\$ 78,264,592</u>

Long-Term Debt – At the end of the current fiscal year, the Town of Lyons had debt outstanding of \$8,583,973. Debt represented by bonds and loans secured solely by specified revenue sources (i.e., revenue bonds) is within the proprietary funds. The Town of Lyons does not hold any general obligation within the governmental funds. Compensated Absences represent the total employee benefit dollar amount (at the current rate of pay) regarding paid time off (PTO) and compensated time, earned but not taken. In addition to the summary below, see the notes in the Financial Statements section for more information.

Town of Lyons Outstanding Debt Revenue Bonds and Loans

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Advance from State	\$ 5,067,394	\$ 5,898,094	\$ -	\$ -	\$ 5,067,394	\$ 5,898,094
Compensated Absences	31,929	31,692	17,345	18,515	49,274	50,207
Revenue Bonds	-	-	92,415	93,410	92,415	93,410
Revenue Loans	-	-	3,374,890	4,039,312	3,374,890	4,039,312
Total	<hr/> <u>\$ 5,099,323</u>	<hr/> <u>\$ 5,929,786</u>	<hr/> <u>\$ 3,484,650</u>	<hr/> <u>\$ 4,151,237</u>	<hr/> <u>\$ 8,583,973</u>	<hr/> <u>\$ 10,081,023</u>

All issues of the Town of Lyons are unrated.

Economic Factors and Next Year's Budget

Revenue and expenditure projections for the various funds are based on historical trends, various economic and inflation forecasts, rate changes, and known changes in operations.

The 2024 budget was approved by the Board of Trustees in November 2024. In preparing the 2024 budget, the Town conservatively projected all revenues. The Town enters 2024 with little sales tax growth projected. The Town budgeted a 4.8% increase in General Fund revenues primarily due to increases in property taxes, lodging taxes, and fines. The 2024 budget has the mill levy set at an amount allowed under Tabor at 14.018 mills. The Town's fund balances continue to set aside a 3-month operating reserve to enable operations to continue in the event of an economic downturn or emergency.

As flood recovery efforts have come to an end, the Town will continue to focus on non-flood related capital projects and improvements. The Town's 5-year capital plan will ensure projects will be prioritized and funding secured for critical needs.

Contacting the Town's Financial Management

This financial report is designed to provide the public, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information contact the Finance Director of the Town of Lyons at P.O. Box 49, 432 5th Ave, Lyons, Colorado 80540.



Basic Financial Statements

TOWN OF LYONS, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,316,642	\$ 4,600,098	\$ 9,916,740
Restricted cash and cash equivalents	-	34,190	34,190
Receivables	112,478	364,438	476,916
Lease receivables	835,585	-	835,585
Due from other governments	4,478,757	-	4,478,757
Property tax receivable	940,898	-	940,898
Internal balances	(8,258)	8,258	-
Prepaid items	12,443	19,993	32,436
Inventories	-	21,000	21,000
Revolving loan funds receivable	82,424	-	82,424
Capital assets not being depreciated			
Land, water rights and construction in progress	24,923,042	2,867,049	27,790,091
Capital assets, net of accumulated depreciation			
Buildings	3,636,814	-	3,636,814
Improvements	23,052,655	-	23,052,655
Plant and systems	-	22,070,513	22,070,513
Equipment	391,857	180,610	572,467
Total Assets	63,775,337	30,166,149	93,941,486
Liabilities			
Current liabilities			
Accounts payable and other current liabilities	586,160	373,811	959,971
Other current liabilities	73,393	10,228	83,621
Deposits	4,690	10,700	15,390
Unearned revenues	306,249	-	306,249
Due within one year	3,031,929	610,780	3,642,709
Due in more than one year	2,067,394	2,873,870	4,941,264
Total Liabilities	6,069,815	3,879,389	9,949,204
Deferred Inflows of Resources			
Unavailable resources property taxes	940,898	-	940,898
Unavailable resources leases	806,209	-	806,209
	1,747,107	-	1,747,107
Net Position			
Net investment in capital assets	52,004,368	21,650,865	73,655,233
Restricted			
Required emergency reserve	154,000	-	154,000
Debt service	-	486,190	486,190
Parks and open space	1,080,197	-	1,080,197
Grant expenditures	993,101	-	993,101
Unrestricted	1,726,749	4,149,705	5,876,454
Total Net Position	\$ 55,958,415	\$ 26,286,760	\$ 82,245,175

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

TOWN OF LYONS, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Function/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	Primary Government
							Total
Governmental activities							
General government	\$ 1,968,865	\$ 418,161	\$ 101,508	\$ -	\$ (1,449,196)	\$ -	\$ (1,449,196)
Public safety	466,898	169,726	44,551	-	(252,621)	-	(252,621)
Public health and welfare	54,551	-	-	-	(54,551)	-	(54,551)
Public works and streets	1,523,206	-	12,214	1,087,381	(423,611)	-	(423,611)
Parks, recreation and cultural	2,291,131	529,135	30,470	349,076	(1,382,450)	-	(1,382,450)
Total governmental activities	6,304,651	1,117,022	188,743	1,436,457	(3,562,429)	-	(3,562,429)
Business-type activities							
Electric	1,479,932	1,518,736	-	4,500	-	43,304	43,304
Water and Sanitation	2,869,315	1,992,882	-	58,461	-	(817,972)	(817,972)
Storm Sewer	149,432	118,383	-	-	-	(31,049)	(31,049)
Total business-type activities	4,498,679	3,630,001	-	62,961	-	(805,717)	(805,717)
Total primary government	\$ 10,803,330	\$ 4,747,023	\$ 188,743	\$ 1,499,418	(3,562,429)	(805,717)	(4,368,146)
General revenues							
Property taxes				883,962	-	883,962	
Sales and use taxes				1,953,640	-	1,953,640	
Ownership taxes				39,273	-	39,273	
Other taxes and fees				134,772	-	134,772	
Unrestricted investment earnings				177,763	141,858	319,621	
Gain on disposal of equipment				-	26,056	26,056	
Other income				272,108	4,566	276,674	
Transfers				(52,417)	52,417	-	
Total general revenues				3,409,101	224,897	3,633,998	
Extraordinary gain				-	2,237,659	2,237,659	
Total general revenues and extraordinary gains				3,409,101	2,462,556	5,871,657	
Change in net position				(153,328)	1,656,839	1,503,511	
Net position, beginning				56,111,743	24,629,921	80,741,664	
Net position, ending				\$ 55,958,415	\$ 26,286,760	\$ 82,245,175	

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

TOWN OF LYONS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Major Funds						Total Governmental
	General		Parks, Recreation, and Cultural		Capital Improvement	Other Governmental	
	General	Grants	Parks, Recreation, and Cultural	Capital Improvement	Other Governmental	Total Governmental	
Assets							
Cash and cash equivalents	\$ 2,229,467	\$ 1,631,854	\$ 1,056,175	\$ 261,137	\$ 138,009	\$ 5,316,642	
Accounts receivable	26,066	-	71,713	-	-	97,779	
Accounts receivable - land use permits	14,699	-	-	-	-	14,699	
Revolving loan funds receivable	-	82,424	-	-	-	82,424	
Due from other governments	200,527	4,278,230	-	-	-	4,478,757	
Property taxes receivable	904,228	-	-	-	36,670	940,898	
Leases receivable	835,585	-	-	-	-	835,585	
Prepaid items	8,763	-	3,680	-	-	12,443	
Due from other funds	106,373	1,451,303	-	-	-	1,557,676	
Total Assets	<u>\$ 4,325,708</u>	<u>\$ 7,443,811</u>	<u>\$ 1,131,568</u>	<u>\$ 261,137</u>	<u>\$ 174,679</u>	<u>\$ 13,336,903</u>	
Liabilities							
Accounts payable	\$ 142,535	\$ 367,428	\$ 37,793	\$ 36,030	\$ 2,374	\$ 586,160	
Accrued liabilities	72,567	826	-	-	-	73,393	
Deposits	4,690	-	-	-	-	4,690	
Due to other funds	10,089	1,503,545	7,058	-	45,242	1,565,934	
Unearned revenue	1,055	231,561	73,633	-	-	306,249	
Total Liabilities	<u>230,936</u>	<u>2,103,360</u>	<u>118,484</u>	<u>36,030</u>	<u>47,616</u>	<u>2,536,426</u>	
Deferred Inflows of Resources							
Unavailable resources property taxes	904,228	-	-	-	36,670	940,898	
Unavailable resources grants and rlf funds	-	4,347,350	-	-	-	4,347,350	
Unavailable resources leases	806,209	-	-	-	-	806,209	
Total Deferred Inflows of Resources	<u>1,710,437</u>	<u>4,347,350</u>	<u>-</u>	<u>-</u>	<u>36,670</u>	<u>6,094,457</u>	
Fund Balance							
Nonspendable for							
Inventory and prepaid items	8,763	-	3,680	-	-	12,443	
Restricted for							
Emergencies	154,000	-	-	-	-	154,000	
Grant expenditures	-	993,101	-	-	-	993,101	
Parks, recreation and cultural	-	-	1,009,404	-	70,793	1,080,197	
Assigned to							
Subsequent year's expenditures	195,002	-	-	-	-	195,002	
Community development	-	-	-	-	19,600	19,600	
Town's share of flood costs	500,000	-	-	-	-	500,000	
Capital projects	-	-	-	225,107	-	225,107	
Unassigned	1,526,570	-	-	-	-	1,526,570	
Total Fund Balance	<u>2,384,335</u>	<u>993,101</u>	<u>1,013,084</u>	<u>225,107</u>	<u>90,393</u>	<u>4,706,020</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,325,708</u>	<u>\$ 7,443,811</u>	<u>\$ 1,131,568</u>	<u>\$ 261,137</u>	<u>\$ 174,679</u>	<u>\$ 13,336,903</u>	

Reconciliation of total fund balance to net position of governmental activities:

Total fund balance shown above	\$ 4,706,020
Amounts reported for governmental activities in the statement of net position are different because long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds.	(5,099,323)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.	4,347,350
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	52,004,368
Net Position of Governmental Activities	<u>\$ 55,958,415</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Major Funds					Other Governmental	Total Governmental Funds
	General Fund	Grants	Parks, Recreation and Cultural	Capital Improvement			
Revenues							
Taxes							
General property tax	\$ 854,581	\$ -	\$ -	\$ -	\$ 29,381	\$ 883,962	
Specific ownership tax	39,273	-	-	-	-	39,273	
Sales tax	1,283,895	-	453,204	-	-	1,737,099	
Use tax	145,293	-	71,248	-	-	216,541	
Other taxes and fees	134,771	-	1	-	-	134,772	
Licenses and permits	148,416	-	-	-	-	148,416	
Intergovernmental	30,158	2,003,365	-	-	30,470	2,063,993	
Charges for services	370,056	-	529,135	-	-	899,191	
Fines and forfeitures	69,415	-	-	-	-	69,415	
Investment earnings	121,976	429	52,111	-	3,247	177,763	
Rental income	128,418	-	-	-	-	128,418	
Contributions and donations	-	24,447	-	-	-	24,447	
Other income	39,174	78,919	1,150	-	-	119,243	
Total Revenues	<u>3,365,426</u>	<u>2,107,160</u>	<u>1,106,849</u>	<u>-</u>	<u>63,098</u>	<u>6,642,533</u>	
Expenditures							
Current							
General government	1,650,121	23,927	-	-	15,928	1,689,976	
Public safety	466,898	-	-	-	-	466,898	
Health and welfare	-	54,551	-	-	-	54,551	
Economic development	103,223	147,716	-	-	-	250,939	
Public works	277,337	33	-	-	-	277,370	
Parks, recreation and cultural	-	-	1,042,197	-	-	1,042,197	
Capital outlay	129,019	1,530,715	6,528	720,593	10,250	2,397,105	
Debt service							
Principal	-	830,700	-	-	-	830,700	
Total Expenditures	<u>2,626,598</u>	<u>2,587,642</u>	<u>1,048,725</u>	<u>720,593</u>	<u>26,178</u>	<u>7,009,736</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>738,828</u>	<u>(480,482)</u>	<u>58,124</u>	<u>(720,593)</u>	<u>36,920</u>	<u>(367,203)</u>	
Other financing sources (uses)							
Transfers in	1,669	10,000	-	385,700	-	397,369	
Transfers out	(395,700)	-	-	-	(1,669)	(397,369)	
Total other financing sources (uses)	<u>(394,031)</u>	<u>10,000</u>	<u>-</u>	<u>385,700</u>	<u>(1,669)</u>	<u>-</u>	
Change in fund balances	344,797	(470,482)	58,124	(334,893)	35,251	(367,203)	
Fund balance, beginning - restated	<u>2,039,538</u>	<u>1,463,583</u>	<u>954,960</u>	<u>560,000</u>	<u>55,142</u>	<u>5,073,223</u>	
Fund balance, ending	<u>\$ 2,384,335</u>	<u>\$ 993,101</u>	<u>\$ 1,013,084</u>	<u>\$ 225,107</u>	<u>\$ 90,393</u>	<u>\$ 4,706,020</u>	

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

TOWN OF LYONS, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED YEAR ENDED DECEMBER 31, 2023

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

Net change in fund balances, total governmental funds	\$ (367,203)
Issuances of debt are treated as revenues in the governmental funds, but are recorded as liabilities on the statement of net position. Repayments of this debt are recorded as expenses in the governmental funds and reduce liabilities on the statements of net position.	
Principal payments on outstanding debt	830,700
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Total governmental funds capital outlay - capitalized	2,397,105
Less capital assets contributed to enterprise funds	(52,417)
Less current period depreciation	<u>(2,534,583)</u>
Net amount by which depreciation and loss on disposal of assets exceeded capital outlay in the current period	(189,895)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(426,693)
Accrued compensated absences are not reported as an expenditure at the fund level.	<u>(237)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (153,328)</u></u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Electric Fund	Water and Sanitation Fund	Stormwater Fund	Totals
Assets				
Current assets				
Cash and cash equivalents	\$ 981,092	\$ 3,342,375	\$ 276,631	\$ 4,600,098
Restricted cash, cash equivalents	34,190	-	-	34,190
Accounts receivable	160,828	191,963	11,647	364,438
Due from other funds	-	8,258	-	8,258
Inventory, at cost	21,000	-	-	21,000
Prepays	-	19,993	-	19,993
Total current assets	<u>1,197,110</u>	<u>3,562,589</u>	<u>288,278</u>	<u>5,047,977</u>
Noncurrent assets				
Capital assets not being depreciated				
Land, construction in progress and water rights	249,820	2,617,229	-	2,867,049
Capital assets being depreciated				
Plant and systems	4,224,539	27,650,102	1,833,557	33,708,198
Equipment	62,631	476,011	5,069	543,711
Plant, systems and equipment	4,287,170	28,126,113	1,838,626	34,251,909
Less accumulated depreciation	(1,855,744)	(9,728,767)	(416,275)	(12,000,786)
Capital assets, net of accumulated depreciation	<u>2,431,426</u>	<u>18,397,346</u>	<u>1,422,351</u>	<u>22,251,123</u>
Total noncurrent assets	<u>2,681,246</u>	<u>21,014,575</u>	<u>1,422,351</u>	<u>25,118,172</u>
Total Assets	<u>3,878,356</u>	<u>24,577,164</u>	<u>1,710,629</u>	<u>30,166,149</u>
Liabilities				
Current liabilities				
Accounts payable	179,287	194,524	-	373,811
Accrued liabilities	2,079	8,149	-	10,228
Customer deposits	8,900	1,800	-	10,700
Compensated absences-current	5,024	11,326	995	17,345
Revenue notes payable - current	29,200	564,235	-	593,435
Total current liabilities	<u>224,490</u>	<u>780,034</u>	<u>995</u>	<u>1,005,519</u>
Noncurrent liabilities				
Notes payable	63,215	2,810,655	-	2,873,870
Total noncurrent liabilities	<u>63,215</u>	<u>2,810,655</u>	<u>-</u>	<u>2,873,870</u>
Total Liabilities	<u>287,705</u>	<u>3,590,689</u>	<u>995</u>	<u>3,879,389</u>
Net position				
Net investment in capital assets	2,588,830	17,639,685	1,422,350	21,650,865
Restricted for debt service	34,190	452,000	-	486,190
Unrestricted	967,631	2,894,790	287,284	4,149,705
Total Net Position	<u>\$ 3,590,651</u>	<u>\$ 20,986,475</u>	<u>\$ 1,709,634</u>	<u>\$ 26,286,760</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Electric Fund	Water and Sanitation Fund	Stormwater Fund	Totals
<u>Operating revenues</u>				
Charges for services	\$ 1,493,697	\$ 1,955,578	\$ 118,383	\$ 3,567,658
Other	25,039	37,304	-	62,343
Total operating revenues	<u>1,518,736</u>	<u>1,992,882</u>	<u>118,383</u>	<u>3,630,001</u>
<u>Operating expenses</u>				
Operations and maintenance	1,119,512	1,015,784	14,803	2,150,099
Administrative	230,990	790,411	70,231	1,091,632
Depreciation and amortization	121,110	1,009,671	64,398	1,195,179
Total operating expenses	<u>1,471,612</u>	<u>2,815,866</u>	<u>149,432</u>	<u>4,436,910</u>
Operating income (loss)	<u>47,124</u>	<u>(822,984)</u>	<u>(31,049)</u>	<u>(806,909)</u>
<u>Non-operating revenues (expenses)</u>				
Insurance proceeds	4,566	-	-	4,566
Investment earnings	49,216	81,062	11,580	141,858
Gain on disposal of equipment	-	26,056	-	26,056
Interest on indebtedness	(8,320)	(53,449)	-	(61,769)
Total non-operating revenues (expenses)	<u>45,462</u>	<u>53,669</u>	<u>11,580</u>	<u>110,711</u>
Income (loss) before capital contributions, and transfers	92,586	(769,315)	(19,469)	(696,198)
Capital contributions	<u>4,500</u>	<u>110,878</u>	<u>-</u>	<u>115,378</u>
Change in net position before extraordinary gain	97,086	(658,437)	(19,469)	(580,820)
Extraordinary gain	-	2,237,659	-	2,237,659
Change in net position	97,086	1,579,222	(19,469)	1,656,839
Net position, beginning of year	<u>3,493,565</u>	<u>19,407,253</u>	<u>1,729,103</u>	<u>24,629,921</u>
Net position, end of year	<u>\$ 3,590,651</u>	<u>\$ 20,986,475</u>	<u>\$ 1,709,634</u>	<u>\$ 26,286,760</u>

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

TOWN OF LYONS, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2023

	Electric Fund	Water and Sanitation Fund	Stormwater Fund	Total
<u>Cash flows from operating activities</u>				
Receipts from customers and users	\$ 1,545,133	\$ 1,912,319	\$ 117,676	\$ 3,575,128
Other services	25,039	37,304	-	62,343
Payments to suppliers and employees	<u>(1,284,634)</u>	<u>(1,774,488)</u>	<u>(86,446)</u>	<u>(3,145,568)</u>
Net cash provided by operating activities	<u>285,538</u>	<u>175,135</u>	<u>31,230</u>	<u>491,903</u>
<u>Cash flows from capital and related financing activities</u>				
Principal repayments	(121,114)	(544,303)	-	(665,417)
Contributions from customers	4,500	58,461	-	62,961
Interest paid	(8,320)	(59,311)	-	(67,631)
Insurance proceeds	4,566	-	-	4,566
Proceeds from sale of assets	-	36,056	-	36,056
Extraordinary income	-	1,800,000	-	1,800,000
Purchase of fixed assets	<u>(200,605)</u>	<u>-</u>	<u>-</u>	<u>(200,605)</u>
Net cash provided (used) for capital and related financing activities	<u>(320,973)</u>	<u>1,290,903</u>	<u>-</u>	<u>969,930</u>
<u>Cash flows from investing activities</u>				
Interest earned	<u>49,216</u>	<u>81,062</u>	<u>11,580</u>	<u>141,858</u>
Net cash provided by investing activities	<u>49,216</u>	<u>81,062</u>	<u>11,580</u>	<u>141,858</u>
Net change in cash and equivalents	13,781	1,547,100	42,810	1,603,691
Cash and equivalents, beginning of year	<u>1,001,501</u>	<u>1,795,275</u>	<u>233,821</u>	<u>3,030,597</u>
Cash and equivalents, end of year	<u>\$ 1,015,282</u>	<u>\$ 3,342,375</u>	<u>\$ 276,631</u>	<u>\$ 4,634,288</u>
Operating income (loss)	<u>\$ 47,124</u>	<u>\$ (822,984)</u>	<u>\$ (31,049)</u>	<u>\$ (806,909)</u>
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	121,110	1,009,671	64,398	1,195,179
(Increase) decrease in prepaids	-	(1,139)	-	(1,139)
Decrease (increase) in accounts receivable	50,236	(45,059)	(707)	4,470
(Decrease) increase in accounts payable	67,239	33,259	(1,179)	99,319
(Decrease) increase in accrued liabilities	(1,371)	(413)	(233)	(2,017)
(Decrease) increase in customer deposits	<u>1,200</u>	<u>1,800</u>	<u>-</u>	<u>3,000</u>
Total adjustments	<u>238,414</u>	<u>998,119</u>	<u>62,279</u>	<u>1,298,812</u>
Net cash provided by operating activities	<u>\$ 285,538</u>	<u>\$ 175,135</u>	<u>\$ 31,230</u>	<u>\$ 491,903</u>

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

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Lyons (the “Town”) was organized on April 6, 1891 as an incorporated municipality as defined by Colorado Revised Statutes. The Town is governed by an elected Mayor and a six-member Board of Trustees (Board). The Town provides the following services to the residents and businesses: public safety (police and building inspections), economic development, streets and storm drainage, sewer treatment, water, electric, cultural activities, parks and recreation, public improvements, planning and zoning, judicial, and general administrative services. Police protection is provided by an intergovernmental agreement with the Boulder County Sheriff's Office.

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the financial statements include only the funds of the Town of Lyons for which the Mayor and Board of Trustees have oversight responsibility. During June 2015, The Town Board of Trustees created the Lyons Urban Renewal Authority (LURA) and appointed several members of the Town’s management as management of the LURA. The LURA is considered a blended component unit of Town and does not issue separate financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. 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 revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activity is not reported in the government-wide financial statements.

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

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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. There are no legal restrictions concerning the use of property taxes. 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 *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, sales taxes, public improvement fees, grants and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered measurable and available only when cash is received.

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

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

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Grants Fund* is a special revenue fund created as a result of the flood that occurred September 12, 2013. This fund primarily captures grants, insurance proceeds, donations and expenses related to flood restoration.
- The *Parks, Recreation, and Cultural Fund* is a special revenue fund that accounts for the acquisition and maintenance of parkland and related facilities including the visitor center, as well as organizing and promoting special events and other community programs. Financing is provided by sales and use taxes, impact fees on new construction, activity fees, grants, donations, and other park use fees.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- The *Capital Improvement Fund* is used to account for the Town's capital projects.

The Town reports the following major proprietary funds:

- *Electric Fund* - This enterprise fund was established to finance and account for the activities of the municipally owned electric utility. It is predominantly self-supported by customer user charges but also receives revenue from investment fees for new connections.
- *Water and Sanitation Fund* - This enterprise fund was established to finance and account for the acquisition, operation and maintenance of water facilities and wastewater facilities and distribution. It is predominantly self-supported by customer user charges but also receives revenue from plant investment fees (tap fees).

The Town reports two governmental funds and one proprietary fund as non-major:

- The *Conservation Trust Fund* is used to account for monies received from the Colorado Lottery, on a per capita basis. By statute, funds can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site.
- The *Lyons Urban Renewal Authority Fund* is used to account for monies received from incremental property taxes to be used to help develop areas within the district.
- *Stormwater Fund* – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of stormwater facilities of the Town. It is self-supported by customer user charges.

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

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Budgets are adopted on a basis consistent with Colorado Revised Statutes and Local Government Budget Law. The budgets for the Town are adopted for all funds and presented on a basis consistent with GAAP except as follows. In the budgets for the enterprise funds: 1) bond and other debt proceeds are treated as other financing sources, and bond and other debt principal payments are treated as budget expenditures, 2) tap fees for the Electric Fund and Water and Sanitation Fund are treated as budgeted revenues, 3) no depreciation or amortization is budgeted 4) capital acquisitions are treated as budget expenditures and 5) gains on disposals of equipment are not recognized as revenues for budget purposes.

Expenditures may not legally exceed budgeted appropriations at the fund level for all funds. Appropriations for all funds lapse at fiscal year-end. The budget of the Town is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues and represents a process through which policy decisions are made, implemented, and controlled.

The 2023 expenditures related to the Grants Fund was in excess of appropriations. This may be a violation of Colorado Budget Law. The Town made two budget amendments in 2023 which increased the original budget by \$3,566,878.

Legal Compliance – TABOR Amendment

Colorado voters passed an amendment to the Colorado Constitution (Article X, Section 20 or "TABOR") at the general election held on November 3, 1992. The language of TABOR applies to the State and all local governments, including the Town. TABOR has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government.

TABOR generally requires that the voters of the town approve any new tax, increase of existing tax, or property tax mill levy increase. TABOR also limits increases in the Town's property tax revenue over the prior year to the rate of inflation plus the net percentage change in the actual value of all real property in the Town from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from taxable real property, unless otherwise approved by the voters. Any revenues collected in excess of these limits are required to be refunded during the next fiscal year.

On November 8, 1994, the voters within the Town approved a ballot question which authorizes the Town to collect, retain and expend the full amount of revenues generated by the Town of Lyons without any increase in any tax rate. All remaining restrictions of TABOR remain in full force and effect.

The Town believes it is in compliance with the requirements of the amendment. In order to determine its compliance, the Town has made certain interpretations of the amendment's language.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Revenue

Restrictions are placed upon certain revenue received by the Town when legally mandated to be used for specific purposes. Currently the voters have approved a restriction for 1% of the 3.5% sales and use tax to be used for parks and recreation. The exception to this allocation is the amount of recreational marijuana sales tax which remains in the General Fund.

Under this formula, sales and use tax was recorded in the funds as follows:

	<u>Percentage</u>	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Total</u>
General Fund	73.91%	\$ 1,283,895	\$ 145,293	\$ 1,429,188
Parks, Recreation and Cultural Fund	26.09%	453,204	71,248	524,452
	<u>100%</u>	<u>\$ 1,737,099</u>	<u>\$ 216,541</u>	<u>\$ 1,953,640</u>

Assets, Liabilities, Deferred Inflow of Resources and Net Position/Fund Balances

Cash and Investments – For the purpose of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less, which are available for unrestricted purposes. Investments are stated at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of December 31, 2023, management believes all receivables are collectible.

Accounts receivable in the enterprise funds represent the utility billings for customer accounts. Unpaid amounts represent an enforceable lien on the property; therefore, no allowance for uncollectible amounts is made.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *due from other funds* and *due to other funds* because they are short-term in nature.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Inventories - Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Capital Assets - Capital assets, including "public domain" infrastructure capital assets such as streets, bridges, curbs, and gutters, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual acquisition cost of more than \$10,000 for infrastructure assets and \$5,000 for all other capital assets, with an estimated useful life of more than one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Inflow of Resources and Net Position/Fund Balances
(Continued)

Capital Assets (Continued)

Donated capital assets are recorded at estimated acquisition cost at the date of the donation.

Acquisition costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Only those infrastructure assets associated with governmental activities that were completed beginning in 2004 have been capitalized as additions.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is reported on the government-wide financial statements.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives. Capital assets not being depreciated include land, water rights, and construction in progress.

Building and improvements	10 - 30 years
Plant and systems	20 - 40 years
Infrastructure	20 - 50 years

The Town holds various artworks including photography, maps, artifacts, tools and other memorabilia in addition to monuments and statues on display at various sites around Town which are for public exhibition rather than financial gain; these works of art are not capitalized.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period, reimbursable grant revenues which were earned but were not available and lease revenues to be received in the future as of December 31, 2023.

Unearned Revenues – Unearned revenues generally would include advance payments related to camping fees and certain grant advance payments.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Inflow of Resources and Net Position/Fund Balances (Continued)

Compensated Absences – It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused paid time off (PTO). Upon separation from Town service, earned but unused PTO up to 80 hours is paid to the employee. Accumulated PTO is accrued when earned in the government-wide and proprietary fund type financial statements. A liability is reported in the governmental funds financial statements when payment is due.

Long-Term Debt – 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 governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts related to debt issuance are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

Fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making body for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Town has no committed fund balance.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Unassigned – All other spendable amounts.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Inflow of Resources and Net Position/Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Property Taxes - Property taxes are levied by the Board and certified to Boulder County for collection by December 15 of each year. These taxes attach an enforceable lien on property as of January 1 of the succeeding year and are payable in full by May 2 or in two installments by February 28 and June 15 in the year of collection. The County Treasurer collects the property taxes and remits the collections to the Town monthly.

Retirement Commitments - Effective January 1, 1998, a Savings Incentive Match Plan for Employees (SIMPLE) IRA Plan was established by the Board of Trustees. Capital Guardian Trust Company administers the defined contribution plan with investments made within the American Funds Group chosen by the employee. The Town Board of Trustees amended the plan effective for 2023. Under the updated plan, participation by the employee is mandatory at 3% of the employee's gross salary and the Town automatically matches this percentage. The employee can choose to contribute an additional 2% and the Town will match that additional amount. A new employee is eligible to participate following successful completion of a one-month period. Employee contributions are 100% vested at the time of contribution with the Town's contribution being vested 20% for every year of employment and fully vested after 5 years. During the year ended December 31, 2023, the Town contributed \$134,710 to the Plan on behalf of the employees.

Risk Management

The Town is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Inflow of Resources and Net Position/Fund Balances (Continued)

Risk Management (Continued)

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have ability to significantly affect the operations of the unit.

The Town's claims have not exceeded coverage in the last three fiscal years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect certain reported amounts and disclosures. The Town has recorded a receivable for approximately \$3,100,000 from the State of Colorado for the Federal and State share of costs related to the flood restoration grants. Due to the nature of the grants, the amounts which will ultimately be reimbursed by the State of Colorado is an estimate which may have a significant effect on future year's financial results. The Town believes that all costs which have been accrued are allowable.

Accounting Pronouncements

The Town adopted GASB 96 "Subscription-Based Information Technology Arrangements" effective January 1, 2023, which provided guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The adoption of the standard had no effect on the Town's current financial statements.

NOTE 2 - CASH AND INVESTMENTS

A summary of deposits and investments as of December 31, 2023, follows:

Petty cash	\$ 1,736
Deposits	3,762,053
Investments	6,187,141
Total Cash and Investments	<u>\$ 9,950,930</u>

The above amounts are classified in the financial statements as follows:

Cash and investments	\$ 9,916,740
Restricted cash and investments	34,190
Total Cash and Investments	<u>\$ 9,950,930</u>

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk – Deposits - In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101 et. seq., The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2023, the carrying amount of the Town's deposits was \$3,762,053 and the bank balance was \$3,322,201. Of this amount \$250,000 was covered by FDIC insurance. The remaining \$2,966,309 was included in the PDPA funds. The Town has \$105,892 of funds held by a credit card processor, which is uninsured.

Credit Risk – Investments - Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town does not have an investment policy that would further limit its investment choices. The Town invests excess funds under the prudent investor rule. Criteria for selection of investments and their order of priority are:

- Safety
- Liquidity
- Yield

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

The Town invests funds in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds (pool). The Trust was organized in 1985 in accordance with the Investment Funds - Local Government Pooling Act, (Part 7, Article 75, Title 24, Colorado Revised Statues), to allow Colorado governmental entities to pool their funds to take advantage of short-term investments and maximize net interest earnings.

The State Securities Commissioner administers and enforces all State statutes governing the pool. The pool operates similar to a money market fund and each share is equal in value to \$1.00. The pool offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. Both COLOTRUST and COLOTRUST PLUS+portfolios may invest in U.S. Treasury Securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of the U.S. agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of the U.S. government agencies. The general objective of COLOTRUST EDGE is to generate a higher level of income than provided by a traditional stable NAV LGIP while seeking to protect participant capital. A designated custodial bank serves as custodian for the pool's portfolios pursuant to a custodial agreement. The custodian acts as safekeeping agent for the pool's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST places no restrictions or limitations on withdrawals. The fund is rated AAAm by the Standard and Poor's Corporation. At December 31, 2023, the Town had invested \$6,187,141 in COLOTRUST PLUS+. COLOTRUST funds are valued at NAV rather than by level. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk - The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2023, the Town has interest rate risk related only to its investments in COLOTRUST. At December 31, 2023, COLOTRUST PLUS+ had a weighted average to final maturity of 78 days.

Custodial Credit Risk – Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the Town's investments consisted of the investment pool.

Fair Value Hierarchy - The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above investment pool is not subject to the Fair Value Hierarchy.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CASH - RESTRICTED

The Electric Fund revenue note agreement contains a provision requiring the Town to maintain \$34,190 in a bond sub-account restricted for debt service as of December 31, 2023.

NOTE 4 - LEASES

The Town leases building space to the U.S. Postal Service under an operating lease for which the first five-year option period ends in September of 2026 with another five-year option through September of 2031. The agreement calls for monthly payments of \$9,798 for the first option period and \$10,305 for the second option period. The Town adopted GASB 87 effective January 1, 2022, and based upon that, the Town recognized the receivable of \$1,016,305 and deferred inflow of resources of the same amount. In addition, the Town recognized a reduction in the inflow of resources of \$120,514 for the year ending December 31, 2023, and interest of \$25,095 based on the Town's estimated incremental borrowing rate of 2.87%. The balance of the receivable is \$835,585 and deferred inflow of resources related to the lease is \$806,209 as of December 31, 2023. The assets leased were constructed by the Town in 2013 at a cost of \$322,000.

The following is a summary of expected lease payments as of December 31, 2023:

Year	Principal	Interest	Total
2024	\$ 95,070	\$ 22,506	\$ 117,576
2025	97,864	19,712	117,576
2026	102,708	16,896	119,604
2027	109,784	13,876	123,660
2028	112,902	10,758	123,660
2029-2031	317,257	12,503	329,760
	<u>\$ 835,585</u>	<u>\$ 96,251</u>	<u>\$ 931,836</u>

NOTE 5 - INTERNAL BALANCES

During the year ended December 31, 2023, the Town transferred the following amounts. The Town also transferred capital assets related to projects completed in the Grant fund in the amount of \$52,417 to the various Enterprise funds during 2023.

	<u>Transfer From Other Funds</u>	<u>Transfer To Other Funds</u>
General Fund	\$ 1,669	\$ 395,700
Lyons Urban Renewal Fund	-	1,669
Capital Improvement Fund	385,700	-
Grant Fund	<u>10,000</u>	<u>-</u>
Totals	\$ 397,369	\$ 397,369

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - INTERNAL BALANCES (CONTINUED)

The following are the balances owed between funds as of December 31, 2023. The balances are generally expected to be repaid within one year.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major funds		
General Fund	\$ 106,373	\$ 10,089
Grants Fund	1,451,303	1,503,545
Parks Fund	-	7,058
Water and Sanitation Fund	8,258	-
Non-Major Funds		
Lyons Urban Renewal Fund	-	45,242
Totals	\$ 1,565,934	\$ 1,565,934

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2023, was as follows:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 21,646,418	\$ -	\$ -	\$ 21,646,418
Construction in progress	2,203,174	1,585,703	(512,253)	3,276,624
Total capital assets, not depreciated	<u>23,849,592</u>	<u>1,585,703</u>	<u>(512,253)</u>	<u>24,923,042</u>
Capital assets being depreciated				
Buildings	4,947,497	-	-	4,947,497
Improvements	31,932,519	1,180,429	-	33,112,948
Equipment	937,787	90,809	-	1,028,596
Total capital assets, depreciated	<u>37,817,803</u>	<u>1,271,238</u>	<u>-</u>	<u>39,089,041</u>
Less accumulated depreciation for				
Buildings	(1,161,066)	(149,617)	-	(1,310,683)
Improvements	(7,741,523)	(2,318,770)	-	(10,060,293)
Equipment	(570,543)	(66,196)	-	(636,739)
Total accumulated depreciation	<u>(9,473,132)</u>	<u>(2,534,583)</u>	<u>-</u>	<u>(12,007,715)</u>
Total capital assets being depreciated, net	<u>28,344,671</u>	<u>(1,263,345)</u>	<u>-</u>	<u>27,081,326</u>
Governmental activities				
Capital assets, net	<u>\$ 52,194,263</u>	<u>\$ 322,358</u>	<u>\$ (512,253)</u>	<u>\$ 52,004,368</u>

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - CAPITAL ASSETS (CONTINUED)

The amount of depreciation charged to each governmental function on the government-wide Statement of Activities is as follows:

General government	\$ 39,936
Public works and streets	1,245,816
Parks, culture, and recreation	<u>1,248,831</u>
Total current year depreciation	<u><u>\$ 2,534,583</u></u>

Capital asset activity for the business-type activities for the year ended December 31, 2023, was as follows:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23
Business-type Activities				
Capital assets, not being depreciated				
Land and water rights	\$ 2,630,560	\$ -	\$ (10,000)	\$ 2,620,560
Construction in progress	<u>45,884</u>	<u>200,605</u>	<u>-</u>	<u>246,489</u>
Total capital assets, not depreciated	<u>2,676,444</u>	<u>200,605</u>	<u>(10,000)</u>	<u>2,867,049</u>
Capital assets being depreciated				
Plant and systems	33,708,198	-	-	33,708,198
Equipment	<u>491,294</u>	<u>52,417</u>	<u>-</u>	<u>543,711</u>
Total capital assets, depreciated	<u>34,199,492</u>	<u>52,417</u>	<u>-</u>	<u>34,251,909</u>
Less accumulated depreciation for				
Plant and systems	(10,474,261)	(1,163,424)	-	(11,637,685)
Equipment	<u>(331,346)</u>	<u>(31,755)</u>	<u>-</u>	<u>(363,101)</u>
Total accumulated depreciation	<u>(10,805,607)</u>	<u>(1,195,179)</u>	<u>-</u>	<u>(12,000,786)</u>
Total capital assets being depreciated, net	<u>23,393,885</u>	<u>(1,142,762)</u>	<u>-</u>	<u>22,251,123</u>
Business-type activities, Capital assets, net	<u>\$ 26,070,329</u>	<u>\$ (942,157)</u>	<u>\$ (10,000)</u>	<u>\$ 25,118,172</u>

Depreciation expense for the business-type activities totaled \$1,195,179 for the year ended December 31, 2023

NOTE 7 - LONG TERM DEBT

	Balance 1/1/23	Advances	Payments	Balance 12/31/23	Due Within One Year
Governmental activities					
Advance from State	\$ 5,898,094	\$ -	\$ 830,700	\$ 5,067,394	\$ 3,000,000
Compensated absences	<u>31,692</u>	<u>57,179</u>	<u>56,942</u>	<u>31,929</u>	<u>31,929</u>
	<u><u>\$ 5,929,786</u></u>	<u><u>\$ 57,179</u></u>	<u><u>\$ 887,642</u></u>	<u><u>\$ 5,099,323</u></u>	<u><u>\$ 3,031,929</u></u>

Compensated absences from governmental activities are generally liquidated by the General Fund.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - LONG TERM DEBT (CONTINUED)

During 2014, the Town received an advance from the State of Colorado to assist with cashflow issues in the amount of \$3,500,000. During 2015, the Town received an additional \$3,000,000 and an additional \$3,000,000 in 2016. The advance is to be paid with the final FEMA reimbursements. Currently, the Town expects to repay approximately \$3,000,000 to the State in 2024. The advance has no interest component.

	Balance 1/1/23	Advances	Payments	Balance 12/31/23	Due Within One Year
Business-type activities					
2006 Elec Rev Note	\$ 120,119	\$ -	\$ 27,704	\$ 92,415	\$ 29,200
2019 Elec Rev Ref Bonds	93,410	-	93,410	-	-
2003 CWRPDA Loan	587,187	-	285,205	301,982	301,982
2013 CWRPDA Loan	3,332,006	-	259,098	3,072,908	262,253
Compensated absences	18,515	31,120	32,290	17,345	17,345
	<u>\$ 4,151,237</u>	<u>\$ 31,120</u>	<u>\$ 697,707</u>	<u>\$ 3,484,650</u>	<u>\$ 610,780</u>

• *Electric Fund – Revenue Refunding Bonds*

Revenue refunding bonds were issued in March 2019 (the 2019 Bonds) and refunded the 2003 electric revenue bonds in the amount of \$447,289. The average coupon rate is 2.87% over five years with the final payment on December 1, 2023. The 2019 Bonds may be redeemed without premium upon 30 days' notice by the Town. The 2019 Bonds are secured by pledged revenues consisting of gross revenues after deducting operating and maintenance expenses and by amounts in the reserve account. The 2019 Bonds were issued as a direct placement.

In 2006, a revenue note was issued in the amount of \$412,000 in support of the same project. The rate on this note is 5.4% with a twenty-year term.

• *Water fund - loans payable*

A loan agreement was approved June 1, 2003 with the Colorado Water Resources and Power Development Authority (CWRPDA) (the 2003 loan) through the Drinking Water Revolving Fund in the principal amount of \$4,582,306 at 3.03% interest. Payments were due on February 1 and August 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment was originally due on August 1, 2024. Revenues are pledged.

This note was refinanced by the CWRPDA in February 2013. The refinancing provided a present value savings of approximately 4.1% as a percentage of current outstanding loan principal. These anticipated refunding credits will be reduced against the Town's principal at the time the credit is issued. The 2003 loan matures on August 1, 2024.

The Town entered into a loan agreement with the CWRPDA through the Drinking Water Revolving Fund, dated April 18, 2014 (the 2013 loan), in the principal amount of \$5,200,000. \$3,200,000 of the loan balance bears interest at 2.00% interest while the balance or "green" portion is at 0%. Payments were due on May 1 and November 1 of each year, payable from the revenues of the Water and Sanitation Fund. Final payment is due on November 1, 2034. Capital improvements are pledged.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - LONG TERM DEBT (CONTINUED)

The Water fund loan agreements with the CWRPDA require three months operations and maintenance expenses be restricted for debt service. For purposes of the bond issue, the Water and Sanitation funds are combined. The required amount of restricted net position totals \$452,000 as of December 31, 2023.

As of December 31, 2023, the Town was in compliance with the required debt service covenants regarding adequate rates on both notes.

Principal and interest payments on long term debt are due as follows:

Year	Principal	Interest	Total
2024	\$ 593,435	\$ 47,144	\$ 640,579
2025	296,248	38,387	334,635
2026	301,193	33,442	334,635
2027	272,103	28,341	300,444
2028	275,520	24,924	300,444
2029-2033	1,431,296	70,927	1,502,223
2034	<u>297,510</u>	<u>2,934</u>	<u>300,444</u>
	<u><u>\$ 3,467,305</u></u>	<u><u>\$ 246,099</u></u>	<u><u>\$ 3,713,404</u></u>

Interest expense for the year ended December 31, 2023, totaled \$61,769.

NOTE 8 - NET POSITION

As described in Note 1, net position in the Government-Wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. As of December 31, 2023 restrictions on the governmental activities net position totaled \$2,227,298. Restrictions on the net position of the business type activities totaled \$486,190.

NOTE 9 - ADDITIONAL CASH FLOW INFORMATION

The Town recognized capital asset additions of \$52,417 in the Water and Wastewater Fund which were non-cash contributions from the Grant Fund. In addition, the Water and Wastewater fund had previously recognized \$437,659 of accounts payable related to the construction of the wastewater plant in prior years. The payable was included as part of the settlement in 2023.

TOWN OF LYONS, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 10- COMMITMENTS AND CONTINGENCIES

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies, as well as matching obligations from the Town. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants.

The Town constructed a new waste-water treatment plant which was completed in 2016. The plant is currently operating at 135% of capacity with limited growth since its completion. It is currently working with contractors responsible for the construction of the plant to resolve the capacity related issues. One of the options might be an expansion of the plant. Both Honeywell and the Town were seeking additional compensation. The Town settled an ongoing lawsuit related to the wastewater treatment facility. The settlement and the release of an outstanding invoice liability resulted in a \$2,237,659 increase in the Water and Sanitation fund.

Commitments

During 2023, the Town entered several agreements related to the flood reconstruction and other projects. The total remaining balances of these agreements as of December 31, 2023, is approximately \$1,400,000. The Town anticipates that most of these costs will be paid by grant reimbursements.

NOTE 11- SUBSEQUENT EVENT

The Town was awarded and accepted several grants in 2024 prior to the issuance of the 2023 financial statements. The Town has been awarded a \$800,000 grant through the Congressional Directed Spending for improvements to the St. Vrain trail. They also have received \$120,000 in Colorado Department of Transportation grants related to Safe Streets.

NOTE 12- PRIOR YEAR RESTATEMENT

The Town found subsequent to the issue of its 2022 financial statements that it had recognized a deferral reduction related to the subsequent collection of a receivable in the grant fund of \$31,737 in error. The correction of the error resulted in an increase of the unavailable resources grants and rlf funds of \$31,737 in the Grant Fund and a decrease of the fund balance by the same amount as of December 31, 2022. The correction had no effect on the Town's Government Wide presentation.



Required Supplementary Information

TOWN OF LYONS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final		
<u>Revenues</u>				
Taxes				
General property tax	\$ 855,539	\$ 855,539	\$ 854,581	\$ (958)
Specific ownership tax	34,000	34,000	39,273	5,273
Sales tax	1,318,678	1,318,678	1,283,895	(34,783)
Use tax	106,335	106,335	145,293	38,958
Other taxes and fees	99,869	99,869	134,771	34,902
Licenses and permits	112,915	112,915	148,416	35,501
Intergovernmental	22,000	22,000	30,158	8,158
Charges for services	376,006	376,006	370,056	(5,950)
Fines and forfeitures	50,000	50,000	69,415	19,415
Investment earnings	5,000	5,000	121,976	116,976
Rental income	128,076	128,076	128,418	342
Other income	10,000	10,000	39,174	29,174
Total revenues	<u>3,118,418</u>	<u>3,118,418</u>	<u>3,365,426</u>	<u>247,008</u>
<u>Expenditures</u>				
Current				
General government				
Legislative council	61,846	61,846	61,918	(72)
Judicial	31,932	31,932	31,865	67
Administrative	1,050,143	1,114,567	995,798	118,769
Public safety	492,150	576,972	466,898	110,074
Economic development	151,819	151,819	103,223	48,596
Building inspections	70,581	70,581	86,824	(16,243)
Public works - streets	411,432	577,132	277,337	299,795
Planning	322,923	322,923	236,029	86,894
Health, welfare and community	188,191	198,191	229,664	(31,473)
Visitor's Center	8,760	8,760	8,023	737
Capital outlay	<u>100,000</u>	<u>191,000</u>	<u>129,019</u>	<u>61,981</u>
Total expenditures	<u>2,889,777</u>	<u>3,305,723</u>	<u>2,626,598</u>	<u>679,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>228,641</u>	<u>(187,305)</u>	<u>738,828</u>	<u>926,133</u>
<u>Other financing sources (uses)</u>				
Transfers in	-	-	1,669	1,669
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(395,700)</u>	<u>(270,700)</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(394,031)</u>	<u>(269,031)</u>
Net change in fund balances	<u>\$ 103,641</u>	<u>\$ (312,305)</u>	<u>344,797</u>	<u>\$ 657,102</u>
Fund balances - beginning			<u>2,039,538</u>	
Fund balances - ending			<u>\$ 2,384,335</u>	

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 1,870,000	\$ 2,003,365	\$ 133,365
Contributions and donations	- -	- -	24,447	24,447
Investment interest	- -	- -	429	429
Other income	<u>11,000</u>	<u>11,000</u>	<u>78,919</u>	<u>67,919</u>
Total revenues	<u>11,000</u>	<u>1,881,000</u>	<u>2,107,160</u>	<u>226,160</u>
<u>Expenditures</u>				
Current				
General government	- -	- -	23,927	(23,927)
Health and Welfare	- -	- -	54,551	(54,551)
Economic development	<u>22,762</u>	<u>22,762</u>	<u>147,716</u>	<u>(124,954)</u>
Public works	- -	- -	33	(33)
Capital outlay	- -	<u>1,039,300</u>	<u>1,530,715</u>	<u>(491,415)</u>
Debt service				-
Principal	<u>-</u>	<u>830,700</u>	<u>830,700</u>	<u>-</u>
Total expenditures	<u>22,762</u>	<u>1,892,762</u>	<u>2,587,642</u>	<u>(694,880)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,762)</u>	<u>(11,762)</u>	<u>(480,482)</u>	<u>(468,720)</u>
<u>Other financing sources (uses)</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balances	<u>\$ (11,762)</u>	<u>\$ (11,762)</u>	<u>(470,482)</u>	<u>\$ (458,720)</u>
Fund balances - beginning - restated			<u>1,463,583</u>	
Fund balances - ending			<u>\$ 993,101</u>	

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
PARKS, RECREATION, AND CULTURAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 472,734	\$ 472,734	\$ 453,204	\$ (19,530)
Use tax	52,530	52,530	71,248	18,718
Home additions fees	6,000	6,000	1	(5,999)
Interest income	3,500	3,500	52,111	48,611
Charges for services				
Camping	290,000	290,000	291,009	1,009
Other park division charges	209,900	209,900	190,669	(19,231)
Recreation	36,000	36,000	43,327	7,327
Cultural and special events	11,500	11,500	4,130	(7,370)
Other income	1,500	1,500	1,150	(350)
Total revenues	<u>1,083,664</u>	<u>1,083,664</u>	<u>1,106,849</u>	<u>23,185</u>
Expenditures				
Administrative	255,542	352,512	166,387	186,125
Allocated expenses	171,850	171,850	171,850	-
Cultural and recreation				
Special event expenditures	21,500	21,500	20,266	1,234
Parks				
Operations and maintenance	646,445	652,445	676,027	(23,582)
Recreation	6,500	6,500	7,667	(1,167)
Capital outlay	-	7,000	6,528	472
Total expenditures	<u>1,101,837</u>	<u>1,211,807</u>	<u>1,048,725</u>	<u>163,082</u>
Net change in fund balances	<u>\$ (18,173)</u>	<u>\$ (128,143)</u>	<u>58,124</u>	<u>186,267</u>
Fund balance, beginning			<u>954,960</u>	
Fund balance, end			<u>\$ 1,013,084</u>	

See accompanying Independent Auditors' Report.



Other Supplementary Information Combining and Individual Fund Statements and Schedules

TOWN OF LYONS, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Special Revenue		
	Conservation Trust Fund	Lyons Urban Renewal Authority	Total
Assets			
Cash and cash equivalents	\$ 70,793	\$ 67,216	\$ 138,009
Property taxes receivable	-	36,670	36,670
Total Assets	<u>\$ 70,793</u>	<u>\$ 103,886</u>	<u>\$ 174,679</u>
Liabilities			
Accounts payable	\$ -	\$ 2,374	\$ 2,374
Due to other funds	-	45,242	45,242
Total Liabilities	-	47,616	47,616
Deferred Inflows of Resources			
Unavailable resources property taxes	-	36,670	36,670
Fund Balance			
Restricted for			
Parks, recreation and cultural	70,793	-	70,793
Assigned to			
Community development	-	19,600	19,600
Total Fund Balance	<u>70,793</u>	<u>19,600</u>	<u>90,393</u>
Total Liabilities and Fund Balance	<u>\$ 70,793</u>	<u>\$ 103,886</u>	<u>\$ 174,679</u>

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Special Revenue</u>		
	Conservation Trust Fund	Lyons Urban Renewal Authority	Total
<u>Revenues</u>			
Property taxes	\$ -	\$ 29,381	\$ 29,381
Intergovernmental revenue	30,470	-	30,470
Investment earnings	3,247	-	3,247
Total revenues	<u>33,717</u>	<u>29,381</u>	<u>63,098</u>
<u>Expenditures</u>			
General government	-	15,928	15,928
Capital outlay	<u>10,250</u>	<u>-</u>	<u>10,250</u>
Total expenditures	<u>10,250</u>	<u>15,928</u>	<u>26,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,467</u>	<u>13,453</u>	<u>36,920</u>
<u>Other financing sources (uses)</u>			
Transfers out	-	(1,669)	(1,669)
Total other financing sources (uses)	<u>-</u>	<u>(1,669)</u>	<u>(1,669)</u>
Net change in fund balance	23,467	11,784	35,251
Fund balance, beginning of year	<u>47,326</u>	<u>7,816</u>	<u>55,142</u>
Fund balance, end of year	<u><u>\$ 70,793</u></u>	<u><u>\$ 19,600</u></u>	<u><u>\$ 90,393</u></u>

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Conservation Trust Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
<u>Revenues</u>				
Intergovernmental revenue	\$ 27,000	\$ 27,000	\$ 30,470	\$ 3,470
Investment earnings	1,000	1,000	3,247	2,247
Total revenues	28,000	28,000	33,717	5,717
<u>Expenditures</u>				
Capital outlay	<u>13,500</u>	<u>13,500</u>	<u>10,250</u>	<u>3,250</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>10,250</u>	<u>3,250</u>
Net change in fund balance	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>23,467</u>	<u>\$ 8,967</u>
Fund balance, beginning of year			<u>47,326</u>	
Fund balance, end of year			<u>\$ 70,793</u>	

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
NON-MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Lyons Urban Renewal Authority				
	Original Budget	Final Budget	Actual	Variance With Final Budget	
<u>Revenues</u>					
Property taxes	\$ 28,432	\$ 28,432	\$ 29,381	\$ 949	
Total revenues	28,432	28,432	29,381	949	
<u>Expenditures</u>					
General government	20,626	20,626	15,928	4,698	
Excess (deficiency) of revenues over (under) expenditures	7,806	7,806	13,453	5,647	
<u>Other financing sources (uses)</u>					
Transfers out	(5,300)	(5,300)	(1,669)	3,631	
Net change in fund balance	<u>\$ 2,506</u>	<u>\$ 2,506</u>	11,784	<u>\$ 9,278</u>	
Fund balance, beginning of year			<u>7,816</u>		
Fund balance, end of year			<u>\$ 19,600</u>		

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<u>Revenues</u>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>Expenditures</u>				
Capital outlay	200,000	720,700	720,593	107
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(720,700)	(720,593)	107
<u>Other financing sources (uses)</u>				
Transfers in	125,000	385,700	385,700	-
Total other financing sources (uses)	125,000	385,700	385,700	-
Net change in fund balance	<u>\$ (75,000)</u>	<u>\$ (335,000)</u>	(334,893)	<u>\$ 107</u>
Fund balance, beginning of year			560,000	
Fund balance, end of year			<u>\$ 225,107</u>	

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
ENTERPRISE FUNDS - SCHEDULE OF REVENUE, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Electric Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
<u>Revenues</u>				
Sales	\$ 1,672,540	\$ 1,672,540	\$ 1,493,697	\$ (178,843)
Investment / tap fees	9,000	9,000	4,500	(4,500)
Investment earnings	3,000	3,000	49,216	46,216
Other income	20,000	20,000	25,039	5,039
Insurance proceeds	-	-	4,566	4,566
 Total revenues	 1,704,540	 1,704,540	 1,577,018	 (127,522)
<u>Operating expenses</u>				
Administrative	180,056	192,335	174,342	17,993
Allocated expenses	56,648	56,648	56,648	-
Distribution and maintenance	1,169,911	1,169,911	1,119,512	50,399
Debt service				
Bond principal	121,179	121,179	121,113	66
Bond interest	9,570	9,570	8,320	1,250
Capital outlay	146,000	518,275	200,605	317,670
 Total expenses	 1,683,364	 2,067,918	 1,680,540	 387,378
 Net income (loss)	 \$ 21,176	 \$ (363,378)	 (103,522)	 \$ 259,856
<u>Reconciliation to change in net position</u>				
Add bond principal paid			121,113	
Add Capital outlay			200,605	
Less depreciation expense			(121,110)	
 Change in net position	 \$ 97,086			

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
ENTERPRISE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Water and Sanitation Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<u>Revenues</u>				
Sales	\$ 1,947,340	\$ 1,947,340	\$ 1,955,578	\$ 8,238
Tap fees	52,000	52,000	58,460	6,460
Investment earnings	5,000	5,000	81,062	76,062
Sale of assets	-	-	26,056	26,056
Miscellaneous	15,000	1,815,000	2,274,963	459,963
Total revenues	<u>2,019,340</u>	<u>3,819,340</u>	<u>4,396,119</u>	<u>576,779</u>
<u>Expenses</u>				
Administration	546,844	703,758	669,517	34,241
Allocated expenses	120,894	120,894	120,894	-
Treatment services	723,500	723,500	803,201	(79,701)
Distribution services	273,749	273,749	212,583	61,166
Capital outlay	20,000	20,000	-	20,000
Debt service				
Principal	544,303	544,303	544,304	(1)
Interest	<u>59,310</u>	<u>59,310</u>	<u>53,449</u>	<u>5,861</u>
Total expenses	<u>2,288,600</u>	<u>2,445,514</u>	<u>2,403,948</u>	<u>41,566</u>
Net income (loss)	<u>\$ (269,260)</u>	<u>\$ 1,373,826</u>	<u>1,992,171</u>	<u>\$ 618,345</u>
<u>Reconciliation to change in net position</u>				
Contributed assets			52,418	
Add bond principal paid			544,304	
Less depreciation and amortization expense			<u>(1,009,671)</u>	
Change in net position			<u>\$ 1,579,222</u>	

See accompanying Independent Auditors' Report.

TOWN OF LYONS, COLORADO
ENTERPRISE FUNDS - SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Stormwater Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Service fees	\$ 117,930	\$ 117,930	\$ 118,383	\$ 453
Investment earnings	500	500	11,580	11,080
Total revenues	<u>118,430</u>	<u>118,430</u>	<u>129,963</u>	<u>11,533</u>
Expenses				
Administration	53,769	58,163	52,317	5,846
Allocated expenses	17,914	17,914	17,914	-
Maintenance	47,003	47,003	14,803	32,200
Capital outlay	81,000	185,400	-	185,400
Total expenses	<u>199,686</u>	<u>308,480</u>	<u>85,034</u>	<u>223,446</u>
Net income (loss)	<u><u>\$ (81,256)</u></u>	<u><u>\$ (190,050)</u></u>	<u><u>44,929</u></u>	<u><u>\$ 234,979</u></u>
Reconciliation to change in net position				
Less depreciation expense			(64,398)	
Change in net position			<u><u>\$ (19,469)</u></u>	



Other Supplementary Information State Compliance

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Lyons		
		YEAR ENDING : December 2023		
This Information From The Records Of (example - City of _ or County of Town of Lyons, Colorado)		Prepared By: Phone: (303)-823-6622		
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	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes	1,186,052	1. Capital outlay (from page 2)	2,158,747	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	223,518	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	7,123	
2. General fund appropriations		b. Snow and ice removal	25,060	
3. Other local imposts (from page 2)	51,444	c. Other	21,636	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	53,819	
5. Transfers from toll facilities		4. General administration & miscellaneous	135,020	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	114,677	
a. Bonds - Original Issues		6. Total (1 through 5)	2,685,781	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest		
7. Total (1 through 6)	1,237,496	b. Redemption		
B. Private Contributions	6,175	c. Total (a. + b.)	0	
C. Receipts from State government (from page 2)	325,493	2. Notes:		
D. Receipts from Federal Government (from page 2)	1,116,617	a. Interest		
E. Total receipts (A.7 + B + C + D)	2,685,781	b. Redemption		
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	0	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	2,685,781	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
	0	2,685,781	2,685,781	0
E. Reconciliation				
Notes and Comments: The grant revenues related to CDBG-DR programs have been estimated on an accrual basis related to the expenditures incurred for the various flood related projects.				

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado
		YEAR ENDING (mm/yy): December 2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	12,171	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	39,273	g. Other Misc. Receipts	0
6. Total (1. through 5.)	51,444	h. Other	0
c. Total (a. + b.)	51,444	i. Total (a. through h.)	0
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	61,453	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	12,214	d. Federal Transit Admin	1,116,617
d. Other (Specify)CDOT	251,826	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Feder	
f. Total (a. through e.)	264,040	g. Total (a. through f.)	1,116,617
4. Total (1. + 2. + 3.f)	325,493	3. Total (1. + 2.g)	
(Carry forward to page 1)			

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	79,329	173,720	253,049
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	1,185,105	720,593	1,905,698
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	1,185,105	720,593	1,905,698
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,264,434	894,313	2,158,747
(Carry forward to page 1)			

Notes and Comments: